

PERFORMANCE SECTION



FISCAL YEAR 2004 PERFORMANCE AND ACCOUNTABILITY REPORT

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DEPARTMENT OF STATE STRATEGIC OBJECTIVES AND STRATEGIC GOALS

STRATEGIC OBJECTIVE #1
- Achieve Peace and Security -

Strategic Goal Title	Strategic Goal Description
Regional Stability	Avert and resolve local and regional conflicts to preserve peace and minimize harm to the national interests of the United States.
Counterterrorism	Prevent attacks against the United States, our allies, and our friends, and strengthen alliances and international arrangements to defeat global terrorism.
Homeland Security	Protect the homeland by enhancing the security of our borders and infrastructure.
Weapons of Mass Destruction	Reduce the threat of weapons of mass destruction to the United States, our allies, and our friends.
International Crime and Drugs	Minimize the impact of international crime and illegal drugs on the United States and its citizens.
American Citizens	Assist American citizens to travel, conduct business, and live abroad securely.

STRATEGIC OBJECTIVE #2
- Advance Sustainable Development and Global Interests -

Strategic Goal Title	Strategic Goal Description
Democracy and Human Rights	Advance the growth of democracy and good governance, including civil society, the rule of law, respect for human rights, and religious freedom.
Economic Prosperity and Security	Strengthen world economic growth, development, and stability, while expanding opportunities for U.S. businesses and ensuring economic security for the nation.
Social and Environmental Issues	Improve health, education, environment, and other conditions for the global population.
Humanitarian Response	Minimize the human costs of displacement, conflicts, and natural disasters.

STRATEGIC OBJECTIVE #3
- Promote International Understanding -

Strategic Goal Title	Strategic Goal Description
Public Diplomacy and Public Affairs	Increase understanding for American values, policies, and initiatives to create a receptive international environment.

STRATEGIC OBJECTIVE #4
- Strengthen Diplomatic and Program Capabilities -

Strategic Goal Title	Strategic Goal Description
Management and Organizational Excellence	Ensure a high quality workforce supported by modern and secure infrastructure and operational capabilities.

INTRODUCTION AND STRATEGIC GOAL CHAPTERS



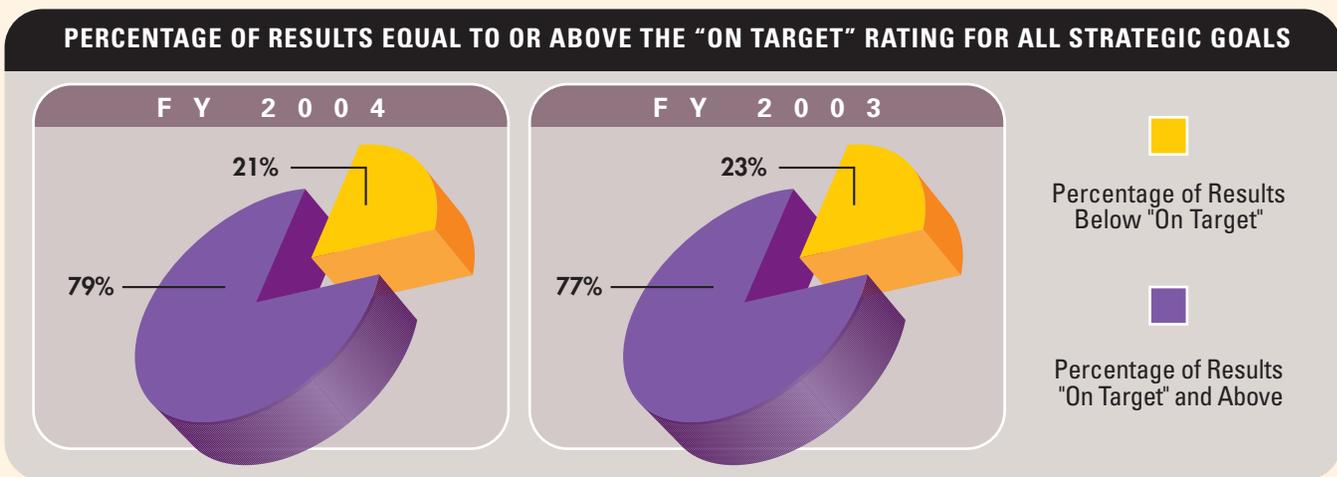
INTRODUCTION TO THE PERFORMANCE SECTION

In FY 2004, the Department accomplished its mission through twelve Strategic Goals that articulate long-term outcomes and thirty-eight performance goals that represent shorter-term outcomes and priorities. Performance goals include specific targets designed to achieve specific performance results within a given fiscal year.

The Performance Section of the report is composed of chapters for each Strategic Goal organized in the following nine sub-sections:

Sub-Section	Purpose
Public Benefit	A concise narrative describing how pursuit of the goal benefits America and the world.
Selected Performance Trends	Graphs that show key performance trends specific to each goal.
Strategic Context	A table depicting the various components (programs, lead bureaus, and external partners) that contribute to accomplishment of a given goal.
Performance Summary	A graphic summary of results achieved for the strategic goal.
Performance Analysis	A brief analysis of the Department's performance results, highlighting the results of the most important performance targets.
Resources Invested	A summary of resources (dollars and people) devoted to the strategic and performance goals for both the current reporting period (FY 2004) and the previous reporting period (FY 2003). The resource investments immediately follow the performance summary and performance analysis to provide the reader a concise snapshot of performance and resources as related to each strategic and performance goal.
Illustrative Example	An example of a key FY 2004 achievement that is typical of the Department's work in support of the goal.
Performance Results	The current target, results, rating, and a short impact statement, with a past performance history, pertaining to each of the FY 2004 results achieved. This section has been expanded to include data quality elements, which provide information on the data source, verification, and validation.
Program Evaluations and PART Reviews	Summaries of evaluations and reviews conducted on the programs or activities related to a given strategic goal.

The pie charts below (FY 2004 and FY 2003) illustrate the percentage of results attained equal to or above "On Target." Results include ratings for all twelve Strategic Goals. The greater the percentage of results equal to or greater than the "On Target" rating, the better.



STRATEGIC OBJECTIVE #1: ACHIEVE PEACE AND SECURITY

The foremost responsibility of government is protecting the life, liberty, and property of its citizens. Since our struggle for independence, diplomacy has been critical to our nation's security. The Department of State, as the nation's first line of offense, leads the effort to build and maintain relationships, coalitions, and alliances that help create the conditions for peace, contain or eliminate potential dangers from abroad before they can harm our citizens, and promote economic, social, and cultural cooperation.

We recognize that our own security is best guaranteed when our friends and neighbors are secure, free, and prosperous, and when they respect human rights and the rule of laws. As a result, the Department focuses its efforts on resolving regional conflicts, countering global terror networks, combating international organized crime, and keeping weapons of mass destruction out of the hands of those that can harm the United States, our allies, and our friends.

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. 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 a cost-effective means for enhancing and ensuring stability in all regions of the world. The Department contributes to building and strengthening U.S. relations with neighbors and allies worldwide by shaping regional environments and 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

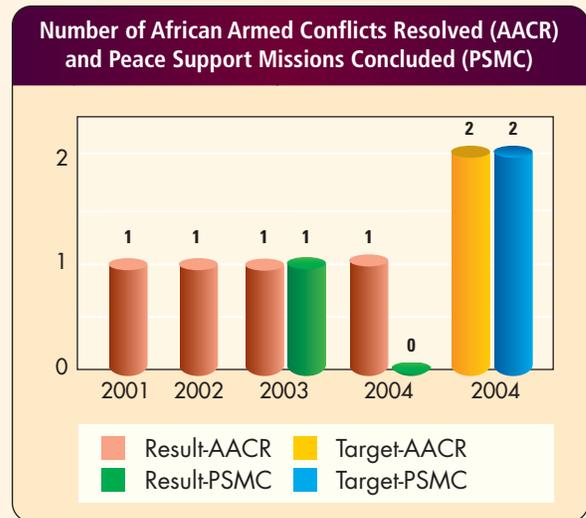
and dumping of hazardous wastes; exploitation of natural resources; trafficking in persons and in illegal conflict diamonds; and systemic, state-sponsored denial of women's political and legal rights. The Department also advances U.S. national security interests through the resolution of regional instability, so that Americans, at home and abroad, are safe from violence.



Chaudhry Shujaat Hussain, then Pakistan's interim Prime Minister, sees off U.S. Deputy Secretary of State Richard Armitage, after their July 2004 meeting at the Prime Minister's residence in Islamabad, Pakistan.

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II. Selected Performance Trends



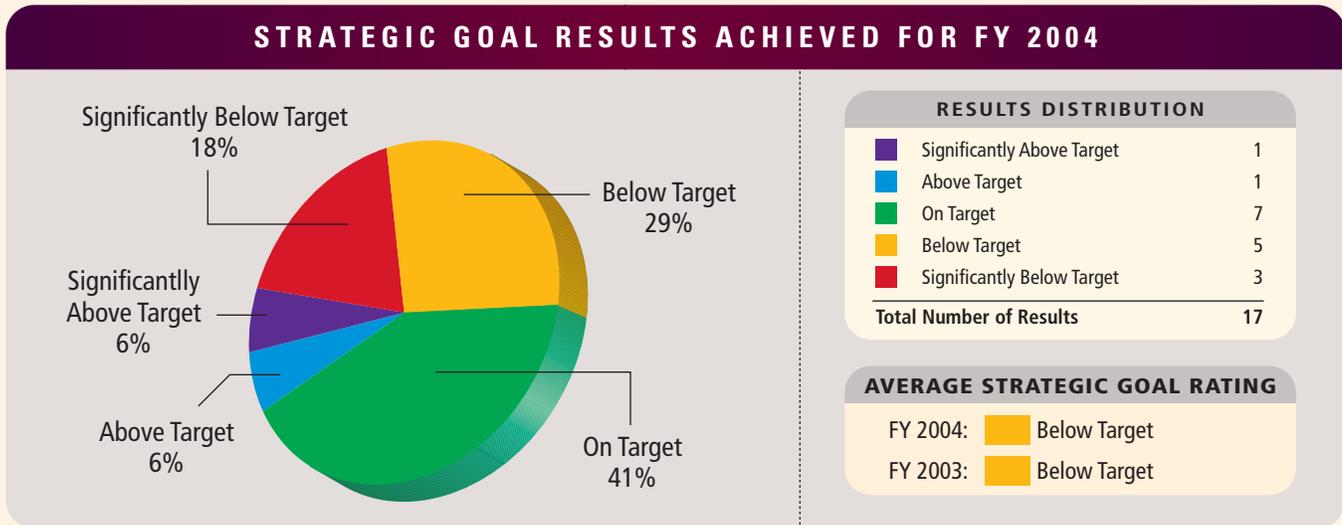
III. Strategic Context

This strategic goal is supported by two performance goals. Shown below are the major Initiatives/Programs, resources, bureaus, and partners that contribute to accomplishment of the strategic goal.

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	European and Eurasian Affairs	N/A
		Regional Stability in East Asia and the Pacific	D&CP	East Asian and Pacific Affairs	DoD
	Prevention and Resolution of Regional Conflicts	Conflict Management and Resolution	D&CP, PKO, IMET, FMF	African Affairs	DoD, United Nations Department for Peacekeeping Operations (UNDPKO), France, UK, Belgium, ECOWAS, Nigeria, Senegal, Ghana, Kenya, Benin, and Mali
		Indo-Pak Relations Kashmir	D&CP, FMF, INCLE, ESF, DA, PD	South Asian Affairs	USAID, NSC, DoD, and various UN Agencies
		Enhanced and Expanded Euro-Atlantic Partnership	D&CP	Arms Control, European and Eurasian Affairs	OSD, JCS, IC, NSC Joint Consultative Group (JCG) in Vienna, and NATO
		Peacekeeping Participation	D&CP, FMF	Political-Military Affairs	OSD/Special Operations and Low Intensity Conflict
		Restrict Advanced Conventional Weapons Transfers	D&CP	Nonproliferation	32 Member States of Wassenaar

IV. Performance Summary

The chart below shows the performance rating distribution of the FY 2004 results for the Regional Stability strategic goal. Also shown is a comparison between FY 2004 and FY 2003 average strategic goal ratings.



V. Performance Analysis

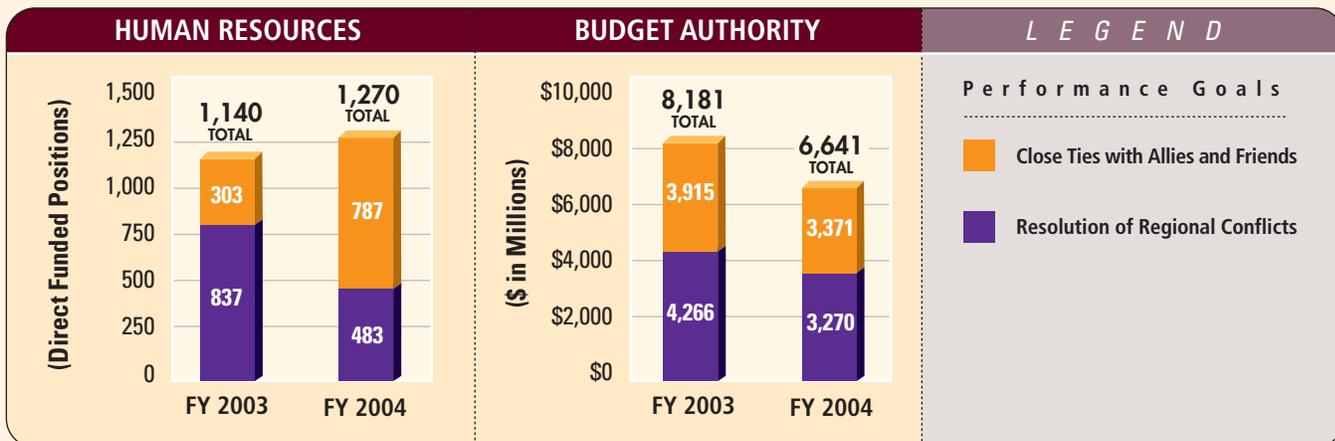
The pie chart above shows the performance rating distribution of the FY 2004 results for the Regional Stability strategic goal. Also shown is a comparison between the FY 2004 and FY 2003 average strategic goal ratings. FY 2004 results produced a rating of “Below Target,” unchanged from last year’s “Below Target” rating.

Of the 17 results, 53% or 9 of the results have been rated as “On Target” or above.

- **Two Ratings Ranked “Significantly Above Target” or “Above Target”** – These positive results pertain to the following:
 - Status of U.S.-South Korean Relations (I/P #2, Indicator #2)
 - Number of U.S. Peace Support Operations (PSOs) – Trained Countries That Participate in International PSOs. (I/P #6, Indicator #4)

- **Eight Ratings Ranked “Significantly Below Target” or “Below Target”** – Some of these areas of concern pertain to the following:
 - Status of Relations Between Pakistan and India, including Kashmir (I/P #4, Indicator #2)
 - Implementation of Adapted Conventional Armed Forces in Europe (CFE) Treaty (I/P #5, Indicator #3)
 - Effectiveness of Wassenaar Arrangement (WA) Control Lists (I/P #7, Indicator #5)

VI. Resources Invested



VII. Illustrative Example of a Significant Achievement

Africa Contingency Operations Training and Assistance (ACOTA) Program

The mission of the ACOTA Program is to enhance the capacity of African partner militaries to participate in multinational peace support and humanitarian operations. To date, ACOTA and its predecessor have provided training and key non-lethal equipment to over 15,000 peacekeepers from 10 African nations. ACOTA-trained soldiers have served under the UN, the Economic Community of West African States (ECOWAS) and the African Union (AU), and are currently serving in Burundi, Liberia, Cote d'Ivoire, the Democratic Republic of Congo, Ethiopia-Eritrea and Sierra Leone. U.S.-trained peacekeepers have received high marks and have enhanced the ability of Africans to better manage and resolve their own conflicts. For example, U.S. training and other assistance in 2004 played a direct role in ensuring a safe and expeditious deployment of African peacekeepers to Burundi and Liberia (ECOMIL). Besides ACOTA training of such troop contributing countries as Senegal, Ghana, Ethiopia and Kenya, FY 2004 PKO funding provided logistical assistance in transporting and sustaining deploying contingents. As a result of the U.S. assistance, the AU stabilized Burundi; and ECOWAS was able to stabilize greater Monrovia, set a course for peace for the wider country and stave off any requirement to place large numbers of U.S. military personnel on the ground.



A former fighter of the rebel group LURD (Liberians United for Reconciliation and Democracy), right, hands over his weapon to a UN peacekeeper in Gbarnga, Liberia. The United Nations Mission in Liberia (UNMIL) started the disarmament of about 40,000 combatants. © AP Photo/Pewee Flomoku

VIII. Performance Results

PERFORMANCE GOAL 1

CLOSE, STRONG, AND EFFECTIVE U.S. TIES WITH ALLIES, FRIENDS, PARTNERS, AND REGIONAL ORGANIZATIONS

INITIATIVE/PROGRAM (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.

OUTCOME INDICATOR

Indicator #1: Status of Transatlantic Security Relationships

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. Initial operating capability of NATO Response Force (NRF). 2. Allies complete full integration into NATO as Membership Action Plan (MAP) cycle continues for aspirants. 3. Progress on Partnership-for-Peace (PFP) projects tailored to needs of individual partners.
	Results	<ol style="list-style-type: none"> 1. An NRF unit approved to deploy to Afghanistan for election security support. As the Stabilization Force in Bosnia and Herzegovina (SFOR) concludes its mission in Bosnia, an EU follow-on force was approved to commence operations based on "Berlin +" arrangements agreed between NATO and the EU. 2. NATO inducts seven new members and continues to work with remaining aspirants through the Membership Action Plan. 3. Georgia, Azerbaijan, and Uzbekistan agreed to develop Individual Partnership Action Plans with NATO.
	Rating	<ol style="list-style-type: none"> 1. ■ On Target 2. ■ On Target 3. ■ On Target
	Impact	<ol style="list-style-type: none"> 1. Prague Summit commitments to build new capabilities and new relationships implemented, laying the foundation for a revitalized Euro-Atlantic dialogue. 2. A Europe "whole and free" is one giant step closer to reality. 3. Outreach to the Caucasus and Central Asia continues to promote shared democratic values and foster common defense.
DATA QUALITY	Data Source	The Department of State and NATO member countries.
	Results Verification Confidence Level	High
	Indicator Validation Statement	NATO is the United States' foremost security relationship. Strong and effective ties with our European allies within NATO are essential to promote stability and protect U.S. interests in Europe and the world.

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I/P # 1: TRANSATLANTIC RELATIONSHIP (continued)

OUTCOME INDICATOR

Indicator #1: Status of Transatlantic Security Relationships (continued)

PAST RESULTS	2003	<ol style="list-style-type: none"> 1. 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. 2. Seven new members invited to join Alliance. Ratifications by Allies on track to welcome new members by May 2004. 3. 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.
	2002	<ol style="list-style-type: none"> 1. 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 this was not agreed upon. <ul style="list-style-type: none"> • Berlin Plus agreements provide the foundation for a NATO-EU security partnership and for a credible and effective ESDP. The EU's Operation Concordia in Macedonia, from May to December 2003, demonstrated the Berlin Plus's efficacy. 2. Allied Heads of State and Government committed to enhance military capabilities by filling key shortfalls through the New Capabilities Initiative. Initiative will encourage pooling and specialization, and 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. 3. NATO-Russia Council (NRC) and 2002 work plan established in May 2002.
	2001	<ol style="list-style-type: none"> 1. Minimal progress on the Defense Capabilities Initiative, protracted discussion on NATO-EU arrangements. 2. Redefined European Security and Defense Program (ESDP) goals. 3. Expansion of NATO ties to Partner States. Significant progress on MAP.



From left: U.S. Deputy Assistant Secretary of Defense Richard Lawless, the special envoy of the U.S. Department of State, Christopher LaFleur, South Korean chief negotiator Lt. Gen. Cha Young-ku and South Korean Foreign Ministry official Kim Sook shake hands prior to the 7th Joint Consultation meeting on the future of the Republic of Korean army and U.S. alliance policy initiative at South Korea's Defense Ministry office in Seoul. ©AP/Wide World Photos

I/P #2: REGIONAL STABILITY IN EAST ASIA AND THE PACIFIC

Use diplomacy to foster stability in the EAP region.

OUTCOME INDICATOR

Indicator #2: Status of U.S.-South Korean Relations

FY 2004 PERFORMANCE	Target	Complete Future of Alliance negotiations on reconfiguration of U.S. Forces in Korea.
	Results	<ol style="list-style-type: none"> 1. Agreements reached on all ten military mission transfers and early implementation is underway. 2. Agreed to consolidate U.S. 2nd Infantry Division (2ID) into two bases. 3. Agreed to relocate all U.S. forces away from Yongsan Garrison/Seoul Metropolitan Area.
	Rating	<ol style="list-style-type: none"> 1. ■ On Target 2. ■ On Target 3. ■ Above Target
	Impact	<ol style="list-style-type: none"> 1. Mission transfers to Republic of Korea (ROK) forces allow for smooth downsizing of U.S. Forces Korea (USFK). 2. 2nd Infantry Division consolidation is the first step in process of its eventual relocation south of the Han River. 3. Returning Yongsan Garrison to the Korean people eliminates a major irritant in our bilateral relationship. <p>Taken together, these steps move the U.S. much closer to establishing enduring and politically acceptable basing structure for U.S. forces in Korea.</p>
DATA QUALITY	Data Source	Department, DoD policy decisions, and decision memoranda. Once completed, the Future of U.S.-ROK Alliance will be released as a public document.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Implementing measures approved for the Future of the U.S.-ROK Alliance will strengthen the alliance for the long-term.
PAST RESULTS	2003	Talks between the U.S. and Republic of Korea (ROK) on the Future of the Alliance (FOTA) produced a timetable and division of costs for the reconfiguration of U.S. Forces in Korea during 2004 – 2008.
	2002	Began U.S. and ROK negotiations on the FOTA.
	2001	Baseline: Began interagency discussion of the future of U.S.-South Korean Alliance.

I/P #2: REGIONAL STABILITY IN EAST ASIA AND THE PACIFIC <i>(continued)</i>		
OUTCOME INDICATOR		
Indicator #3: Status of Chinese Cooperation on Regional Stability		
FY 2004 PERFORMANCE	Target	China increases coordination with the United States and international community regarding the Korean peninsula and the Middle East.
	Results	China is playing a constructive role in, and hosting, the Six-Party talks with North Korea, and has continued to improve ties and play a constructive role in South Asia. China generally has been supportive of U.S. Middle East policies and is providing modest assistance with reconstruction in Afghanistan and Iraq.
	Rating	■ On Target
	Impact	<ol style="list-style-type: none"> In FY 2004, China applied increasing pressure on the Democratic Peoples' Republic of Korea (DPRK) to engage in Six-Party talks, commit to a non-nuclear Korean Peninsula and begin concrete negotiations to halt and dismantle its nuclear programs. China's increased coordination with the United States and others in working the DPRK nuclear issues demonstrates that China's efforts can help influence North Korean positions on topics of concern to the United States and its allies in the region. A China that increasingly shares our commitment to world peace and stability, open markets, and cooperation on pressing global issues better serves our interest.
DATA QUALITY	Data Source	Direct USG observation of China-DPRK interactions in the Six-party talks, supplemented by information from the governments of Japan, the ROK, and Russia.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Increased Chinese coordination with the United States and the international community will strengthen China's capability to play a significant role in reducing regional tension.
PAST RESULTS	2003	<ol style="list-style-type: none"> China discussed its bilateral border disputes with South Asian officials. China played a crucial role in facilitating multilateral talks with North Korea on maintaining a nuclear weapons-free Korean peninsula.
	2002	<ol style="list-style-type: none"> China continued to urge Pakistan and India to avoid conflict and reduce tensions. There was a continuing impasse on Cross-Strait dialogue. China encouraged North Korean openness and multilateral dialogue to end its nuclear weapons program. China's public statements at Asian Pacific Economic Cooperation (APEC) ministerial were helpful in maintaining a nuclear weapons-free Korean Peninsula.
	2001	<ol style="list-style-type: none"> Limited Chinese tension-reducing diplomatic efforts toward North Korea and South Asia. China cooperated in encouraging North Korean openness and dialogue.



U.S. Assistant Secretary of State James Kelly, top left, and Japanese Ambassador to Japan Howard Baker, bottom left, shake hands with Japanese Defense Agency Director General Shigeru Ishiba, top right, and Vice Director Yasukazu Hamada before their meeting at Ishiba's office in Tokyo. ©AP/Wide World Photos

PERFORMANCE GOAL 2

EXISTING AND EMERGENT REGIONAL CONFLICTS ARE CONTAINED OR RESOLVED

I/P #3: CONFLICT MANAGEMENT AND RESOLUTION

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

OUTCOME INDICATOR

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

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> Two conflicts resolved (Congo-Great Lakes, Sudan). Two peace support missions withdrawn (Sierra Leone and Ethiopia/Eritrea).
	Results	<ol style="list-style-type: none"> <p>Congo-Great Lakes: In recognition of the need to ameliorate conditions in the east and further buttress the ability of the transitional government to stabilize the eastern Democratic Republic of Congo (DRC), the UN Mission in the Congo (MONUC) has increased its force structure and mandate. Chaos in eastern DRC remained endemic, creating difficulties for the political process and raising the specter of a return to a state of generalized conflict.</p> <p>Sudan: In Darfur, a civil war and a heavy-handed Sudanese government response included acts of genocide and produced a humanitarian crisis that slowed progress toward consolidating the peace throughout the country. While the final comprehensive agreement for the Sudan was not yet signed, the parties were very close at the end of the fiscal year. The Verification and Monitoring Team (VMT), Civilian Protection Monitoring Team (CPMT), and Joint Military Commission (JMC) in the Nuba Mountains all played important roles in verifying agreements between the Government of Sudan and the Sudan Peoples Liberation Movement, and building confidence between the two sides. Humanitarian conditions improved somewhat in southern Sudan and were much improved in the Nubas.</p> <p>Sierra Leone: While the UN Mission in Sierra Leone (UNAMSIL) has not yet withdrawn as of the end of the fiscal year, its numbers are greatly reduced in light of strides forward in the process of post-conflict rebuilding and reconciliation. Insecurity in the countryside is reduced and heightened stability among its neighbors bodes well. The Sierra Leone Police and Republic of Sierra Leone Armed Forces continue efforts at reform and restructuring with a view toward withdrawing UNAMSIL by the end of 2005.</p> <p>Ethiopia-Eritrea: Despite the Boundary Commission's decision in 2002, the demarcation work has not yet begun and the UN Mission is not yet complete. In September 2004, the UN Security Council agreed to extend the work of the UN Mission in Ethiopia-Eritrea (UNMEE) and urged both parties to abide by the Algiers Agreement. Various diplomatic efforts to break down barriers between Ethiopia and Eritrea have had limited impact because of the unwillingness at senior levels on both sides to reconcile. However, with much external pressure, the two sides have avoided a return to conflict.</p>
	Rating	<ol style="list-style-type: none"> ■ Significantly Below Target ■ Below Target
	Impact	<ol style="list-style-type: none"> <p>Congo-Great Lakes: It appears likely MONUC will remain in DRC for at least an additional year. Instability and lack of humanitarian access in parts of the east have resulted in further deaths, raising the death toll of the conflict up to over 3.5 million in the past 5 years.</p> <p>Sudan: The crisis in Darfur has resulted in over 70,000 dead and over 1.5 million displaced in an area of Sudan encompassing one-fifth of the population. Support for continued peace and lesser conflict management efforts will require further support in 2005.</p> <p>Sierra Leone: Sierra Leone's institutions continue to stabilize and reform following the bloody chaos of the 1990s and 2000. Prospects for peace have been improved by UNAMSIL monitoring activities and bilateral support of security sector reform. UNAMSIL likely reduced to approximately 3,250 peacekeepers by February 2005.</p> <p>Ethiopia-Eritrea: Ethiopia and Eritrea remain in a state of cold peace with the prospect for a return to war impeding economic and political progress on both sides. Still, the UNMEE mission has been a relative success and in the 3+ years since UNMEE deployed, there has not been one major cease-fire infraction. Further, both sides have demobilized a portion of their forces. While the Eritrean demobilization effort has been relatively small, the program only started near the end of the fiscal year.</p>

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I/P #3: CONFLICT MANAGEMENT AND RESOLUTION (continued)

OUTCOME INDICATOR

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

DATA QUALITY	Data Source	UN Department of Peacekeeping Operations and U.S. Embassies in Africa.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Regional stability in Africa is greatly enhanced when conflicts end and parties to the conflict embark on a post-conflict process of reconciliation and reconstruction. Two clear indicators that parties engaged in armed conflict are on the path of peace are when peace agreements are signed and peacekeeping forces deploy to monitor the post-peace process. One clear indicator that they have completed the post-conflict process and are on the path to longer-term stability is when peacekeeping forces leave the country/region.
PAST RESULTS	2003	<p>Conflicts Resolved:</p> <ul style="list-style-type: none"> ● Democratic Republic of Congo: Large-scale conflict resolved with inauguration of a transitional Government of National Unity in July 2003. ● Burundi: Conflict partially resolved, fighting continues. Ceasefire reached with the largest rebel group, the Forces for the Defense of Democracy (FDD); implementation negotiations ongoing at year end; and prospects good for agreement in first quarter FY 2004. ● 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 August 18th. The U.S. provided nearly \$26 million in logistics support to enable the deployment of the Economic Community of West African States (ECOWAS) peacekeeping forces. <p>Peace Support Missions Concluded:</p> <ul style="list-style-type: none"> ● Angola: One peace support mission withdrawn.
	2002	<p>Conflicts Resolved:</p> <p>The war in Sierra Leone was effectively over and the peacekeeping mission was phased out. Peace-building activities continued using U.S. and other funding.</p> <p>Peace Support Mission Concluded:</p> <p>Program activities such as the West Africa Stabilization Program and the African Contingency Operations Training and Assistance Program (ACOTA) ensured that the ECOWAS troop contributors are better able to meet the demands of peacekeeping operations.</p>
	2001	One conflict resolved (Ethiopia-Eritrea).

I/P #4: INDO-PAK RELATIONS/KASHMIR

Indo-Pak tensions are reduced and stability is advanced in Kashmir.

OUTCOME INDICATOR

Indicator #2: Status of Relations Between Pakistan and India, including Kashmir

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. No resumption of infiltration. 2. Terrorist groups in Pakistan are disbanded. 3. India and Pakistan effectively implement existing nuclear and conventional confidence-building measures (CBMs), and agree to implement new ones.
	Results	<ol style="list-style-type: none"> 1. Infiltration continued. 2. No observable progress on disbanding terrorist groups. 3. India and Pakistan have been moving in the right direction regarding engaging in dialogue and implementing CBMs, and have agreed to some new CBMs.
	Rating	<ol style="list-style-type: none"> 1. ■ Below Target 2. ■ Below Target 3. ■ On Target
	Impact	<ol style="list-style-type: none"> 1. Infiltration in Kashmir is an area of concern in ongoing peace negotiations, as well as in India-Pakistan relations in general. Infiltration continues and infiltration attempts initially hampered both sides in discussing ways to move the peace process forward. Nonetheless, the September meetings between PM Manmohan Singh and President Musharraf were successful. 2. The reemergence of banned terrorist groups has also slowed overall progress in peace talks. 3. India proposed a set of normalization measures with Pakistan; as a result, inter alia, bus, rail, and air links resumed. In response to a Pakistani unilateral declaration, both sides agree to a ceasefire along the Line of Control. At the South Asian Association for Regional Cooperation (SAARC) summit in January, both sides agreed to resumption of bilateral dialogue; Foreign ministers agreed in February on a five-point agenda to discuss all outstanding issues, including Kashmir. The sustained diplomatic dialogue and implementation of recently proposed CBMs by both sides have bolstered relations between the two countries. Though not directly related to Kashmir, these successful CBMs have brought goodwill that makes it easier to discuss the Kashmir issue.
DATA QUALITY	Data Source	Indian and Pakistani government officials and reporting from U.S. embassies.
	Results Verification Confidence Level	Medium
	Indicator Validation Statement	The Indo-Pakistani relationship is one of the most crucial for the U.S. and the world. Maintaining peace between these nuclear states is imperative.
PAST RESULTS	2003	<ol style="list-style-type: none"> 1. Infiltration continued throughout the year. 2. 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. 3. Military forces on both sides returned to pre-crisis locations and readiness levels. 4. 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.
	2002	<ol style="list-style-type: none"> 1. 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. 2. India successfully held elections in Kashmir.
	2001	<ol style="list-style-type: none"> 1. From November 2000 to May 2001, Indian offensive security force operations suspended; militant infiltration and attacks continued. 2. Agra Summit broke down over communiqué wording.

I/P #5: 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.

OUTCOME INDICATOR

Indicator #3: Implementation of Adapted Conventional Forces in Europe (CFE) Treaty

FY 2004 PERFORMANCE	Target	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, and then other key states accede.
	Results	Russia has not fulfilled all Istanbul Commitments. Russia still needs to reach agreement with Georgia on remaining issues regarding the Gudauta base and its future use, and the duration of Russian presence in Batumi and Alkhalkalai. Russia also needs to complete the withdrawal of its forces from Moldova. The U.S. and NATO continued to press Russia to fulfill these commitments, but there has been no progress to report in FY 2004. Russia and the new Georgian government have been meeting, but progress on a Russian withdrawal from remaining bases has fallen victim to broader Russian-Georgian problems.
	Rating	■ Significantly Below Target
	Impact	While the continued inability to begin the process of achieving entry into force of the Adapted CFE Treaty does not materially affect U.S. security, it is a growing irritant in U.S. and NATO relations with Russia. Russia's failure to implement its Istanbul commitments raises questions about Russian motivations regarding Georgia and Moldova. Failure to achieve entry into force of the Adapted CFE Treaty could undermine the confidence and stability gained by the 1990 CFE Treaty.
DATA QUALITY	Data Source	Organization for Security and Cooperation in Europe (OSCE), NATO, and U.S. Mission/Embassy reporting. OSCE and NATO statements. Statements by U.S., Russia, Georgia, Moldova, and other OSCE states.
	Results Verification Confidence Level	High
	Indicator Validation Statement	The 1990 CFE Treaty has long been considered one of the cornerstones of European security. The 1999 Adapted CFE Treaty revised the CFE Treaty to meet the new security environment in post-Cold War Europe, while retaining the benefits of transparency, predictability, and U.S. force deployment flexibility. Entry into force of the Adapted CFE Treaty and its smooth implementation will contribute to a stable and secure Europe. The U.S. works closely with its NATO Allies in coordinating positions regarding CFE issues, reinforcing the U.S. role in European security.
PAST RESULTS	2003	<ol style="list-style-type: none"> 1. Major progress was made in calendar year 2003 on withdrawal of Russian forces from Moldova; some 20,000 tons of Russian munitions stored in depots in the Transdnister region had been withdrawn by the end of the year. 2. Russia did not meet the OSCE's extended December 31 deadline to withdraw forces from Moldova. 3. Progress on withdrawal of Russian bases from Georgia stalled for most of 2003, despite limited progress on technical issues. 4. Russian equipment levels in the CFE Flank region remained below Adapted CFE Treaty Flank Limits.
	2002	<ol style="list-style-type: none"> 1. 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. 2. Russia needs to reach agreement with Georgia on remaining issues regarding 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. 3. Conditions for U.S. ratification of Adapted CFE Treaty were not met.
	2001	<ol style="list-style-type: none"> 1. Second Review Conference of CFE Treaty successfully concluded and advanced U.S. and NATO interests. 2. NATO remained firm in demanding Russian compliance with Istanbul commitments. 3. Russia made initial progress towards implementing Istanbul commitments.



I/P #6: PEACEKEEPING PARTICIPATION

Military assistance, including Peacekeeping Operations (PKO), is a key instrument in the realization of U.S. Regional Stability goals.

OUTPUT INDICATOR

Indicator #4: Number of U.S. Peace Support Operations (PSOs)-Trained Countries That Participate in International PSOs

FY 2004 PERFORMANCE	Target	22
	Results	29
	Rating	Significantly Above Target
	Impact	There is now a larger pool from which to draw qualified peacekeepers, reducing the burden on the United States.
DATA QUALITY	Data Source	UN Monthly Contributors List and UN Standby List.
	Results Verification Confidence Level	High
	Indicator Validation Statement	An expanding pool of qualified international peacekeepers and improvements in effectiveness of foreign militaries in peace support operations reduces the peacekeeping burden on the United States and builds the professionalism of International PSOs.
PAST RESULTS	2003	28 <ul style="list-style-type: none"> Twenty-eight of the twenty-nine countries that have received U.S. Enhanced International Peacekeeping Capabilities (EIPC) funding have subsequently participated in international peacekeeping operations.
	2002	18
	2001	Baseline: 17



President Bush, center, welcomes seven new NATO members from Central and Eastern Europe during a ceremony on the South Lawn of the White House. Prime Ministers with Bush are, from left to right, Indulis Emsis of Latvia, Anton Rop of Slovenia, Algirdas Brazauskas of Lithuania, Mikulas Dzurinda of Slovakia, Adrian Nastase of Romania, Simeon Saxe-Coburg Gotha of Bulgaria, Juhan Parts of Estonia, and NATO Secretary-General Jaap de Hoop Scheffer.
 ©AP/Wide World Photos

I/P #7: RESTRICT ADVANCED CONVENTIONAL WEAPONS (ACW) TRANSFERS

The transfer of advanced conventional arms to states of concern is constrained.

OUTPUT INDICATOR

Indicator #5: Effectiveness of Wassenaar Arrangement (WA) Control Lists

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> Prompt reporting of arms transfers on the Wassenaar Arrangement Information System (WAIS). Reporting of denials of arms transfers, and notification before undercutting a previous dual-use denial. Have 150 states participate in the UN Register of Conventional Arms Transfers, including China. Sharing of "best practices" papers on effective export control practices within the WA.
	Results	<ol style="list-style-type: none"> Arms transfers on the WAIS: Fewer member states were tardy in reporting. Important member states blocked consensus on dual-use denial consultations and required reporting of approvals for items on the Very Sensitive List. Only 112 states participated in the UN Register in FY 2004, China did not. Separate control list for items for terrorism: Member states do not agree whether a separate list is needed, or if there are other ways to achieve this.
	Rating	<ol style="list-style-type: none"> ■ Below Target ■ Significantly Below Target ■ Below Target
	Impact	More up-to-date information on WAIS, dual-use denial consultations, and Very Sensitive List likely to remain as goals for 2005. More information available to public on arms transfers. The UN Register provides transparency about arms transfers. However, the non-participation of major arms exporting states, like China, limits the confidence-building effect of the Register.
DATA QUALITY	Data Source	Classified intelligence, information from international organizations, Non-Governmental Organizations (NGOs), and academia.
	Results Verification Confidence Level	High
	Indicator Validation Statement	This indicator addresses a key element of the Department's policy: restricting advanced conventional weapons transfers by increasing the effectiveness of Wassenaar-based controls.
PAST RESULTS	2003	<ol style="list-style-type: none"> Within WA control lists, certain categories of weapons are being expanded, some widely available (and thus uncontrollable); dual-use items were dropped, and Man-Portable Air Defense Systems (MANPADS) has made considerable progress with energetic cooperation from Russia, the UK, and other countries. 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 fora, sanctions, law enforcement, and (potentially) direct interdiction. Results have been better than expected, especially since Iraq is no longer importing conventional weapons.
	2002	<ol style="list-style-type: none"> No new categories were added to WA control lists, but progress was made in this multi-year effort. Within the WA, Russia alone continued to oppose mandatory reporting for small arms and light weapons, MANPADS, and warships down to 150 tons.
	2001	<ol style="list-style-type: none"> Agreement in the WA to add reporting on two new sub-categories of military vehicles. Within the WA, Russia alone continued to oppose mandatory reporting for small arms and light weapons, MANPADS and warships down to 150 tons.

IX. Program Evaluations and PART Reviews

Two Program Evaluations and four OMB PART reviews were conducted in FY 2004 that pertain to this Strategic Goal.

- 1) Further Improvements Needed in U.S. Efforts to Counter Threats from Man-Portable Air Defense Systems (GAO-04-519)
- 2) Afghanistan Reconstruction: Deteriorating Security and Limited Resources Have Impeded Progress: Improvements in U.S. Strategy Needed (GAO-04-403)
- 3) Peacekeeping Operations (OMB PART) – The OMB ratings for this PART program are CY 2004: Not Reassessed; CY 2003: Moderately Effective; and CY 2002: Results Not Demonstrated.
- 4) Security Assistance to Sub-Saharan Africa (OMB PART) – The OMB ratings for this PART program are CY 2004: Effective; CY 2003: Moderately Effective; and CY 2002: Results Not Demonstrated.
- 5) Military Assistance to New NATO and NATO Aspirant Countries (OMB PART) – The OMB ratings for this PART program are CY 2004: Not Reassessed; CY 2003: Not Reassessed; and CY 2002: Moderately Effective.
- 6) Security Assistance for the Western Hemisphere (OMB PART) – The OMB ratings for this PART program are CY 2004: Effective; and CY 2003: Moderately Effective.

Detailed information on major findings, recommendations, and actions to be taken can be found in the “OMB PART Summaries” and the “Completed Program Evaluations for FY 2004” Appendices.



U.S. Deputy Secretary of State Richard Armitage, left, speaks to family members of Japanese who were abducted by North Korea. Armitage was in Tokyo to attend an international donor's conference on Iraq's reconstruction. © AP/Wide World Photos

STRATEGIC OBJECTIVE #1: ACHIEVE PEACE AND SECURITY

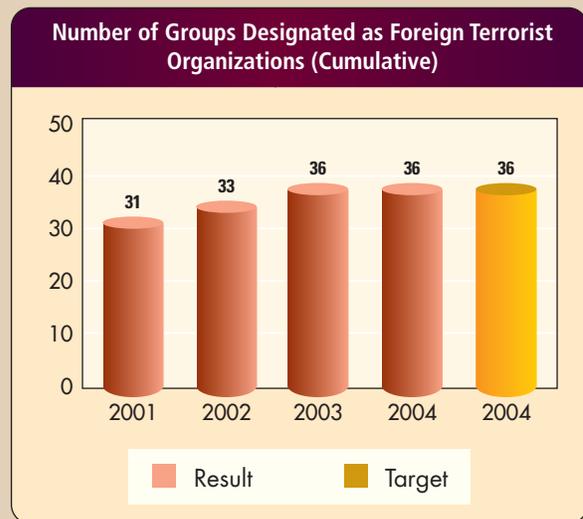
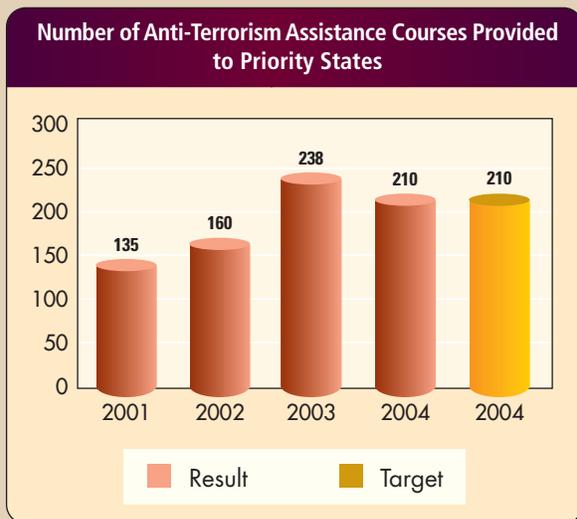
STRATEGIC GOAL 2: COUNTERTERRORISM

Prevent attacks against the United States, our allies, and our friends, and strengthen alliances and international arrangements to defeat global terrorism

I. Public Benefit

The tragic events of 9/11 demonstrated the gravity of the threat international terrorists pose to the United States and its citizens, at home and abroad. With a presence in some 60 countries, Al-Qaeda continues to be of great concern, although it has been significantly weakened by U.S. actions in the past two years. The Department has the lead in international aspects of the Global War on Terrorism (GWOT), which remains its top priority. In every corner of the globe, the Secretary, other senior officials, and Ambassadors have pressed their counterparts for expanded cooperation and intensified efforts against terrorists. Through such effective bilateral and multilateral diplomacy, the U.S. has developed and leads a worldwide coalition that acts to suppress terrorism on all fronts: military, intelligence, law enforcement, public diplomacy, and financial. In collaboration with its partners in other agencies, international organizations, and in other countries, the Department will remain committed to combating terrorist networks wherever they exist, until the mission is accomplished and Americans are secure from such threats. To date, the Department has mobilized some 180 countries and territories in the GWOT to identify, disrupt, and destroy international terrorist organizations. Over 3,000 terrorist suspects have been arrested, and over \$138 million in terrorists' assets have been blocked by over forty foreign governments. In an effort to deny weapons to terrorists, 8,500 Man-Portable Air Defense Systems (MANPADS) have been destroyed. Key to the ability to mobilize effective action by our foreign partners is the provision of training to those who want to help but lack the means. Since 9/11, these programs, including anti-terrorist assistance, technology development, terrorist interdiction, and anti-terrorist finance, have significantly improved U.S. capabilities and the abilities of many countries to be effective partners.

II. Selected Performance Trends



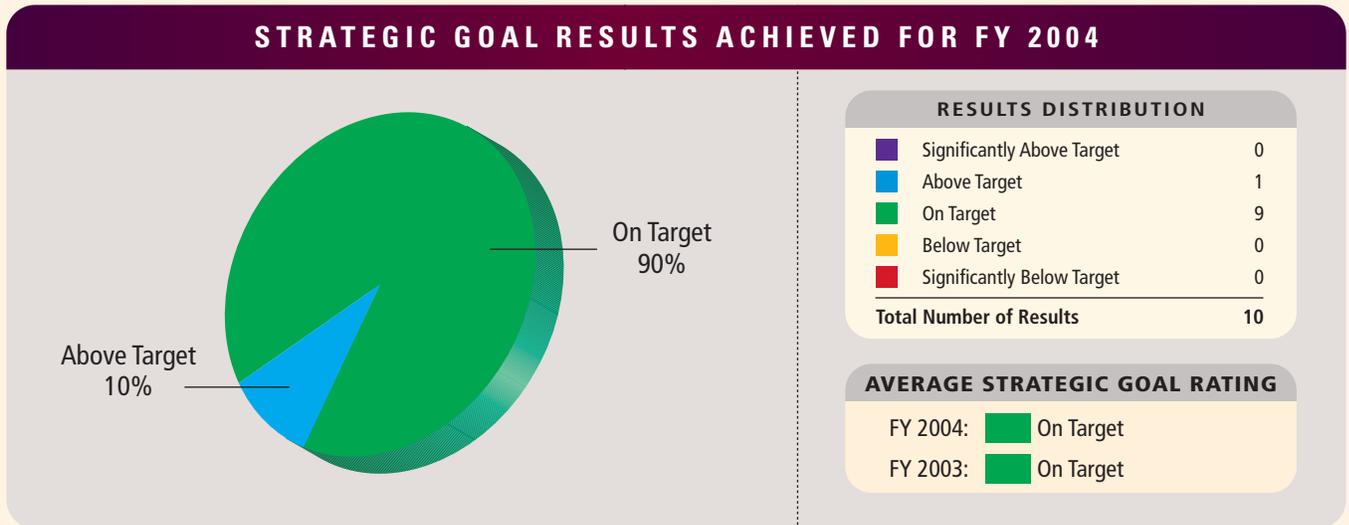
III. Strategic Context

This strategic goal is supported by four performance goals. Shown below are the performance goals, Initiatives/Programs, resources, bureaus, and partners that contribute to accomplishment of the strategic goal.

Strategic Goal	Performance Goal (Short Title)	Initiative/Program	Major Resources	Lead Bureau(s)	External Partners	
Counterterrorism	Active Anti-Terrorist Coalitions	Diplomatic Engagement	D&CP, NADR, CIO	Coordinator for Counterterrorism, International Organizations	UN	
		Anti-Terrorism Assistance	D&CP, NADR	Coordinator for Counterterrorism, Diplomatic Security	N/A	
		Meeting International Standards	D&CP, CIO	Coordinator for Counterterrorism, International Organizations	UN	
	Freezing Terrorist Financing	Designation of Terrorist Organizations	D&CP	Economic and Business Affairs, Coordinator for Counterterrorism, International Narcotics and Law Enforcement	Treasury, DOJ	
		Counterterrorism Financing and Technical Assistance	D&CP	Economic and Business Affairs, Coordinator for Counterterrorism, International Narcotics and Law Enforcement	Treasury, DOJ	
	Prevention and Response to Terrorism	Foreign Emergency Support Team	D&CP	Coordinator for Counterterrorism	DoD, DOE, FBI, CIA, DHS	
		Technical Support Working Group	D&CP, NADR	Coordinator for Counterterrorism, Economic and Business Affairs	Treasury	
	Diminished Terrorism Conditions	Accomplishment of this goal is the responsibility of USAID.				

IV. Performance Summary

The chart below shows the performance rating distribution of the FY 2004 results for the Counterterrorism strategic goal. Also shown is a comparison between FY 2004 and FY 2003 average strategic goal ratings.



V. Performance Analysis

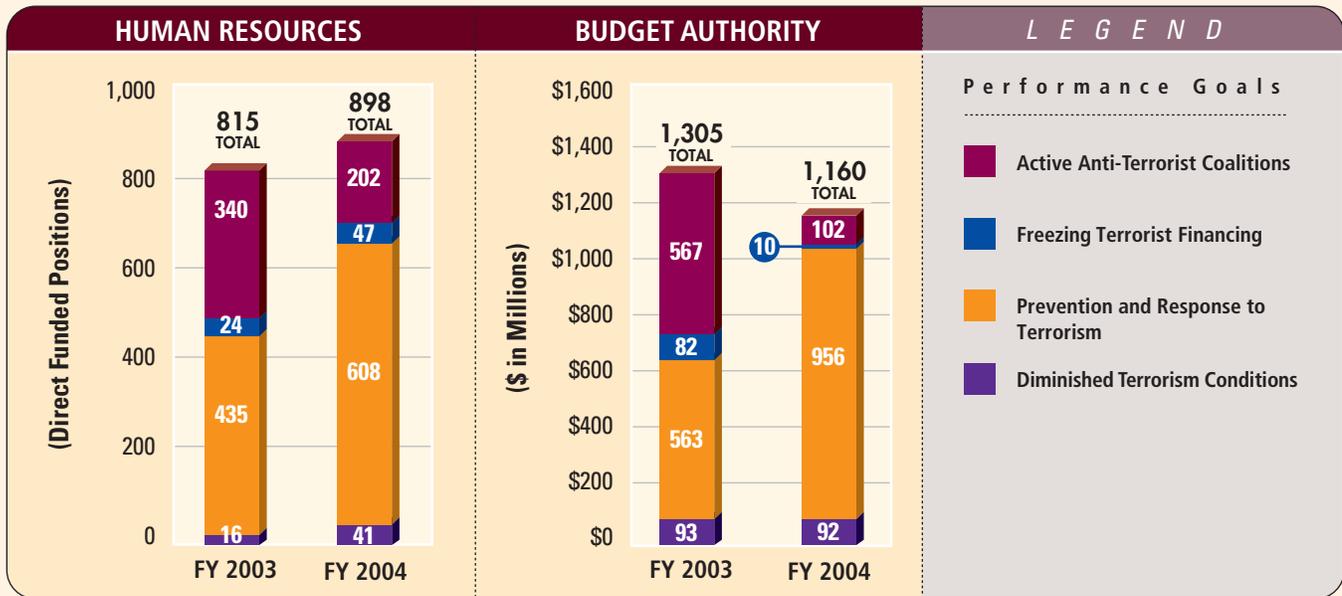
The pie chart above shows the performance rating distribution of the FY 2004 results for the Counterterrorism strategic goal. Also shown is a comparison between the FY 2004 and FY 2003 average strategic goal ratings. FY 2004 results produced a rating of "On Target," unchanged from last year's "On Target" rating.

Of the 10 results, 100% of the results have been rated as "On Target" or above.

- **One Rating Ranked "Above Target"** – This positive result pertains to the following:
 - Number of Countries that Have Instituted Measures to Combat the Financing of Terrorists Through U.S. Training and Assistance Programs (*I/P #5, Indicator #5*)

- **No Ratings Ranked "Significantly Below Target" or "Below Target"**

VI. Resources Invested



VII. Illustrative Example of a Significant Achievement

Afghan National Army

Approximately 10,000 soldiers in 15 battalions of the Afghan National Army are now operational. Over 4,000 soldiers were deployed throughout Afghanistan to support elections security, stability operations, and counter-insurgency operations.



U.S. Secretary of State Colin Powell reviews honor guard with Afghan Foreign Minister Abdullah at the presidential palace in Kabul, Afghanistan.

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VIII. Performance Results

PERFORMANCE GOAL 1

COALITION PARTNERS IDENTIFY, DETER, APPREHEND, AND PROSECUTE TERRORISTS

INITIATIVE/PROGRAM (I/P) #1: DIPLOMATIC ENGAGEMENT

Ensure that the policies, plans, and activities of foreign governments support United States objectives in the Global War on Terrorism (GWOT) through intense diplomatic engagement.

INPUT INDICATOR

Indicator #1: Number of Bilateral and Multilateral Counterterrorism (CT) Consultations with Key Partners

FY 2004 PERFORMANCE	Target	27
	Results	27 <ul style="list-style-type: none"> Four (4) counterterrorism regional workshops, twenty (20) bilateral meetings, and three (3) multilateral counterterrorism conferences were completed in FY 2004.
	Rating	■ On Target
	Impact	<p>U.S. Initiatives created during multilateral and bilateral conferences/workshops succeeded in increasing the capacity to detect, deter, and fight global terrorism. For example,</p> <ul style="list-style-type: none"> Intensified international cooperation to counter specific threats to civil aviation via the Secure and Facilitated Travel Initiative, a key counterterrorism proposal at the Sea Island Summit hosted by President Bush. Agreement was reached to create a joint intelligence center in the Western Hemisphere Tri-Border region that will increase terrorist financial intelligence cooperation. Hosted representatives of 13 nations in Kampala, Uganda to discuss the President's \$100 million East Africa Counterterrorism Initiative, and to develop ideas for follow-on programs in the African region to fight the spread of terrorism.
DATA QUALITY	Data Source	U.S. Embassy reporting, intelligence/law enforcement reporting, after-action reports, country assessments, international organization assessments (e.g., G-8 Counterterrorism Action Group; Organization for Security and Cooperation Europe); and institution assessments (e.g., the Asian Development Bank).
	Results Verification Confidence Level	High
	Indicator Validation Statement	Bilateral and multilateral CT negotiations and conferences allow increased cooperation in all areas of the GWOT to include diplomatic, financial, law enforcement, military, and intelligence.
PAST RESULTS	2003	25 – Three (3) multilateral counterterrorism conferences and twenty-two (22) bilateral conference/workshops were completed in FY 2003.
	2002	13
	2001	9



I/P #2: ANTI-TERRORISM ASSISTANCE (ATA)

Develop the capacity of priority counterterrorism countries to combat terrorism.

OUTPUT INDICATOR

Indicator #2: Number of ATA Courses Provided to Priority States and the Number of Program Reviews that Are Conducted Not Later Than 18 Months After the Training

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. A total of 210 Anti-Terrorism Assistance (ATA) courses provided to sixty states. 2. A total of 16 program reviews conducted.
	Results	<ol style="list-style-type: none"> 1. 210 ATA courses provided to sixty states. 2. Sixteen program reviews conducted.
	Rating	■ On Target
	Impact	<ul style="list-style-type: none"> • Anti-Terrorism Assistance training completed in FY 2004 built sustainable antiterrorism law enforcement capabilities in partner countries sufficient to deter, detect, and counter terrorist threats through training and enabling equipment grants. Since September 11, 2001, these Anti-Terrorism Assistance training courses have significantly improved the abilities of many countries to be effective partners in the Global War on Terrorism. • Initial FY 2004 findings determined that the anti-terrorism assistance training programs teach effective ways to counter terrorist threats in the countries participating in the basic training program.
DATA QUALITY	Data Source	U.S. Embassy reporting, intelligence/law enforcement reporting, after-action reports, and country program assessments.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Participation in training courses is the primary means by which the knowledge and skills necessary to increase the capability of law enforcement to participate in the Global War on Terrorism is passed. Program Reviews record the achievements and progress of the participant country in sustaining the necessary knowledge and skills and building their capability.
PAST RESULTS	2003	<ol style="list-style-type: none"> 1. 238 ATA courses provided to fifty states. (also included 23 "mini-courses") 2. Fourteen program reviews conducted.
	2002	<ol style="list-style-type: none"> 1. 160 ATA courses provided to forty-one states. 2. Sixteen program reviews conducted.
	2001	<ol style="list-style-type: none"> 1. 135 ATA courses provided to forty-nine states. 2. Fourteen program reviews conducted.

I/P #3: MEETING INTERNATIONAL STANDARDS

Encourage countries to become parties to the 12 International Counterterrorism Conventions, and meet their obligations under UN Security Council Resolution (UNSCR) 1373.

OUTPUT INDICATOR

Indicator #3: Number of States that Have Periodically Submitted Required Reports to the UN Security Council

FY 2004 PERFORMANCE	Target	174
	Results	174
	Rating	■ On Target
	Impact	The UN's Counterterrorism Committee (CTC) calls on all UN Member States to submit reports detailing steps taken to implement the counterterrorism measures set out in United Nations Security Council Resolution (UNSCR) 1373. These reports allow CTC and interested CTC member states, including the United States, to identify potential weaknesses in a country's counterterrorism regime.
DATA QUALITY	Data Source	Country reports to the UN CTC are posted on the UN website. The CTC responses are not in the public domain. They are available to the U.S. government due to its permanent position on the UN CTC.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Repeated reporting by countries indicates progress in meeting UN Security Council requirements.
PAST RESULTS	2003	191 (all member states of the United Nations)
	2002	174
	2001	UN Counterterrorism Committee (CTC) established to monitor and assist members in implementing UNSCR 1373.



Ambassador J. Cofer Black, U.S. State Department coordinator for counterterrorism, right, speaks as American Ambassador to the Organization of American States (OAS) John Maisto, left, listens, during a news conference at the IV Regular Session of OAS's Inter-American Committee Against Terrorism in Montevideo, Uruguay.

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PERFORMANCE GOAL 2

U.S. AND FOREIGN GOVERNMENTS ACTIVELY COMBAT TERRORIST FINANCING

I/P #4: DESIGNATION OF TERRORIST ORGANIZATIONS

Designate Foreign Terrorist Organizations (FTOs), supporters of terrorism and submit al-Qaeda-related individuals and entities to the UN 1267 Committee.

OUTPUT INDICATOR

Indicator #1: Yearly Number of Names Designated Under E.O. 13224 for Terrorist Asset Freezing

FY 2004 PERFORMANCE	Target	Designation of additional terrorist-related individuals and entities as appropriate.
	Results	Seventy-three terrorist-related individuals and entities were added to the E.O. 13224 list.
	Rating	■ On Target
	Impact	Timely designation of terrorists, terrorist organizations, and their supporters play a critical role in disrupting terrorist planning, financing, and activities that may be directed against the submitting country, U.S. interests, or in the U.S. homeland.
DATA QUALITY	Data Source	Data is derived from United States Government E.O. 13224 designation process. Complete designations can be found on the Treasury/Office of Foreign Asset Control website.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Public designations of global terrorists freeze the designated organizations' and individuals' assets that fund operations; stigmatize and isolate designated terrorists and their organizations internationally; provide the basis for prosecutions of supporters in the U.S.; and deter donations or contributions to and economic transactions with named organizations and terrorist individuals.
PAST RESULTS	2003	Eighty additional terrorist-related individuals and entities were named.
	2002	Eighty-nine names were designated.
	2001	Baseline: 136 names were designated by the U.S.

I/P #4: DESIGNATION OF TERRORIST ORGANIZATIONS (continued)

INPUT INDICATOR

Indicator #2: Yearly Number of Names Added to the UN 1267 Sanctions Committee's Consolidated List

FY 2004 PERFORMANCE	Target	Addition of al Qaeda-related individuals and entities as appropriate.
	Results	Sixty-two al Qaeda-related individuals and entities were added to the UN 1267 list.
	Rating	■ On Target
	Impact	Timely submission of al Qaeda, Taliban, and Usama bin Laden-related names and their supporters play a critical role in disrupting terrorist planning, financing, and activities that may be directed against the submitting country, U.S. interests in that country, or the U.S. homeland.
DATA QUALITY	Data Source	Data is derived from the United Nations 1267 Sanctions Committee process. Complete designations can be found on the Treasury/ Office of Foreign Asset Control website.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Submission of al Qaeda-related names to the UN 1267 Sanctions Committee is a voluntary activity and thus an indicator of political and bureaucratic commitment.
PAST RESULTS	2003	Sixty-four names (14 entities and 50 individuals) were added between October 2002 and September 2003.
	2002	One hundred and fifty-nine al Qaeda names were added to the 1267 Committee's List.
	2001	Baseline: 153 Taliban-related and 27 al Qaeda-related names were added to the 1267 Committee's List.

OUTPUT INDICATOR

Indicator #3: Number of Countries Submitting Names to the UN 1267 Sanctions Committee's Consolidated List

FY 2004 PERFORMANCE	Target	Submission of additional names by foreign governments as appropriate.
	Results	Forty-one (41) individuals designated by other states, two (2) co-designations by U.S. and Saudi Arabia, and five (5) entities with 4 co-designated with U.S. and Saudi Arabia.
	Rating	■ On Target
	Impact	Timely submission of al Qaeda, Taliban, and Usama bin Laden-related names and their supporters play a critical role in disrupting terrorist planning, financing and activities that may be directed against the submitting country, U.S. interests in that country, U.S. allies, or the U.S. homeland.
DATA QUALITY	Data Source	Data is derived from the United Nations 1267 Sanctions Committee process. Complete designations can be found on the Treasury/ Office of Foreign Asset Control website.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Submission of al Qaeda related names to the UN 1267 Sanctions Committee is a voluntary activity and thus an indicator of political and bureaucratic commitment.
PAST RESULTS	2003	Forty-three foreign countries submitted al-Qaeda names to the 1267 Sanctions Committee between October 2002 and September 2003.
	2002	Sixty-eight foreign countries submitted al-Qaeda-related names to the 1267 Sanctions Committee.
	2001	Baseline: No foreign countries submitted names to the 1267 Sanctions Committee.



I/P #4: DESIGNATION OF TERRORIST ORGANIZATIONS (continued)

INPUT INDICATOR

Indicator #4: Timeliness of the Review of Groups Designated as Foreign Terrorist Organizations (FTOs) Pursuant to U.S. Law and Timeliness of Review of Such Groups

FY 2004 PERFORMANCE	Target	All FTO reviews completed; no new additions pending for more than four months.
	Results	<ol style="list-style-type: none"> Completed all FTO reviews. Re-designations completed on time; No new additions pending.
	Rating	■ On Target
	Impact	Timely public designations of FTOs and their supporters play a critical role in disrupting terrorist planning, financing, and activities that may be directed against U.S. interests abroad or the homeland.
DATA QUALITY	Data Source	Public designations of Foreign Terrorist Organizations are published in the Federal Registry and can be compared for content and accuracy.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Public designations of Foreign Terrorist Organizations (FTOs) disrupt these organizations' operations by blocking their financial transactions, isolating them internationally, stigmatizing, and creating the basis for prosecuting their supporters.
PAST RESULTS	2003	<ol style="list-style-type: none"> Three more new FTOs were designated, bringing the total to thirty-six. One FTO designation was amended to reflect its name change. All 27 FTO designations due to expire during FY 2003 were reviewed and re-designated on time.
	2002	<ol style="list-style-type: none"> Two more organizations designated as FTOs, bringing the total to thirty-three. Five groups were under review for possible FTO designation.
	2001	<ol style="list-style-type: none"> Thirty-one groups designated as FTOs per U.S. law. Twenty-eight FTOs reviewed for re-designation, twenty-five groups re-designated (two groups consolidated into one) and two other groups dropped from the list.



Assistant Secretary of State for South Asian Affairs Christina Rocca, right, meets with Pakistan's President General Pervez Musharraf, left, in Islamabad, Pakistan. Rocca was in Pakistan for talks with Pakistani government officials on the war against terrorism and to visit U.S.-funded development projects.

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I/P #5: COUNTERTERRORISM FINANCING TRAINING AND TECHNICAL ASSISTANCE

Provide training and technical assistance to countries whose financial systems are vulnerable to abuse.

OUTPUT INDICATOR

Indicator #5: Number of Countries that Have Instituted Measures to Combat the Financing of Terrorists Through U.S. Training and Assistance Programs

FY 2004 PERFORMANCE	Target	Five of the priority states institute measures to combat terrorist financing.
	Results	Six countries have implemented measures to combat terrorist financing.
	Rating	■ Above Target
	Impact	Through U.S. CT finance capacity building programs, priority countries have begun to adopt legal measures to criminalize terrorist financing; financial investigators and prosecutors have been trained to pursue terrorist financing crimes; and countries have developed and enhanced their financial intelligence unit capabilities.
DATA QUALITY	Data Source	Embassy reporting, intelligence/law enforcement reporting, after-action reports, country assessments, and international institution assessments.
	Results Verification Confidence Level	Medium
	Indicator Validation Statement	Priority countries in the GWOT were lacking measures to combat terrorist financing. These training programs focus on institution and capacity building; therefore, any lasting measures instituted by a country following USG technical assistance and training indicate the programs' success.
PAST RESULTS	2003	Fifteen assessments completed. Fifteen of the targeted nineteen states are now receiving training and technical assistance.
	2002	<p>Baseline:</p> <ol style="list-style-type: none"> 1. Nineteen states listed as priority states. 2. Nine assessments were conducted by U.S. interagency financial systems assessment teams. 3. Ten of the nineteen priority assistance countries were assessed by U.S. interagency financial systems assessment teams (FSAT) and ten training and technical assistance plans were developed. 4. Some form of training and technical assistance delivered to 15 of the 19 countries (training in 1 of the 5 functional areas: legal framework, financial/regulatory, financial intelligence unit, prosecutorial/judicial, and financial investigations).
	2001	N/A ¹

¹ This indicator was incorporated in FY 2002.

PERFORMANCE GOAL 3

COORDINATED INTERNATIONAL PREVENTION AND RESPONSE TO TERRORISM, INCLUDING BIOTERRORISM

I/P #6: FOREIGN EMERGENCY SUPPORT TEAM (FEST)

Provide U.S. Ambassadors with advice, assistance, and assessments concerning terrorism-related issues.

INPUT INDICATOR

Indicator #1: Degree of Support for Combatant Commanders' Counterterrorism Exercise Programs and the Chairman of the Joint Chiefs of Staff (CJCS) Sponsored, No-Notice Counterterrorism Exercise

FY 2004 PERFORMANCE	Target	The FEST participates in two national- and international-level counterterrorist exercises and the CJCS-sponsored, no-notice counterterrorist exercise.
	Results	In FY 2004, the Foreign Emergency Support Team participated in an abbreviated version of the Chairman Joint Chiefs of Staff no-notice counterterrorism exercise, and in the European Command's Level III counterterrorism exercise with Embassy Athens in preparation for the 2004 Summer Olympic Games. The team deployed to Athens, Greece and managed a Crisis Control Center during the month long Summer Olympic Games.
	Rating	■ On Target
	Impact	The pre-planning and the actual training with the Government of Greece conducted to support counterterrorism security arrangements for the Athens Summer Olympic Games, helped greatly to ensure the safety and security of spectators and competitors at the Games.
DATA QUALITY	Data Source	Embassy reporting, intelligence/law enforcement reporting, after-action reports, country assessments, and Department of Defense reports.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Four-hour no-notice deployment exercises ensure the ability of the Department to quickly deploy U.S. response assets to an international terrorist incident if required. FEST exercises enhance readiness and provide a unique opportunity to develop and validate new operations-related CT policies and procedures.
PAST RESULTS	2003	FEST participated in Chairman of Joint Chiefs of Staff no-notice counterterrorist exercise. The Department participated in National Level Top Officials (TOPOFF II). FEST participated in U.S. Pacific Command's counterterrorist exercise.
	2002	<ol style="list-style-type: none"> 1. No exercises scheduled because of Operation Enduring Freedom. 2. Co-chaired the Counterterrorism Security Group (CSG) Exercise Sub-Group and developed the next 18 month, national- and international-level exercise schedule. 3. Finalized Exercise Sub-Group's Operating Charter.
	2001	FEST participated in two national- and international-level counterterrorist exercises and the CJCS-sponsored, no-notice counterterrorist exercise.

I/P #7: TECHNICAL SUPPORT WORKING GROUP (TSWG)

Conduct rapid prototyping and technology development in order to effectively detect, deter, and defend against terrorist attacks.

EFFICIENCY INDICATOR

Indicator #2: Degree to Which Currently-Funded Technical Support Working Group (TSWG) Research Projects Are Completed On-Time and Within Budget and the Degree to Which the Number of Projects Accepted Is Increased

FY 2004 PERFORMANCE	Target	1. Seventy-five percent of currently funded research projects completed on time and within budget. 2. Five percent increase in the number of research projects accepted.
	Results	1. Seventy-five percent of FY 2004 projects completed on time and within budget. 2. Two additional research projects were initiated over the approximately 40 current projects currently under development and research since FY 2003. These results measure new capabilities developed by the TSWG in 2003 and 2004, as well as some capabilities still under development.
	Rating	■ On Target
	Impact	1. One of the many research and development projects completed includes a low-cost, disposable toxicological agent protective suit for use by first responders to a chemical/biological incident. The Government of Greece purchased more than 400 of the new protective suits for use by their first responder units supporting the Athens Summer Olympic Games. 2. Increasing research projects develops the technology and capability to support the U.S. and its allies in the Global War on Terrorism.
DATA QUALITY	Data Source	The Technical Support Working Group (TSWG) database tracks the status of all projects. The TSWG also produces an annual report in which the status of research projects and the ability to accept new projects is measured and assessed.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Research projects completed increase the capabilities of the U.S. government's diplomatic, military, intelligence and law enforcement communities to effectively detect, deter, and defend against terrorist attacks directed against U.S. interests at home and abroad.
PAST RESULTS	2003	1. Seventy-five percent of FY 2003 projects completed on time and within budget. 2. Includes a 5 percent increase in number of projects over FY 2002.
	2002	Baseline: Seventy-five percent of currently funded research projects completed on time and within budget.
	2001	N/A ¹

PERFORMANCE GOAL 4

STABLE POLITICAL AND ECONOMIC CONDITIONS THAT PREVENT TERRORISM FROM FLOURISHING IN FRAGILE OR FAILING STATES

The U.S. Agency for International Development is reporting results for this goal.

IX. Program Evaluations and PART Reviews

Two OMB PART reviews were conducted in FY 2004 for this Strategic Goal. The ratings are listed below.

- 1) Anti-Terrorism Assistance (ATA) – CY 2004: Not Reassessed; CY 2003: Effective; and CY 2002: Moderately Effective.
- 2) Terrorist Interdiction Program (TIP) – CY 2004: Effective; and CY 2003: Results Not Demonstrated.

Information on findings, recommendations, and actions to be taken can be found in the "OMB PART Summaries" Appendix.

¹ This indicator was incorporated in FY 2002.

STRATEGIC OBJECTIVE #1: ACHIEVE PEACE AND SECURITY

STRATEGIC GOAL 3: HOMELAND SECURITY

Secure the homeland by strengthening arrangements that govern the flows of people, goods, and services between the United States and the rest of the world

I. Public Benefit

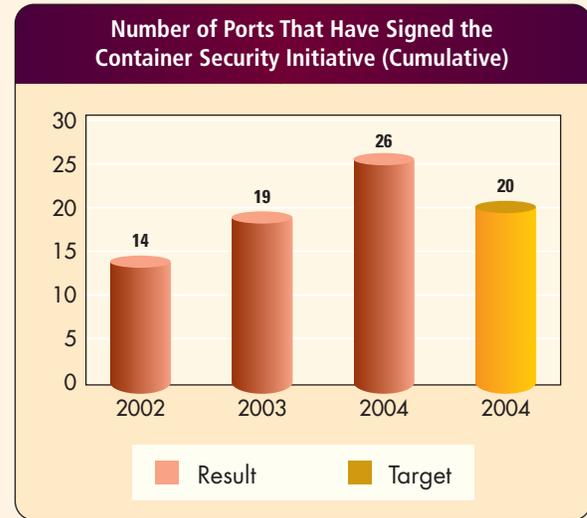
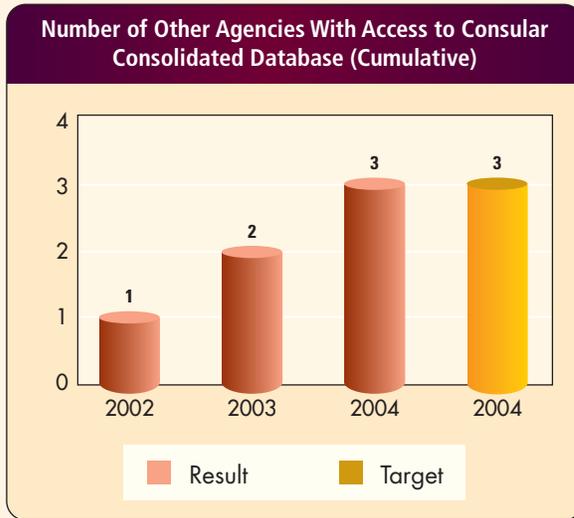
The events of 9/11 proved how susceptible the United States and its allies are to those who would do them harm. The Department, together with the Department of Homeland Security (DHS) and other USG agencies, is addressing U.S. vulnerabilities to terrorist attacks and other transnational threats within the United States. The Department is protecting our homeland by strengthening the visa process as a tool to identify potential terrorists and others who should not receive visas and prevent those people from entering the United States. The strengthening of U.S. physical and cyber borders against people who threaten U.S. security requires the security of the global networks of commerce, travel, and communications that enable the vital free flow of

bona fide travelers and goods. At the same time, the Department is combating the ability of terrorists to travel, finance their activities, plan and conduct attacks, and recruit and train new adherents.



The Peace Arch is shown from the air at the U.S. - Canada border crossing at Blaine, Wash. The view is from a UH-60-A Blackhawk helicopter used by the Immigration and Customs Enforcement Office of Air and Marine Operations. © AP Wide World Photos/ Ted S. Warren

II. Selected Performance Trends



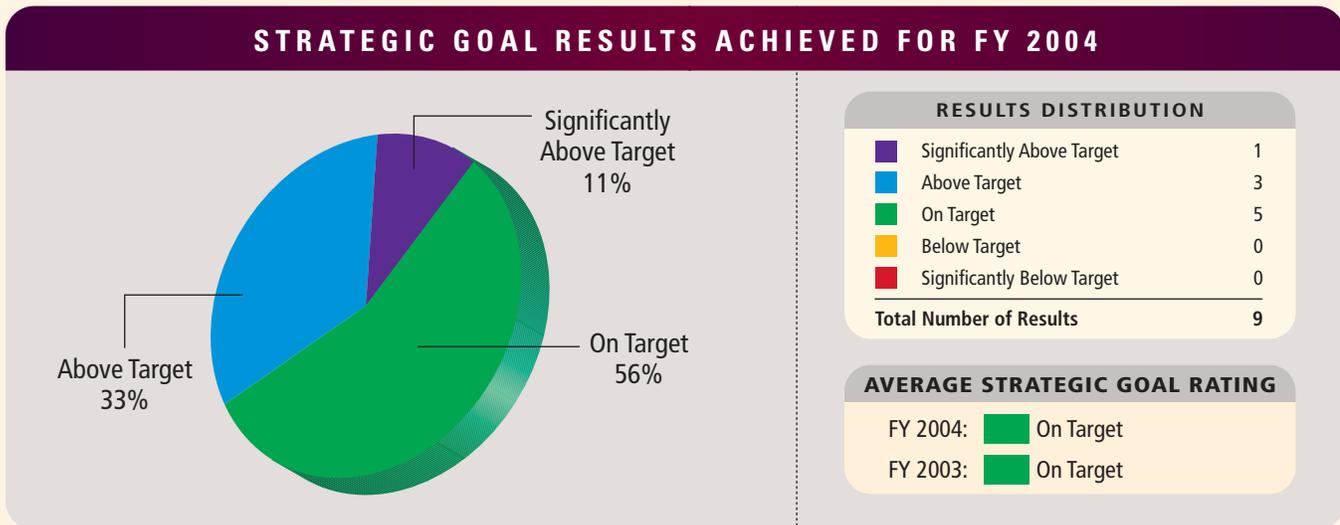
III. Strategic Context

This strategic goal is supported by three performance goals. Shown below are the major Initiatives/Programs, resources, bureaus, and partners that contribute to accomplishment of the strategic goal.

Strategic Goal	Performance Goal (Short Title)	Initiative/Program	Major Resources	Lead Bureau(s)	External Partners
Homeland Security	Proper Visa Adjudication	Visa and Consular Services	D&CP	Consular Affairs	DHS, DOJ, DoL, FBI, CIA, NARA, DoD, SSA
		U.S.-EU Cooperation on Border Security	D&CP	Consular Affairs, Economic and Business Affairs	DHS
	Border Agreements	U.S.-Canada Smart Border Action Plan U.S.-Mexico Border Partnership	D&CP	Western Hemisphere Affairs, International Narcotics and Law Enforcement	DHS
		Improve Cargo Security	D&CP	Economic and Business Affairs	DHS
	Infrastructure Network Protection	Cyber Security	D&CP	Political-Military Affairs, Economic and Business Affairs	DHS, DOJ, DoD, DOE, DOC, HSC, CIA, FBI, NSA, DIA

IV. Performance Summary

The chart below shows the performance rating distribution of the FY 2004 results for the Homeland Security strategic goal. Also shown is a comparison between FY 2004 and FY 2003 average strategic goal ratings.



V. Performance Analysis

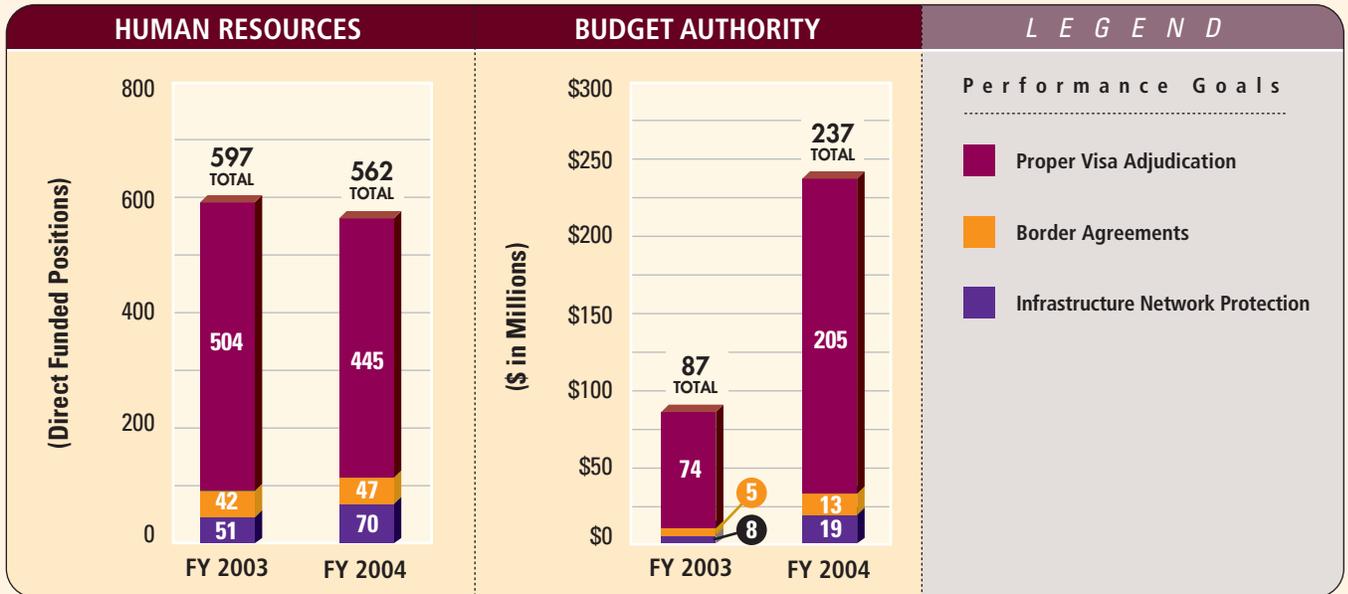
The pie chart above shows the performance rating distribution of the FY 2004 results for the Homeland Security strategic goal. Also shown is a comparison between the FY 2004 and FY 2003 average strategic goal ratings. FY 2004 results produced a rating of “On Target,” unchanged from last year’s “On Target” rating.

Of the 9 results, 100% of the results have been rated as “On Target” or above.

- **Four Ratings Ranked “Significantly Above Target” or “Above Target”** – Some of these positive results pertains to the following:
 - Development of a Biometrics Collection Program for U.S. Visas (I/P #1, Indicator #3)
 - Achievement of the Border Security Initiatives (I/P #3, Indicator #1)
 - Number of Multilateral Fora With Critical Infrastructure Protection Action Plans (I/P #5, Indicator #1)

- **No Ratings Ranked “Significantly Below Target” or “Below Target”**

VI. Resources Invested



VII. Illustrative Example of a Significant Achievement

Biometric Visa Program

The Department's Biometric Visa Program has improved border security by checking the fingerprints of visa applicants against the fingerprint watchlist in the Department of Homeland Security (DHS) Automated Biometric Identification System (IDENT), which contains fingerprints of suspected terrorists, wanted persons, criminals, and immigration violators. As of September 2004, the fingerprints of over 1,200 visa applicants have matched against fingerprints on the IDENT watchlist. The Biometric Visa Program was deployed to all visa-issuing posts three weeks ahead of the October 26, 2004, legislative deadline.



An applicant for a visa to enter the United States demonstrates the new security system that records the applicant's fingerprints and facial image at the laser visa processing center in an annex to the U.S. Consulate in Tijuana, Mexico. ©AP Wide World Photos/Lenny Ignelzi

VIII. Performance Results

PERFORMANCE GOAL 1

*DENIAL OF VISAS TO FOREIGN CITIZENS WHO WOULD ABUSE OR THREATEN THE UNITED STATES,
WHILE FACILITATING ENTRY OF LEGITIMATE APPLICANTS*

INITIATIVE/PROGRAM (I/P) #1: VISA AND CONSULAR SERVICES

Improve ability to process visas and other services while maintaining the ability to detect when it is appropriate to deny a visa.

INPUT INDICATOR

Indicator #1: Number of Other Agencies With Access to the Consular Consolidated Database (CCD)

FY 2004 PERFORMANCE	Target	3
	Results	The Department signed Memorandum of Understanding (MOUs) on information sharing with three other USG agencies.
	Rating	■ On Target
	Impact	Shared data identifies inadmissible aliens and allows for quicker, more effective visa adjudication and border security decisions.
DATA QUALITY	Data Source	Signed copies of MOUs and minutes of annual review meetings.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Sharing of all relevant data with and among agencies involved in the visa process or other homeland security efforts is a priority Department and USG goal. Signed MOUs are matters of record and show progress toward optimal interagency cooperation on homeland security issues. With the formation of the Department of Homeland Security (DHS), the Terrorist Threat Information Center (TTIC), and the Terrorist Screening Center (TSC) and the shift in agency responsibilities, this performance measure will no longer be directly meaningful.
PAST RESULTS	2003	2
	2002	1
	2001	0

I/P # 1: VISA AND CONSULAR SERVICES (continued)

OUTPUT INDICATOR

Indicator #2: Percentage of Files Stored Electronically in Accordance with the Requirements of Enhanced Border Security and Visa Entry Reform Act (PL 107-173)

FY 2004 PERFORMANCE	Target	Electronic retention of all applications in cases of concern. Transfer of archives to electronic media of all serious refusal files from countries of concern. Begin back-scanning serious refusal files from other posts.
	Results	Posts are scanning serious refusals. The Kentucky Consular Center is backscanning. Paper backup records are stored with the U.S. National Archives and Records Administration (NARA).
	Rating	■ On Target
	Impact	Records are more widely available to users including other agencies and allow faster, better decision-making.
DATA QUALITY	Data Source	Consular Consolidated Database records of cases with scanned documents attached.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Increased electronic storage of visa files shows progress toward completion of the initiative and compliance with the requirements of the Enhanced Border Security and Visa Entry Reform Act.
PAST RESULTS	2003	Software developed to support Kentucky Consular Center (KCC) scanning of archival material.
	2002	100% of the paper files were retained. Preparations for electronic storage began.
	2001	N/A ¹

¹ This indicator was incorporated in FY 2002.

I/P #1: VISA AND CONSULAR SERVICES (continued)

OUTPUT INDICATOR

Indicator #3: Development of a Biometrics Collection Program for U.S. Visas

FY 2004 PERFORMANCE	Target	Continue implementation of biometric collection program at forty posts.
	Results	Implementation of biometric collection program at all posts completed October 7, 2004, ahead of the statutory October 26, 2004 deadline.
	Rating	■ Above Target
	Impact	3,567 IDENT Watchlist hits collected since the beginning of biometric deployment for wanted persons, for immigration violations, or for criminal history records submitted by the FBI.
DATA QUALITY	Data Source	Implementation confirmed through Consular Consolidated Database (CCD). All IDENT check responses are stored in the CCD. Program evaluation available from the Government Accountability Office (GAO): State Department Rollout of Biometric Visas on Schedule, but Guidance is Lagging (GAO-04-1001).
	Results Verification Confidence Level	High
	Indicator Validation Statement	Biometrics collection is a statutory requirement. Implementing the program at overseas posts shows progress toward completion of the initiative and compliance with the requirements of the law.
PAST RESULTS	2003	<ol style="list-style-type: none"> 1. Developed recommendations on biometric standards for visas. 2. Used Facial Recognition (FR) technology to disqualify over 20,000 from the annual Diversity Visa lottery for filing duplicate entries. To evaluate FR full potential for combating visa and passport fraud, launched a facial recognition pilot for nonimmigrant visas. Began worldwide deployment of biometric Non-Immigrant Visa (NIV) software, with Brussels as the first pilot post, going live with fingerprint collection on September 22, 2003. Fingerprint capture equipment and new software for NIV production was also deployed at Frankfurt, Guatemala City, and San Salvador. 3. Began worldwide deployment of biometric NIV software, with four posts going live with fingerprint collection in September 2003.
	2002	<ol style="list-style-type: none"> 1. Biometric Border Crossing Card (BCC) program continued. 2. Production of BCCs at U.S. Embassy in Mexico supplemented BCC production by INS in periods of great demand. 3. Use of facial recognition (FR) technology expanded.
	2001	<ol style="list-style-type: none"> 1. Biometric BCC program continued. 2. Facial recognition technology was used to disqualify duplicate entries in Diversity Visa lottery.

I/P #2: U.S.-EU COOPERATION ON BORDER SECURITY

Enhance cooperation with our European and Eurasian partners to support our systems to identify and interdict terrorists and terrorist threats before they reach our borders.

OUTPUT INDICATOR

Indicator #4: Passenger Manifest Requirements

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> The Department will continue to assist foreign carriers and public authorities in the implementation of these programs, which will be tied to the Entry-Exit program to track visitors to the United States. Entry-Exit will be established at all airport entry points; land borders will have implementation programs on a trial basis. Reach Passenger Name Record (PNR) access agreement with the EU.
	Results	<ol style="list-style-type: none"> Programs to assist foreign carriers and public authorities to comply with U.S.-VISIT (Entry-Exit) requirements to track visitors to the United States were conducted in FY 2004 by the Department of Homeland Security (DHS) and associated agencies. The Department is no longer involved with these programs. U.S.-VISIT entry-exit procedures were established at all 115 airport entry points by DHS; land border implementation will begin on a trial basis in early FY 2005. Passenger Name Record (PNR) access agreement reached with the EU. The European Union formally agreed in May 2004 to allow the transfer of PNR data from European flights to DHS.
	Rating	■ On Target
	Impact	<ul style="list-style-type: none"> The U.S.-VISIT program enhances the security of the United States. The program provides the capability to record the entry and exit of non-U.S. citizens into and out of the United States, and provide officials with information about persons who are in the United States in violation of the terms of their admission to the United States. The PNR Agreement reached with the EU allows European air carriers to provide the USG with PNR data, enhancing the effectiveness and efficiency of the U.S.-VISIT program while minimizing inconvenience for legitimate travelers.
DATA QUALITY	Data Source	Department of Homeland Security (DHS)
	Results Verification Confidence Level	High
	Indicator Validation Statement	Advanced electronic data receipt enhances the targeting and screening of travelers who may threaten the U.S. and aid in facilitating the travel of persons with legitimate reasons to travel to the U.S.
PAST RESULTS	2003	Reached a provisional agreement with EU, allowing European carriers to provide PNR data beginning in March 2003. The Department of Homeland Security offered a number of proposals to meet EU privacy requirements; negotiations have yielded some concessions from the Europeans, but differences remain.
	2002	<ol style="list-style-type: none"> The Department assisted foreign carriers, particularly air carriers to meet the high performance requirements of 97 percent accuracy. Advance Passenger Information System (APIS) program expanded to cruise vessels.
	2001	Passenger manifest information taken from visas and passports made mandatory by United States Customs Service.

PERFORMANCE GOAL 2

IMPLEMENTED INTERNATIONAL AGREEMENTS TO STOP THE ENTRY OF GOODS THAT COULD HARM THE UNITED STATES, WHILE ENSURING THE TRANSFER OF BONA FIDE MATERIALS

I/P # 3: U.S.-CANADA SMART BORDER ACTION PLAN AND THE U.S.-MEXICO BORDER PARTNERSHIP

Strengthen the controls over goods that enter the United States.

OUTCOME INDICATOR

Indicator #1: Achievement of the Border Security Initiatives

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> Mexican law enforcement and equipment will be significantly upgraded to assist in screening potentially illegal or dangerous movements of goods and persons to the United States. This will include increased Secure Electronic Network for Travelers Rapid Inspection (SENTRI) access and Non-Intrusive Inspection Equipment (NIIE) being installed along road and track crossings into the United States. Assess needs for further improvements. In Canada, frequent traveler (NEXUS) and frequent shipper (FAST) programs are in place at all major border crossings; information sharing agreements are fully implemented; visa coordination plans ongoing; plans are developed for infrastructure improvements, joint facilities and critical infrastructure protection.
	Results	<ol style="list-style-type: none"> Six sites identified for SENTRI lanes. Plans for second lane at Tijuana site 100% complete, construction to be completed in December 2004. Plans for lane at Mexicali 100% complete in August, construction to begin in November. Design for lanes at Nogales, Nuevo Laredo and Matamoros underway. USG and Government of Mexico standardized fees for SENTRI lane at Ciudad Juarez. Vehicle and Cargo Inspection System (VACIS) put into operation at Colombia, Nuevo Laredo, and Piedras Negras. Mobile X-Ray Inspection Units deployed and operational at Mexico City, Cancun, and Tijuana airports. Site preparation and hardware and cobalt source received for VACIS installation at Mexicali (port and rail), Mexico City Pallet, and Nogales Portal. Three VACIS trucks for highway inspections ordered. Assessment of additional border security operations is ongoing. NEXUS and FAST are in place at 11 major points of entry; additional FAST lanes will be operational at Blaine (WA) in October 2004 and Ambassador Bridge (Detroit, MI) in November 2004. Information Sharing: U.S. and Canada discussed further enhancements to current arrangement and practices during the October 2004 Smart Border Accord meeting in Ottawa. Visa Coordination: The U.S. and Canada met in September to conduct side-by-side comparison of each country's visa process and visa waiver review procedures, in order to identify potential points of convergence as well as security weaknesses.
	Rating	<ol style="list-style-type: none"> ■ Above Target ■ Above Target
	Impact	<ol style="list-style-type: none"> SENTRI and VACIS enhance secure commerce across the U.S.-Mexico border. These programs allow U.S. and Mexican law enforcement to identify low-risk border traffic, focusing attention and assets on suspected criminal elements and possible terrorists. Additional FAST and NEXUS lanes will result in expedited secure transit at two key border crossings.

I/P #3: U.S.-CANADA SMART BORDER ACTION PLAN AND THE U.S.-MEXICO BORDER PARTNERSHIP (continued)

OUTCOME INDICATOR

Indicator #1: Achievement of the Border Security Initiatives (continued)

DATA QUALITY	Data Source	Department memoranda and electronic correspondence.
	Results Verification Confidence Level	High
	Indicator Validation Statement	<p>There are over 300,000,000 border crossings between the United States and Mexico, most by non-U.S. citizens. Implementing the SENTRI and VACIS programs to monitor this transit volume promotes security along this border and within the homeland. The bilateral effort needed to establish these programs also serves as a template for future U.S.-Mexico joint initiatives to further monitor and secure the border against threats to U.S. interests.</p> <p>State is the lead agency for border security programs implemented abroad—in this case, on the Mexican side of the border. DHS assumes responsibility for coordinating federal, state, and local homeland security efforts within the United States. As such, DHS's role in addressing this indicator is necessary to ensure that the border security initiatives can be integrated across the border.</p>
PAST RESULTS	2003	<ol style="list-style-type: none"> All programs proceeding largely on schedule. Slight delay in Advanced Passenger Information/Passenger Name Record (API/PNR) program with Canada.
	2002	The 30-point Canadian plan and the 22-point Mexican plan were launched.
	2001	Baseline: Dialogue started with the Canadian Government to work together on border issues.

I/P #4: INITIATIVES TO IMPROVE CARGO SECURITY

Increase capability of using digital information for pre-boarding screening and post-arrival tracking of people and goods.

OUTPUT INDICATOR

Indicator #2: Participation in the Container Security Initiative (CSI)

FY 2004 PERFORMANCE	Target	Eighty percent of all container traffic to the U.S. covered. Pilot phase deployments at initial CSI ports become permanent.
	Results	CSI currently operational in 26 ports.
	Rating	■ On Target
	Impact	Enhanced container screening at 26 ports worldwide; increased awareness by foreign governments of the need for container security. All containers (100%) identified as posing a terrorist risk, i.e., with potential for concealment of terrorist weapons or terrorists, are inspected using x-ray scans and radiation detection equipment.
DATA QUALITY	Data Source	Bureau of Customs and Border Protection (CBP)
	Results Verification Confidence Level	High
	Indicator Validation Statement	Security screening of containers at foreign ports before ships depart for the U.S. decreases both the appeal to terrorists and the vulnerability of the vital maritime transportation sector and, in the event of an incident, allows more expeditious resumption of maritime commerce.
PAST RESULTS	2003	Nineteen of the largest 20 ports agreed to participate in the CSI program. CSI was expanded to include additional ports worldwide. CSI "pilot phase" deployments underway at sixteen ports.
	2002	Baseline: Launch of the CSI. Nine countries included, encompassing fourteen of the twenty largest large ports.
	2001	N/A ¹

¹ This indicator was incorporated in FY 2002.



I/P #4: INITIATIVES TO IMPROVE CARGO SECURITY (continued)

Increase capability of using digital information for pre-boarding screening and post-arrival tracking of people and goods.

OUTPUT INDICATOR

Indicator #3: Cargo Manifest Requirements

FY 2004 PERFORMANCE	Target	<ul style="list-style-type: none"> All vessel cargo manifest information is provided to the DHS - Bureau of Customs and Border Protection (CBP) in electronic format at least 24 hours prior to loading unless exempted. CBP publishes final regulations for electronic submission of data for all modes of transport including rail, sea, and air.
	Results	<ul style="list-style-type: none"> The Department of Homeland Security (DHS) published the final Trade Act regulations in the Federal Register on December 5, 2003. The rules require advance transmission of the electronic cargo information to DHS for both arriving and departing cargo and provide for various effective dates depending upon the mode of transportation. Phased implementation began January 5, 2004. Requirements for transmission of data on inbound cargo (other than vessel) include: Air: Four hours (wheels up from NAFTA and Central and South America above the equator) Rail: Two hours Truck: One hour non-Free and Secure Trade (FAST); 30 minutes for FAST
	Rating	■ On Target
	Impact	CPB can now target and inspect high-risk shipments either prior to landing or immediately upon arrival at a U.S. point of entry.
DATA QUALITY	Data Source	Bureau of Customs and Border Protection (CBP, formerly the United States Customs Service (USCS))
	Results Verification Confidence Level	High
	Indicator Validation Statement	Electronic cargo information improves the Bureau of Customs and Border Protection targeting and screening capabilities for cargo and allows more effective targeting of high risk shipments.
PAST RESULTS	2003	1. All vessel cargo manifest information provided to the Bureau of Customs and Border Protection (CBP, formerly the United States Customs Service (USCS)) either in electronic or paper format at least 24 hours prior to loading unless exempted. 2. Regulations finalized for electronic submission of data for all modes of transport.
	2002	USCS expanded electronic manifesting to Canadian and Mexican borders to speed clearance.
	2001	USCS began electronic manifest programs with U.S. exporters.

PERFORMANCE GOAL 3

PROTECTION OF CRITICAL PHYSICAL AND CYBER INFRASTRUCTURE NETWORKS THROUGH AGREEMENTS AND ENHANCED COOPERATION

I/P #5: CYBER SECURITY

Strengthening critical physical and cyber infrastructures.

OUTCOME INDICATOR

Indicator #1: Number of Multilateral Fora With Critical Infrastructure Protection Action Plans

FY 2004 PERFORMANCE	Target	3
	Results	6 <ul style="list-style-type: none"> UN General Assembly, World Summit on the Information Society (WSIS), Organization for Economic Cooperation and Development (OECD), Asia Pacific Economic Cooperation (APEC), The Organization of American States (OAS), and OAS Inter-American Committee Against Terrorism (CITEL).
	Rating	 Significantly Above Target
	Impact	The U.S.-initiated resolution on Critical Infrastructure Protection at the 58th United Nations General Assembly together with the U.S. action to include security in WSIS raised the issue to highest political levels in all nations. Continuing implementation by OECD and APEC strengthened members' commitments, and APEC's effort was informally extended to non-APEC members of the Association of Southeast Asian Nations (ASEAN). Adoption by OAS of a U.S. initiated regional cybersecurity strategy led OAS/CITEL to seek a resolution on security standards at the ITU World Telecommunication Standardization Assembly, October 2004.
DATA QUALITY	Data Source	Official records, websites of the United Nations, WSIS, OECD, APEC, OAS, and CITEL.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Institutionalization of critical infrastructure protection policies and activities is fundamental to correcting vulnerabilities in worldwide, interconnected communications links that threaten U.S. and global interests.
PAST RESULTS	2003	N/A ¹
	2002	N/A
	2001	N/A

IX. Program Evaluations and PART Reviews

Six Program Evaluations and one OMB PART review were conducted in FY 2004 that pertain to this Strategic Goal.

- 1) Review of the Department of State Procedures Related to the Issuance of Visas to the September 11, 2001, Terrorists (ISP-CA-04-17)
- 2) Review of Export Controls for Foreign Persons Employed at Companies and Universities (AUD/PR-04-24)
- 3) Visa Operations at U.S. Posts in Canada (GAO-04-708)
- 4) Additional Actions Needed To Eliminate Weaknesses in the Visa Revocation Process (GAO-04-795)
- 5) Improvements Needed to Reduce Time Taken to Adjudicate Visas for Science Students and Scholars (GAO-04-371)
- 6) State Department Rollout of Biometric Visas on Schedule, But Guidance Is Lagging (GAO-04-1001)
- 7) Visa and Consular Services Program (Border Security) (OMB PART) – The OMB ratings for this PART program are CY 2004: Effective; CY 2003: Moderately Effective; and CY 2002: Moderately Effective.

Detailed information on major findings, recommendations, and actions to be taken can be found in the "OMB PART Summaries" and the "Completed Program Evaluations for FY 2004" Appendices.

¹ This indicator is new, so past results are not available.

STRATEGIC OBJECTIVE #1: ACHIEVE PEACE AND SECURITY

STRATEGIC GOAL 4: WEAPONS OF MASS DESTRUCTION

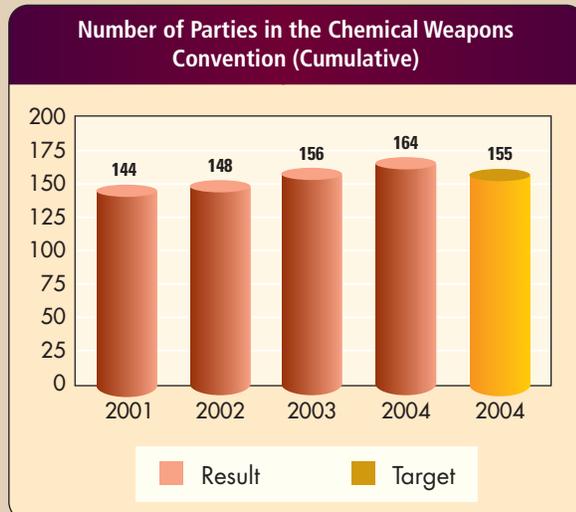
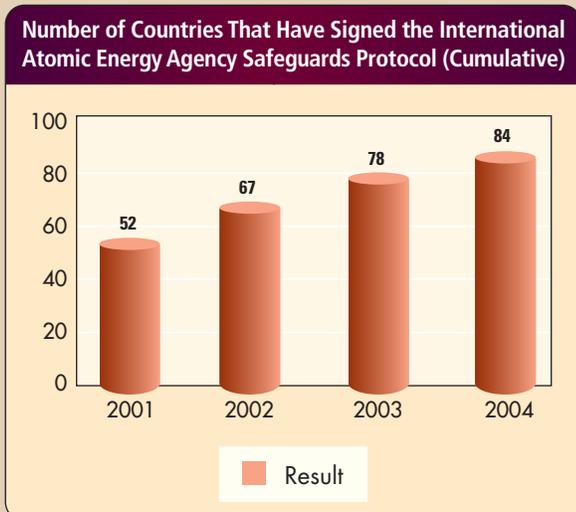
Reduce the threat of weapons of mass destruction to the United States, our allies, and our friends

I. Public Benefit

Weapons of mass destruction (WMD) including nuclear, chemical, biological and radiological weapons and their delivery systems can threaten our territory and citizens, our armed forces, our national interests, and our Allies and friends overseas. The Department helps combat this threat by working with other countries to fight WMD and missile proliferation, to defend against WMD attack, and to deny them to terrorist groups and rogue states. Our efforts improve the safety and security of the United States and its friends and Allies by lowering the risk of conflict; minimizing the destruction caused by an attack or conflict; denying access to such indiscriminate weapons and the expertise necessary to develop them; and preventing potentially devastating WMD-related accidents.

The Department is committed to reducing the WMD and missile threat through agreements to reduce current stockpiles; cooperative efforts to develop missile defenses as appropriate; strengthened nonproliferation treaties and commitments and their implementation; effective action to remedy noncompliance; and active measures to improve and enforce export controls. The Department is leading the U.S. to shape international strategies to eliminate threats remaining from the Cold War's WMD legacy; enhancing controls on biological agents and toxins, especially in the area of national controls; and, most recently, redirecting Iraq's former WMD scientists and helping Libya eliminate its WMD programs. To ensure our WMD strategies are both robust and effective, the Department seeks to integrate verification into arms control, nonproliferation, and disarmament negotiations, treaties, agreements, and commitments. The Department also works to ensure that compliance is rigorous and enforced. WMD and missile proliferation, especially in troubled regions, exacerbates regional instability and its associated negative political, economic and social consequences, including the risk of terrorists' acquisition of WMD and delivery systems. The Department is on the leading edge in responding to these and other WMD challenges that might arise.

II. Selected Performance Trends



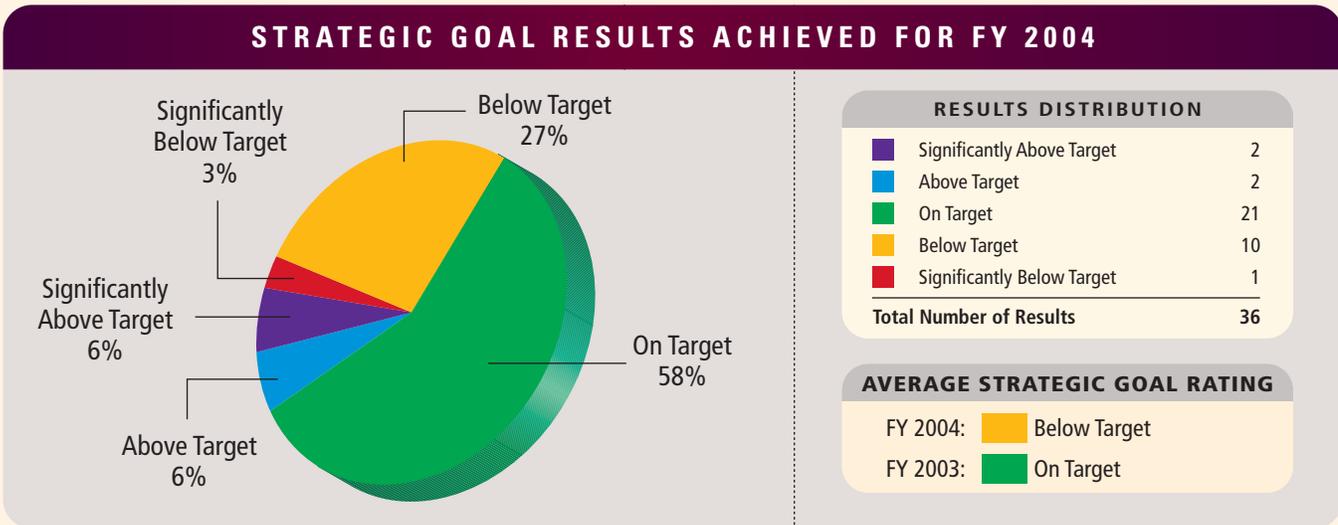
III. Strategic Context

This strategic goal is supported by three performance goals. Shown below are the major Initiatives/Programs, resources, bureaus, and partners that contribute to accomplishment of the strategic goal.

Strategic Goal	Performance Goal (Short Title)	Initiative/ Program	Major Resources	Lead Bureau(s)	External Partners
Weapons of Mass Destruction	Bilateral Measures	Curb Access	D&CP, NADR EXBS	Nonproliferation, International Organizations	DOC, DoD, DOE, DHHS, EPA, FBI, IC, NRC, NSC, USDA, CRDF, Australia Group, EU, G-8, IAEA, ICOC, MTCR, NATO, NPT, NSG, UNSC, Zangger Committee, ISTC, STCU
		Cooperation With Allies and Friends on Missile Defense	D&CP	Arms Control	DoD, IC, NSC, NATO
		Cooperation with Russia on New Strategic Framework	D&CP	Arms Control, Verification and Compliance	DoD, IC, NSC, NATO
	Multilateral Agreements and Nuclear Safety	Strengthen Global Norms	D&CP, NADR, IAEA, CIO, Voluntary Contributions	Nonproliferation, International Organizations	Same as "Curb Access"
		Chemical Weapons Convention	D&CP, CIO Account for assessments and inspections	Arms Control, Verification and Compliance, International Organizations	DoD, DOC, DOJ, DOE, IC, NSC, OPCW
		Biological Weapons Convention	D&CP	Arms Control, Verification and Compliance	DoD, DOE, DOC, DHHS, IC, NSC, WHO, FAO
		Promote Safe Nuclear Cooperation	D&CP	Nonproliferation	DOE, EPA, NRC, NSC, OVP, Treasury, USAID
	Verification and Compliance	Arms Control and Nonproliferation Verification	D&CP	Verification and Compliance	DoD, DOE, IC, DOC, JCS, DHS, FBI, NSC, OVP, DOJ, USDA, OPCW, Australia Group, EU, G-8, IAEA, ICOC, MTCR, NATO, NPT, NSG, UNSC, Zangger Committee
		Compliance Diplomacy	D&CP	Verification and Compliance	Same as above
		All Source Intelligence Collection; Technology R&D	D&CP	Verification and Compliance	IC, DoD, DOE, DHS, OSTP, TSWG, DTRA, National Labs, NSC, OVP
		Rapid and Accurate Communications for Arms Control	D&CP	Verification and Compliance, Arms Control	DoD, DOE, DOC, NSC, IC

IV. Performance Summary

The chart below shows the performance rating distribution of the FY 2004 results for the Weapons of Mass Destruction strategic goal. Also shown is a comparison between FY 2004 and FY 2003 average strategic goal ratings.



V. Performance Analysis

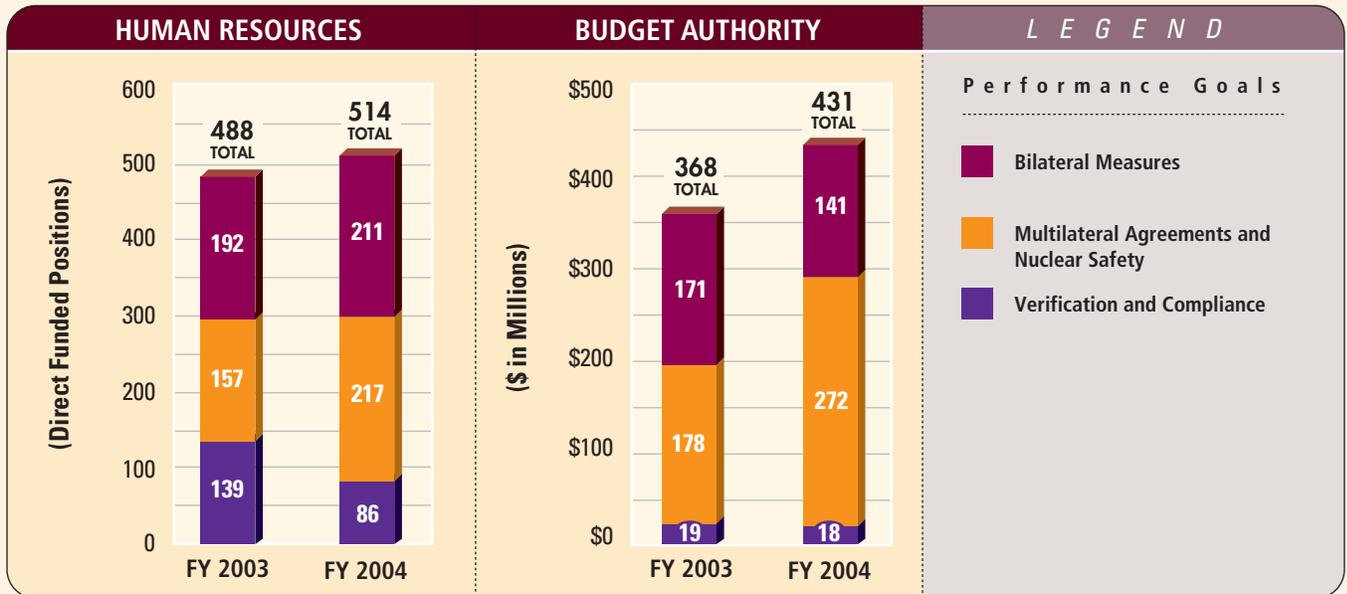
The pie chart above shows the performance rating distribution of the FY 2004 results for the Weapons of Mass Destruction strategic goal. Also shown is a comparison between the FY 2004 and FY 2003 average strategic goal ratings. FY 2004 results produced a rating of “Below Target,” a decline from last year’s “On Target” rating.

Of the 36 results, 70% or 25 of the results have been rated as “On Target” or above.

- **Four Ratings Ranked “Significantly Above Target” or “Above Target”** – These positive results pertain to the following:
 - Access to Weapons of Mass Destruction (WMD) Impeded (I/P #1, Indicator #1)
 - Number of Russian / NIS Weapon Scientists Redirected in Civilian Activities and Progress in Developing Self-Sustaining Civilian Alternative Employment (I/P #1, Indicator #4)
 - Status of Cooperation With Allies on New Strategic Framework (I/P #2, Indicator #5)
 - Status of the Chemical Weapons Convention (CWC) (I/P #5, Indicator #3)

- **Eleven Ratings Ranked “Significantly Below Target” or “Below Target”** – Some of these areas of concern pertain to the following:
 - Progress Toward Implementing Fissile Material Projects (I/P #1, Indicator #3)
 - Status of Cooperation with Russia on New Strategic Framework (I/P #3, Indicator #6)
 - Status of Verification of Arms Control and Nonproliferation Agreements and Commitments (I/P #8, Indicator #1)
 - Intelligence Collection Resources Promoted to Support Arms Control and Nonproliferation Verification Objectives (I/P #10, Indicator #3)

VI. Resources Invested



VII. Illustrative Example of a Significant Achievement

The Proliferation Security Initiative



At the National Defense University on February 11, 2004, President Bush emphasized that PSI cooperation must not just address shipments of WMD, but should also include efforts to shut down proliferation networks and to bring justice to those involved in facilitating this deadly trade. At the fifth plenary meeting held March 2004 in Lisbon, Portugal, the core partners developed a series of practical steps that establish the basis for supportive States' involvement in the PSI activities. In May, the First Anniversary meeting of the PSI was held in Krakow, Poland with over 60 nations in attendance. To date, over 80 nations have expressed their support for and interest in participating in the PSI. The Operational Experts Working Group, now consisting of 18 nations, continues to advance PSI implementation.

President Bush during an address to the National Defense University in Washington D.C. The President warned about the spread of weapons of mass destruction and outlined policies to halt proliferation. © AP Photo/Evan Vucci

VIII. Performance Results

PERFORMANCE GOAL 1

BILATERAL MEASURES, INCLUDING THE PROMOTION OF NEW TECHNOLOGIES, COMBAT THE PROLIFERATION OF WEAPONS OF MASS DESTRUCTION AND REDUCE STOCKPILES

INITIATIVE/PROGRAM (I/P) #1: CURB ACCESS

Curb access of proliferators, terrorists, and state sponsors of terrorism to material, equipment and technology for WMD and missiles.

OUTCOME INDICATOR

Indicator #1: Access to Weapons of Mass Destruction (WMD) Impeded

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> Russia: Stops nuclear and missile cooperation with Iran. China: Adheres to 1997 nuclear and 2000 missile commitments. North Korea: Maintains its missile flight-test moratorium and constrains its missile-related exports. Export Control and Related Border Security Assistance (EXBS) Program expands beyond original focus of Newly Independent States (NIS)
	Results	<ol style="list-style-type: none"> Maintained international consensus on need to pressure Iran to intensify its cooperation with the IAEA and met its promises regarding ENR suspension. However, although the Russian government has taken some steps to control exports, Russian entities continued to engage in nuclear and missile cooperation with Iran. Although Beijing has taken steps to educate firms and individuals on the new missile-related export regulations, some Chinese entities continued to engage in transfer activities, particularly with Iran. North Korea continued its flight test moratorium, but U.S. efforts to discourage countries from buying North Korean missiles have resulted in only a slight reduction in North Korean missile-related export activity. The Export Control and Related Border Security Assistance (EXBS) Program graduated the Czech Republic, Hungary, and Poland at the end of FY 2003. Lithuania, Latvia, and Estonia graduated from the EXBS program in FY 2004. Since CY 2002, the focus of the EXBS program has expanded well beyond the Newly Independent States (NIS), now known as Former Soviet Union (FSU) countries. The expanding proliferation threat has necessitated the growth of the EXBS program into a global enterprise, which encompasses new countries of concern, including those in the Middle East, the Balkans, South and Southeast Asia, and Africa.
	Rating	<ol style="list-style-type: none"> ■ On Target ■ On Target ■ Below Target ■ Above Target
	Impact	<ol style="list-style-type: none"> Brought pressure to bear on Iran's nuclear program, but continued risk of proliferation from Russian entities remains. Some risk of WMD and missile proliferation from Chinese entities. North Korean exports of ballistic missile related equipment and technology continued, although there has been no export of accurate Medium Range Ballistic Missiles (MRBMs). Some inroads made on the illegal trade of illegal weapons/material. The conversion of the EXBS to a global program has shifted the focus from NIS (or FSU) countries to others, which are of more immediate concern. While some NIS countries have made slower progress than targeted, countries in other regions, including a number of higher-priority countries, have made significant progress on their export control system. Countries have drafted and enacted export control laws; and a number of countries have developed effective export control systems and have graduated from our assistance program.

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I/P # 1: CURB ACCESS (continued)

OUTCOME INDICATOR

Indicator #1: Access to Weapons of Mass Destruction (WMD) Impeded (continued)

DATA QUALITY	Data Source	Diplomatic cables and first hand accounts of activities from posts and export control advisors "on the ground."
	Results Verification Confidence Level	Medium
	Indicator Validation Statement	Tracking this indicator provides a reliable and quality assessment of our progress toward impeding access to WMD by focusing on the cases of Russia, China, North Korea, the Newly Independent States (NIS) countries, and an expanding set of countries worldwide that merit this attention.
PAST RESULTS	2003	<ol style="list-style-type: none"> Russia: Maintained its cooperation with Iran's program, but expressed increasing concern as IAEA established Iranian safeguard violations. International consensus against supply to Iran remains in place. China: Continued to cooperate. Attention, however, has been given to other priorities that have arisen. North Korea: Did not contribute to nuclear programs in other countries, but ballistic missile exports contribute to destabilizing already volatile regions of the Middle East/North Africa and South Asia. NIS countries: GAN (Russia's nuclear regulatory agency) accepted assistance from the G-7 to determine what regulatory provisions need to be adopted to ensure that Russia's nuclear safety regime will be consistent with the Convention on Nuclear Safety. Russia became a member of the Nuclear Safety and Security Group (NSSG). The Ukrainians increased staff to meet increasing responsibilities. New Safe Confinement conceptual design completed and obtained regulatory approval. Stabilization contractor selected and mobilized. G8 Initiative: Accepted assistance from the G-8 to determine what regulatory provisions need to be adopted to ensure that Russia's nuclear safety regime will be consistent with the Convention on Nuclear Safety. <ul style="list-style-type: none"> Russia became a member of the Nuclear Safety and Security group. Ukrainians increased staff to meet its increasing responsibilities. New Safe Confinement conceptual design is completed and obtains regulatory approval. Stabilization contractor is selected and mobilized.
	2002	<ol style="list-style-type: none"> Russia: Exported technology; increased attention to Iran's WMD and missile programs. China: Implemented its 1997 nuclear commitment but not its 2000 missile commitment. North Korea: Accepted U.S. offer for talks, but continued to export missile-related items. NIS Countries: European countries developed export controls; some NIS countries moved towards controls.
	2001	<ol style="list-style-type: none"> Russia: Partially halted assistance to Iran. China: Implemented its 1997 nuclear commitment, but not its 2000 missile commitment. North Korea: Did not export nuclear material or technology, but continued to seek buyers for missile exports. NIS Countries: Marked increase in meeting export control standards and in interdicting WMD and related components.

I/P #1: CURB ACCESS (continued)

OUTCOME INDICATOR

Indicator #2: States Conform to International Nonproliferation Norms of Behavior

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> South Asia: Restraint on nuclear and missile programs continued testing moratoria; India and Pakistan hold talks. Effective export controls implemented by India and Pakistan. Middle East: New controls on exports to Iraq prevent the supply of WMD and missile related material and technology to Iraq from abroad. Iran denied technologies. Strengthened export controls in the region. East Asia: North Korea remains a non-nuclear weapon state party to the Nuclear Nonproliferation Treaty (NPT); no plutonium reprocessing; uranium enrichment program shut down and elimination begun in a verifiable and irreversible manner; re-freeze of plutonium program; IAEA prepared to assess program history; North Korea cooperates with IAEA on safeguards, including beginning assessment of program history.
	Results	<ol style="list-style-type: none"> South Asia: Through the "Next Steps in Strategic Partnership" initiative, India committed to improve its export controls as part of a phased agreement for expanded cooperation with the U.S. in several areas. India announced its intention to introduce export control regulatory amendments in 2004 that partially address U.S. concerns. Prosecution of notorious entity continues, with principals released on bail. Actions on other cases falling short of target. In light of the revelation of the A.Q. Khan proliferation network, Pakistan committed to sharing information with U.S., IAEA, and other countries and to work with the U.S. to ensure Pakistan is not a source of proliferation in the future. EXBS program activities with Pakistan continued. Pakistan continued work on new export control ordinance and agreed to discuss nuclear CBMs in May. Testing moratoria continued. Middle East: The disarmament of Iraq has shifted the focus there to ensuring the nonproliferation of Iraq's WMD expertise. The IAEA inspections in Iran were assertive and effective in pursuing gaps in Iran's declaration, and discovering inconsistencies. Libya has signed/ratified the CWC and IAEA additional Protocol, and is cooperating with U.S./UK to remove equipment and materials from their nuclear weapons program. Except for irradiated fuel, irradiated targets and yellowcake, virtually all items have been transported to the U.S. Libya has acceded to the CWC, destroyed CW munitions; entire SCUD C missile inventory removed. East Asia: Six-Party talks are underway to address the threat of North Korea's nuclear weapons programs. ROK, Japan, Russia, and China agreed with USG on the need for the complete, verifiable, and irreversible dismantlement of North Korea's nuclear programs - both uranium and plutonium based. North Korea has made various claims including that it has reprocessed all of its 8,000 canned spent fuel rods and that it is continuing to enhance its nuclear deterrent.
	Rating	<ol style="list-style-type: none"> ■ On Target ■ On Target ■ Below Target
	Impact	<ol style="list-style-type: none"> Easing of tension between India and Pakistan. Removal of threat from Iraq and Libya. Further exposure of Iran as a threat. Spurring international involvement via Six-Party talks in trying to deter North Korea from pursuing its nuclear program.
	DATA QUALITY	Data Source
Results Verification Confidence Level		High
Indicator Validation Statement		The proliferation behavior of certain countries is a critical element of U.S. foreign policy.

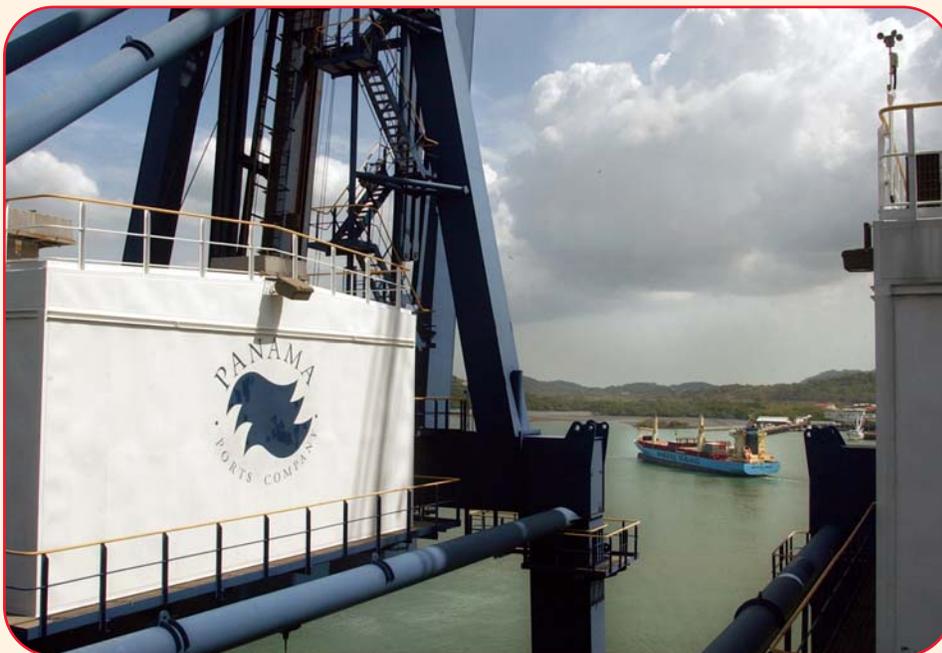
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I/P #1: CURB ACCESS (continued)

OUTCOME INDICATOR

Indicator #2: States Conform to International Nonproliferation Norms of Behavior (continued)

PAST RESULTS	2003	<ol style="list-style-type: none"> South Asia: Five technical export control cooperation exchanges completed with India. Indian officials work toward exchanges in export control system; make arrests and begin prosecution of notorious proliferating entity and investigate additional entities. Technical export control cooperation with Pakistan initiated, with first meetings held in February. Middle East: UNMOVIC and IAEA inspectors withdrawn from Iraq prior to military action to disarm Iraq. Under a deadline set by the IAEA Board of Governors (BOG) on September 12, Iran has until October 31 to make full disclosure of its nuclear activities to the IAEA. The IAEA Department of Safeguards strongly suspect Iran is hiding critical information about undisclosed research and development related to fissile material production. WMD and other related technology are denied to Libya. East Asia: North Korea agreed to multilateral talks to address concerns about its nuclear program. Three-party talks among the U.S., North Korea, and China were held in April 2003. Six-party talks: U.S., North Korea, China, Japan, Russia and the Republic of Korea were held in August 2003. States particularly welcomed the six-party talks in Beijing in August 2003. The talks, and the consensus that emerged from them, are "a clear step in the right direction," the resolution said. The IAEA General Conference adopted a resolution calling for North Korea to promptly accept comprehensive IAEA safeguards and cooperate in their full and effective implementation.
	2002	<ol style="list-style-type: none"> South Asia: Onward proliferation concerns remain. Middle East: Broad international support for pressure on Iraq leads to two landmark UN Security Council Resolutions: Goods Review List (1409) and resumption of weapons inspections (1441). Smart sanctions denied Iraq technologies necessary for WMD and missiles. Iran continued WMD and missile development. Strengthened export controls in region. East Asia: North Korea acknowledged its uranium enrichment program, lifted the Agreed Framework freeze, announced withdrawal from the NPT, and expelled IAEA monitors. The Long Range Missile flight-test moratorium continued, but North Korea's missile-related exports also continued.
	2001	<ol style="list-style-type: none"> South Asia: Continued unilateral nuclear testing moratoria; restraints in nuclear and missile program; and stronger export controls. Middle East: Iraq defied UN inspectors. Iran continued WMD development. East Asia: North Korean moratorium on missile testing and freeze at Agreed Framework continues, but continued missile exports.



A container ship can be seen passing through the Pacific end of the Panama Canal from the cranes of Panama Ports Company, a container terminal, in Panama City, Panama. Panama and the U.S. signed an agreement at the State Department in Washington to permit U.S. searches of Panamanian flag-ships in international waters suspected of carrying weapons of mass destruction or weapons technology. © AP/Wide World Photos

I/P #1: CURB ACCESS (continued)

OUTCOME INDICATOR

Indicator #3: Progress Toward Implementing Fissile Material Projects

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> Multilateral framework and international financing plan completed. Mayak Fissile Material Storage Facility (FMSF) contains at least several tons of plutonium under bilateral transparency. Implementation of Plutonium Production Reactor Agreement (PPRA) fully underway.
	Results	<ol style="list-style-type: none"> Substantial progress on redefining acceptable approaches for the plutonium disposition (PuD) multilateral framework and financing plan, for resolving the overarching liability issues, and for minimizing program delays pending complete fulfillment of the targets. Mayak FMSF transparency negotiations continued. PPRA implementation fully underway, several prospective international participants identified.
	Rating	<ol style="list-style-type: none"> ■ Below Target ■ Below Target ■ On Target
	Impact	For all three targets, progress made toward eliminating sources of proliferation from Russia, thus keeping them out the hands of terrorists and rogue countries.
DATA QUALITY	Data Source	Reports from our foreign interlocutors and on site observers who provide written and oral status reports.
	Results Verification Confidence Level	High
	Indicator Validation Statement	This indicator reliably measures progress toward the Department's overall goal "to redirect WMD expertise, material and equipment." The target represents significant cooperation to reduce the threat of nuclear proliferation by focusing on key elements of U.S. policy – in the areas of security and elimination of fissile material.
PAST RESULTS	2003	<ol style="list-style-type: none"> Russia decided to use the same design for mixed oxide (MOX) fuel fabrication facility as in the U.S.; negotiations of a multilateral framework to support Russian plutonium disposition started and continued. PPRA Amendment and replacement implementing agreement signed; access arrangements for U.S. personnel overseeing projects to construct/refurbish fossil fuel plants to replace production reactors signed; initial contracts signed and implementation underway. PPRA monitoring of shutdown reactors and weapon-grade plutonium in storage continued smoothly. Negotiations continued on Mayak Fissile Material Storage Facility (FMSF).
	2002	<ol style="list-style-type: none"> Progress made on Russian plutonium stockpile implementation and transparency issues. Preparations for negotiations of U.S.-Russian plutonium-disposition multilateral framework are on track. PPRA Amendment and fossil fuel implementing agreement concluded, awaiting Russian government approval to sign.
	2001	Plutonium disposition suspended; Plutonium Production Reactor Agreement (PPRA) suspended.

I/P # 1: CURB ACCESS (continued)

OUTPUT INDICATOR

Indicator #4: Number of Russian / NIS Weapon Scientists Redirected in Civilian Activities and Progress in Developing Self-Sustaining Civilian Alternative Employment

FY 2004 PERFORMANCE	Target	Maintain engagement of core WMD/missile expertise and add any new expertise/institutes deemed to represent a U.S. national security risk.
	Results	As of March 31, 2004, engagement focus has narrowed to 160 institutes of proliferation concern of the 430 involved as lead or supporting institutes in U.S. funded research. Sixteen of the 160 "graduated" and will no longer be considered high-priority for funding research proposals, particularly proposals that were not solicited or collaboratively designed by the Department's program personnel (including science center staff). Gained first-ever access to the last closed bio-chemical facility in Kazakhstan (Pavlodar Chemical Plant). Established Kirov Environmental Monitoring Lab - first mechanism focused on engaging former BW scientists from the top priority Kirov-200 site, which remains closed. Identified new priority bio institutes in Tajikistan. An American ISTC official followed up PTR's October 2003 visit to Tajikistan by leading a proposal-writing workshop in Dushanbe in April 2004, with participation by scientists from several institutes PTR had identified. The Bio-industry Initiative (BII) program developed business, marketing and core competency assessments on 12 biological research institutes. BII also sponsored numerous matchmaking events with western pharmaceutical industry partners for sustainable commercial redirection. Three new pharmaceutical industry partners engaged in BII commercialization projects and business development strategies with Russian institutes. Increased access and transparency with seven biologic production facilities, including Omutninsk and Berdsk. BII provided extensive training on Intellectual property, international regulatory standards, and commercialization to 12 former Biological Weapons (BW) facilities seeking to reconfigure to peaceful work.
	Rating	■ Above Target
	Impact	The graduation of institutes and the conversion of BW facilities to peaceful pursuits provide non-lethal alternatives (to WMD production) for the facilities and scientists.
DATA QUALITY	Data Source	Institutes' financial data solicited by the science centers at USG request.
	Results Verification Confidence Level	Medium
	Indicator Validation Statement	This indicator (number of institutes graduated) is well suited to enable us to measure the most important elements of our Science Center and BW/Redirection program.
PAST RESULTS	2003	<ol style="list-style-type: none"> 1. U.S. private sector industry partners total over 60. 2. Five new projects funded at three newly engaged BW and CW institutes. 3. Three new U.S. industry partners recruited thus far, with partial year results for U.S. non-NP Partner funding at 14% of total project funding. 4. The BII funded long-term commercialization and sustainability programs at large-scale biologic production facilities in Russia and Kazakhstan; developed Russian Bioconsortium of former BW research and production facilities; and developed relationships with DOW Chemical and Eli Lilly.
	2002	<ol style="list-style-type: none"> 1. Engaged 363 former WMD institutes compared to 9 high-priority Biological Weapons (BW) and Chemical Weapons (CW) institutes not able to be accessed. 2. Eight new U.S. industry partners recruited. 3. U.S. private sector and non-NP governmental Partner project funding was 8% of total U.S. project funding. 4. Launched Bio Industry Initiative (BII) designed to reconfigure former BW production facilities for peaceful uses and to engage former BW scientists in accelerated drug and vaccine development. 5. Three new technological applications brought to market, including Neurok TechSoft (linear differential equation solver), a laser-based fluorocarbon detector, and new computer animation technology.
	2001	Up to 40,000 scientists and several new high-interest institutes now engaged.



I/P #2: COOPERATION WITH ALLIES/FRIENDS ON MISSILE DEFENSE

Seek the support of allies and friends for the new strategic relationship with Russia and the Moscow Treaty on Strategic Offensive Reductions. Seek their cooperation in countering new WMD threats and in countering missile defense development and deployment aimed at dissuading rogue states from acquiring WMD and ballistic missiles and deterring their use.

OUTCOME INDICATOR

Indicator #5: Status of Cooperation With Allies on New Strategic Framework

FY 2004 PERFORMANCE	Target	Allies and friends support deployment of a limited U.S. missile defense system; some Allies join U.S. on specific missile defense-related projects.
	Results	<p>There is significant concern around the world about the ballistic missile threat and interest in missile defense cooperation with the U.S.</p> <ol style="list-style-type: none"> 1. In August 2004, the U.S. and Canada agreed to permit NORAD to support the missile defense mission, and are discussing missile defense cooperation. 2. In August 2004, the U.S. and Denmark agreed to the upgrade of the U.S. early warning radar at Thule, Greenland for missile defense purposes. 3. In July 2004, the U.S. and Australia signed a Memorandum of Understanding on missile defense cooperation. 4. In July 2004, Japan announced its intention to acquire the PAC-3 (Patriot) and Aegis missile defense systems from the U.S. 5. Taiwan is seeking funding to acquire the PAC-3. 6. The Department has discussed India's interest in missile defense in the context of the Next Steps in Strategic Partnership and the U.S.-India dialogue on strategic stability. 7. The U.S. is cooperating with Israel on Arrow system testing. 8. The NATO study on protection of population and territory has been initiated, and an agreed NATO Staff Requirement for Active Layered Theater Ballistic Missile Defense (TMC) has been established. 9. NATO-Russian cooperative work on missile defense progressed. (See Indicator 6: Status of Cooperation with Russia on New Strategic Framework).
	Rating	■ Significantly Above Target
	Impact	<p>Cooperation on missile defense addresses threats to the U.S., its Allies, and friends by reducing the appeal of ballistic missiles for states considering their acquisition, by enhancing deterrence, and by reinforcing stability.</p> <p>Cooperation on missile defense development and deployment reduces the technical risks and costs of missile defense. For example, multinational cooperation can improve the effectiveness of layered defenses, in which offensive missiles are detected, tracked and intercepted along the entire flight path, by making available basing areas that provide geographical advantages not available to similar facilities on U.S. territory.</p>
DATA QUALITY	Data Source	USG/Allies/friends' announcements. Actual contracts or agreements.
	Results Verification Confidence Level	High
	Indicator Validation Statement	U.S. missile defense deployment plans depend in part on Allied cooperation. The U.S. seeks a cooperative approach with Allies and friends to address the increased ballistic missile threat, including through missile defense.

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I/P #2: COOPERATION WITH ALLIES/FRIENDS ON MISSILE DEFENSE (continued)

OUTCOME INDICATOR

Indicator #5: Status of Cooperation With Allies on New Strategic Framework (continued)

PAST RESULTS	2003	<ol style="list-style-type: none"> 1. The UK agreed to support the upgrade of the early warning radar at Fylingdales; discussions with Denmark on upgrading the early warning radar in Greenland progressed well. The U.S. and UK signed a Memorandum of Understanding (MOU) regarding missile defense cooperation in June 2003. 2. The U.S. worked with Germany and Italy on the Medium Extended Air Defense System. 3. The U.S. and Canada established a regular consultation mechanism and are exploring potential areas of joint cooperation. 4. At the November 2003 Summit, the U.S. obtained NATO agreement to study the feasibility of missile defenses to protect population and territory, and the U.S. continued to work closely with NATO. 5. The U.S. worked closely on missile defense with Japan, whose government has significantly increased its budget request for missile defense-related work. 6. The U.S. and Australia discussed Canberra's interest in missile defense and opportunities for cooperation. 7. The U.S. and India have discussed how India could conduct a missile defense requirements analysis.
	2002	The Department led or participated in over 125 consultation visits on U.S. missile defense efforts, threat assessments, ABM Treaty withdrawal, and the Moscow Treaty. Allies and friends welcomed the Moscow Treaty, and accepted U.S. withdrawal from the Anti-Ballistic Missile (ABM) Treaty.
	2001	Baseline: Consultations began with Allies on new strategic framework.

U.S. Under Secretary of State John Bolton shakes hands with Japan's former Foreign Minister Yoriko Kawaguchi before their meeting at Kawaguchi's office in Tokyo. Bolton was in Japan to discuss the North Korean nuclear issue. © AP/Wide World Photos



I/P #3: COOPERATION WITH RUSSIA ON NEW STRATEGIC FRAMEWORK

Give further content and definition to the Administration's commitment to deepening the strategic relationship with Russia.

OUTCOME INDICATOR

Indicator #6: Status of Cooperation with Russia on New Strategic Framework

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> The United States and Russia begin implementing new transparency and predictability efforts to enhance confidence in strategic reductions and strategic stability. The United States and Russia begin working on missile defense-related research and development projects. The United States and NATO reach agreement with Russia within the NATO framework about missile defense cooperation.
	Results	<ol style="list-style-type: none"> The Moscow Treaty Bilateral Implementation Commission met for the first time in April 2004; the U.S. and Russia exchanged briefings on the Moscow Treaty reductions underway by both Parties. The U.S.-Russia Consultative Group on Strategic Security (CGSS) Working Group on Offensive Transparency expects to continue to meet. The U.S. has proposed practical transparency related to non-strategic nuclear warheads and wider strategic activities. The CGSS Working Group on Missile Defense continued to meet, and the U.S. continued to provide transparency and predictability into U.S. missile defense-related plans and programs, and has offered to implement further transparency measures on a voluntary and reciprocal basis. U.S. and Russian experts are discussing potential concrete missile defense-related cooperation projects. Although the U.S. canceled the bilateral RAMOS project, the U.S. remains interested in bilateral missile defense cooperation. Negotiations continued on a bilateral agreement to facilitate government-to-government and industry-to-industry missile defense cooperation. Work continued in the NATO-Russia Council's Theater Missile Defense (TMD) Ad Hoc Working Group. Phase I of the TMD interoperability study was undertaken successfully and included an effective NATO-Russia TMD exercise at Colorado Springs involving participation by ten states, including Russia, and provided significant information for establishing an initial operating concept for NATO-Russia interoperability in Crisis Response Operations involving ballistic missile threats. Agreement has been reached to fund Phase II of the NATO-Russia study on TMD interoperability. NATO-Russia Council members attended a Russian nuclear safety field exercise in August 2004.
	Rating	<ol style="list-style-type: none"> ■ Below Target ■ Below Target ■ On Target
	Impact	<p>The Bilateral Implementation Commission serves as the forum to discuss issues related to Moscow Treaty implementation. Working Groups established by the CGSS are intended to exchange information and foster transparency regarding offensive nuclear forces and missile defense. Data exchanges and cooperative activities serve to reduce uncertainties, enhance openness, foster a more predictable strategic environment, and build trust. The new strategic relationship is not developing as smoothly as the Department had hoped; the U.S. and Russia still have differences of views regarding how to proceed.</p> <p>NATO and Russia are undertaking studies and exercises to foster interoperability between prospective NATO theater missile defenses and Russian theater missile defense in order to enhance cooperation and confidence, and perhaps to defend against common threats in an out-of-area non-Article V crisis. Russia seems somewhat more amenable to cooperation in this context than they are demonstrating in the U.S. bilateral relationship, perhaps because the latter requires a deeper commitment.</p>
DATA QUALITY	Data Source	Bilateral U.S.-Russian, NATO statements and/or agreements. Statements by governments, contracts, and embassy and delegation reporting.
	Results Verification Confidence Level	High
	Indicator Validation Statement	The New Strategic Framework is a key element in the transformation of the U.S.-Russian relationship from confrontation to cooperation. The Department seeks Russian cooperation in managing our strategic relationship and in addressing the new challenges of the 21st century. Key elements of the New Strategic Framework are cooperation in implementing the Moscow Treaty and cooperation in missile defense; progress in these areas will indicate whether the New Strategic Framework is being fulfilled.

Continued on next page

I/P #3: COOPERATION WITH RUSSIA ON NEW STRATEGIC FRAMEWORK (continued)

OUTCOME INDICATOR

Indicator #6: Status of Cooperation with Russia on New Strategic Framework (continued)

PAST RESULTS	2003	<ol style="list-style-type: none"> The Moscow Treaty entered into force on June 1, 2003. Discussions on procedures for, and scheduling of the Moscow Treaty's Bilateral Implementation Commission began. The Department opened regular consultations on arms control and related issues with the Russian Ministry of Foreign Affairs at the Assistant Secretary level. CGSS Working Groups on offensive strategic affairs and missile defense, including transparency and cooperation, met twice and three times, respectively. The U.S. and Russia began exchanging information on their plans for reductions under the Moscow Treaty. In February 2003, NATO and Russia agreed on a work plan that includes some nuclear Confidence- and Security-Building Measures (CSBMs). Discussions on START implementation continued, on a more positive basis than in previous years; meetings of the Joint Compliance and Inspection Commission (JCIC) took place in June and August 2003.
	2002	<ol style="list-style-type: none"> USG established the basis of a New Strategic Framework for its security relationship with Russia that consists of, among other things, a new approach to deterrence that relies on both offensive and defensive means. U.S. and Russia signed the Treaty on Strategic Offensive Reductions (Moscow Treaty) on May 24, 2002, and issued a Joint Declaration on the Framework, establishing a Consultative Group on Strategic Security (CGSS). The U.S. withdrew from the ABM Treaty, removing the principal legal obstacle to pursuing alternative approaches to developing an effective missile defense system. The Department instituted a regular dialogue with Russia designed to increase transparency and openness in missile defense endeavors.
	2001	Baseline: Consultations began with Russia on New Strategic Framework.



James Cunningham, the U.S. deputy UN Ambassador, speaks after the United Nations Security Council unanimously approved a resolution aimed at keeping weapons of mass destruction out of the hands of terrorists and black marketeers.

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PERFORMANCE GOAL 2

STRENGTHENED MULTILATERAL WEAPONS OF MASS DESTRUCTION (WMD) AGREEMENTS AND NUCLEAR ENERGY COOPERATION UNDER APPROPRIATE CONDITIONS

I/P #4: STRENGTHEN GLOBAL NORMS

Global norms and standards are strengthened by raising standards and enforcing increased compliance.

OUTCOME INDICATOR

Indicator #1: Status of the Nonproliferation Treaty (NPT) and the International Atomic Energy Agency (IAEA)

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> The first increase in the safeguards budget is used successfully by the IAEA to meet critical needs. More states take action on strengthening safeguards protocol. The IAEA continues to reflect U.S. views. Preparatory Committee (PrepCom) III for the 2005 NPT Review Conference (RevCon) concludes satisfactorily.
	Results	<ol style="list-style-type: none"> The Safeguards budget increase is in effect and is being used for priority tasks. \$52.7M allotted for U.S. Voluntary Contribution. Six more states signed an Additional Protocol bringing the number to 84; twenty-three more states brought the Protocol into force bringing the total to 60. The U.S. Senate unanimously approved the U.S.-IAEA Additional Protocol. Internal Auditor and the Standing Advisory Group on Safeguards Implementation (SAGSI) reviews make constructive suggestions on safeguards implementation. Technology road mapping workshop for seals took place. Preparations for PrepCom III for the 2005 NPT conference included extensive consultations in capitals, and targeted demarches pushing compliances and enforcement of NPT as our main themes. Most PrepCom goals were achieved, but one routine procedural issue for the 2005 RevCon was not resolved.
	Rating	<ol style="list-style-type: none"> ■ On Target ■ On Target ■ Below Target
	Impact	<p>The IAEA received the financial and political support necessary to perform its nonproliferation responsibilities to a sufficiently high level.</p> <p>The outcome has led to increased pessimism about potential for 2005 NPT RevCon to achieve broad agreement on key issues.</p>
DATA QUALITY	Data Source	Diplomatic cables and first hand accounts of activities. The data is furnished from the records of the IAEA.
	Results Verification Confidence Level	High
	Indicator Validation Statement	The strength of the NPT regime is closely tied to the degree to which the IAEA has the fiscal resources to implement fully its safeguards system and the degree to which the IAEA is able to implement an effective safeguards system. That system is in force in all states with significant nuclear activities and a healthy NPT regime, which is part of our comprehensive measures of progress to improve key institutions.
PAST RESULTS	2003	<ol style="list-style-type: none"> PrepCom II for the 2005 NPT Review Conference concluded successfully. Cuba and East Timor joined the treaty. The international community urged Iran to comply with the NPT and North Korea to reverse its position on NPT withdrawal. Eleven more states signed an Additional Protocol, bringing the total to seventy-eight, of which, thirty-seven protocols have entered into force. Voluntary contributions to the IAEA anti-nuclear terrorism program funding doubled in FY 2003.
	2002	<ol style="list-style-type: none"> Preparation Communications (PrepCom II) for the 2005 NPT Review Conference concluded smoothly. The IAEA took action on integrated safeguards and emphasized financial needs; nine more states signed, bringing the total to sixty-seven, of which, twenty-eight protocols have entered into force. The IAEA Board approved a multi-year program with a substantial increase in funding, to \$11 million annually.
	2001	Fifty-two countries have signed the IAEA safeguards protocol.

I/P #4: STRENGTHEN GLOBAL NORMS (continued)

OUTCOME INDICATOR

Indicator #2: Status of the Physical Protection Convention (CPPNM)

FY 2004 PERFORMANCE	Target	The United States signs the CPPNM, which is sent to the Senate for ratification. A sufficient number of states sign the revised CPPNM to allow it to enter into force.
	Results	The U.S has not yet signed the amendments to the CPPNM as the amendments have not yet been adopted by a diplomatic conference and are not yet open for signature. The IAEA circulated a proposal of the Austrian Government to revise the CPPNM in July 2004. A simple majority of CPPNM Parties must request the IAEA Director General to convene a diplomatic conference to consider the Austrian proposal. To achieve the necessary majority of 53 Parties, the United States has been coordinating diplomatic strategy with the Core Group and Austria. As of October 2004, 29 of 53 Parties have requested the conference. The current goal is the convening of a diplomatic conference in early 2005.
	Rating	■ Below Target
	Impact	Some progress made towards a consensus on amendments.
DATA QUALITY	Data Source	Diplomatic cables and first hand accounts of activities - informal consultations with IAEA Secretariat on status of request for diplomatic conference.
	Results Verification Confidence Level	High
	Indicator Validation Statement	The indicator is a reliable measure of progress toward the Department's overall goal as the CPPNM is one of the key components of the international system of nonproliferation treaties, norms, and standards.
PAST RESULTS	2003	After two meetings, the Drafting Group concluded its work without reaching consensus on a revision proposal, but did identify a set of possible amendments warranting consideration by States Parties as the basis for a proposal.
	2002	Baseline: 1. The IAEA met to discuss whether the CPPNM should be revised or strengthened. Experts made recommendations. 2. The Experts Group recommended "well defined amendment" to CPPNM for consideration by the Drafting Group. 3. The Drafting Group worked on recommendations for consideration by a revision conference.
	2001	N/A ¹

¹ This indicator was incorporated in FY 2002.

I/P #5: CHEMICAL WEAPONS CONVENTION

Support the 1997 Chemical Weapons Convention (CWC): the global treaty outlawing the development, production, acquisition, stockpiling, retention, and transfer of chemical weapons (CW).

OUTCOME INDICATOR

Indicator #3: Status of the Chemical Weapons Convention (CWC)

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. Additional CWC States Parties. 2. Organization for the Prohibition of Chemical Weapons (OPCW) well managed and adequately funded. 3. Work begins on a second CW destruction facility in Russia.
	Results	<ol style="list-style-type: none"> 1. The Department's specific target for FY 2004 was 155 States Parties, but the Department achieved 166. After the sudden Libyan announcement in December 2003 to forego WMD, the Department led U.S. assistance to Libya to ensure rapid submission of an accurate declaration of its chemical weapons stockpile and civilian chemical industry and to begin destruction of chemical weapons. The Department also led international support for Albania to accelerate implementation of the CWC. 2. The OPCW has executed its full program of inspections this fiscal year, but may have trouble continuing to do so for the rest of 2004 because of delays in U.S. payment of assessments. As another step in its management reform, the OPCW has implemented a tenure policy to promote a steady flow of fresh qualified personnel for inspections and staff functions. Active USG and OPCW efforts to promote effective domestic implementation by CWC member states are underway, in accordance with an Agreed Action Plan adopted this fiscal year. 3. Construction is continuing on the second Russian destruction facility.
	Rating	<ol style="list-style-type: none"> 1.  Significantly Above Target 2.  On Target 3.  On Target
	Impact	<ol style="list-style-type: none"> 1. The increasing number of States Parties demonstrates the CWC's growing influence and universality, and enhances the CWC's effectiveness in reducing the WMD threat. Libya's accession to the CWC was especially significant, because it had been a major "rogue" state and is associated with Middle East politics. 2. It is important that the OPCW be an efficient and viable organization so that it can carry out all the inspections needed to ensure compliance with the CWC. The OPCW has made significant recovery since the administrative and financial crisis of 2002, and, as demonstrated by the Agreed Action Plan, is now able to devote more attention to its core responsibilities. 3. Russia possesses the world's largest CW stockpile, destruction of which is an essential requirement of the CWC. Several destruction facilities must be built before significant stocks can be destroyed, and international financial assistance is required.
DATA QUALITY	Data Source	Public announcements by States Parties and/or OPCW. OPCW internal reports and bilateral consultations.
	Results Verification Confidence Level	High
	Indicator Validation Statement	The CWC is a key instrument in U.S. and international efforts to rid the world of chemical weapons. The U.S. needs the OPCW to be an efficient and viable organization so that it can carry out all the inspections needed to ensure compliance with the CWC. The U.S. seeks universal participation in the CWC and therefore the Department keeps track of the number of States Parties. Russia possesses the world's largest chemical weapons stockpile and its destruction is an essential requirement of the CWC.

Continued on next page

I/P #5: CHEMICAL WEAPONS CONVENTION (continued)

OUTCOME INDICATOR

Indicator #3: Status of the Chemical Weapons Convention (CWC) (continued)

PAST RESULTS	2003	<ol style="list-style-type: none"> 1. A total of 156 States Parties. 2. OPCW has significantly recovered from the financial and administrative crisis it faced a year ago. The new Director-General of the OPCW Technical Secretariat undertook necessary management and financial reforms. Inspections, a key operation for the OPCW, increased by over 15 percent, while the budget increase held to less than 10 percent, indicating an increase in efficiency as well. Inspections were retargeted to focus better on potential chemical weapons (CW) threats. 3. The first Russian destruction facility started operations in December 2002, and Russia met its revised deadline of destroying 400 agent tons by April 24, 2003. Construction of a second destruction facility has begun.
	2002	<ol style="list-style-type: none"> 1. Four States Parties were added to the CWC, and Libya and Thailand voiced intent to join. 2. The United States fully implemented CWC industry obligations by meeting all declaration and reporting requirements, hosting eight industry inspections, and successfully resolving issues from five previous inspections. 3. Three of the six Congressional conditions for granting authority for U.S financial assistance for Russian stockpile destruction were resolved; limited progress was made on the other three conditions; Congress granted the President waiver authority. As a result of intense Department efforts, significant international financial assistance was provided. 4. In the summer of 2002, the United States succeeded in bringing about a change in the leadership of the OPCW Technical Secretariat and called for voluntary donations to resolve the immediate OPCW financial crisis. The United States made a \$2 million voluntary contribution, and sought and obtained agreement of the States Parties for a 10 percent increase in the 2003 OPCW budget.
	2001	<ol style="list-style-type: none"> 1. A total of 144 States Parties. 2. The United States fully implemented its industry obligations; sixteen inspections of U.S. industry facilities conducted. 3. Organization for the Prohibition of Chemical Weapons (OPCW) budget problems continued. 4. Some destruction of Russian - chemical weapons begun.

I/P #6: BIOLOGICAL WEAPONS CONVENTION

Support the 1972 Biological Weapons Convention (BWC) banning the development, production, stockpiling, and acquisition of biological weapons (BW).

OUTPUT INDICATOR

Indicator #4: Number of States Parties Who Incorporate U.S. Proposals in Their National Approaches to Controlling the Biological Weapons Threat

FY 2004 PERFORMANCE	Target	U.S. alternative proposals incorporated by 25-30 BWC States Parties in their national approaches to control the BW threat.
	Results	At the November 2003 meeting of BWC States Parties, all 78 states participating pledged to implement and enforce appropriate pathogen security and national implementation measures, which was the first subject of the U.S.-proposed multi-year work program. It will take time for all these states to carry out this pledge in terms of specific national legislation or other actions. States Parties also responded positively to U.S. strategy for implementing the U.S.-proposed work program for 2005, which focuses on disease surveillance, suspicious outbreaks, and alleged use. The July 2004 Experts Meeting on this subject was very successful in reviewing the issues and identifying problems and needs; eighty states participated and seventy substantive expert briefings were given.
	Rating	■ On Target
	Impact	Traditional inspection regimes are not effective in determining compliance with bans on biological weapons. The U.S. therefore devised alternative ways to improve BWC implementation, focusing on coordinating and expanding national implementation efforts through a multi-year work program. In 2004, the focus changed to disease surveillance, suspicious outbreaks, and alleged use. The fact that all States Parties are acknowledging the need for improvement in national implementation holds promise that the BWC will be strengthened.
DATA QUALITY	Data Source	Public announcements by States. States Parties' reports to other States Parties and delegation reporting.
	Results Verification Confidence Level	High
	Indicator Validation Statement	This indicator is a direct measure of the success of U.S. diplomacy in persuading other BWC States Parties to follow the U.S. approach for strengthening implementation of the BWC. If all States Parties undertake the desired national actions, it will be much more difficult for terrorists or rogue states to acquire biological weapons.
PAST RESULTS	2003	<ol style="list-style-type: none"> States Parties agreed at the November 2002 Review Conference to a work program based on U.S. proposals. At the August 2003 experts meeting, at least 25 states reported that national legislation, mirroring U.S. laws to control the BW threat, was already in place. The 80 states participating agreed that such legislation was an important element of their obligations as BWC States Parties. While all participants agreed on the importance of measures to improve biosecurity, evidence of implementation was more fragmentary. However, at least 20 States Parties acknowledged the validity of the U.S. approach and indicated they had at least begun an awareness-raising program in their countries. At the November 2003 meeting of States Parties, the U.S. obtained an agreed pledge that all Parties will work to implement and enforce appropriate safeguards in their respective countries.
	2002	USG developed alternative package of effective measures to strengthen the BWC and began discussions with other BWC States Parties.
	2001	<ol style="list-style-type: none"> The States Parties continued work on the BWC Protocol. The United States rejected the flawed BWC Protocol because it would harm the U.S. pharmaceutical industry and undermine U.S. security.

I/P #7: PROMOTE SAFE NUCLEAR COOPERATION

Global nuclear cooperation under the highest nonproliferation and safety standards is promoted.

OUTPUT INDICATOR

Indicator #5: Reactor Closures and Nuclear Waste Improvements

FY 2004 PERFORMANCE	Target	Progress toward closure of key plants in the former Eastern Bloc, including Ignalina. Bulgaria takes steps toward closure of one plant. Armenia continues progress.
	Results	Lithuania still plans to close Ignalina 1 by the end of CY 2004, but the new government is expected to ask EU for an additional 6 months of operation. EU is pressing Bulgaria to shutdown Kozloduy Units 3 & 4 by 2006, but Government of Bulgaria resisting. Government of Armenia and USAID are developing a decommissioning plan for the Armenia nuclear power plant. Ukraine submitted Khmelniiski 2 and Rovno 4 reactor (K2R4) proposal to the European Bank for Reconstruction and Development (EBRD) that include post-start-up safety upgrades consistent with international safety standards. G-7, EC and EBRD will monitor progress. Multilateral Nuclear Environmental Program in the Russian Federation (MNEPR) concluded and signed by all, including U.S. Liability annex was not acceptable, so the U.S. did not sign.
	Rating	■ On Target
	Impact	These steps make high-risk Soviet designed reactors as safe as possible until closure. Russian nuclear waste management increases safety, protects the environment, and reduces terrorist access to nuclear material.
DATA QUALITY	Data Source	Reports provided by foreign interlocutors. Information taken from the International Atomic Energy Agency or European Union websites or publications, such as Nucleonics Week, is verified through the Department's G-8 Nuclear Safety and Security Group sources. Frequently briefed by EBRD.
	Results Verification Confidence Level	High
	Indicator Validation Statement	This indicator provides the best information to measure progress by focusing on the key elements of U.S. policy – nuclear cooperation under international agreements, closing or replacing nuclear reactors in the former Soviet Union, and Russian nuclear waste policy.
PAST RESULTS	2003	<ol style="list-style-type: none"> 1. Ignalina initiated closure procedures for Unit 1 and plans for closure of Unit 2. 2. Russia worked on a comprehensive plan for de-commissioning some of its reactors. Began a comprehensive plan for addressing nuclear waste issues.
	2002	<ol style="list-style-type: none"> 1. Positive results achieved in Eastern Europe: e.g., Lithuania and Armenia; Bulgaria shut down two of its four high-risk reactors. 2. Liability agreement reached with Russia allowing U.S. participation in waste cleanup; implementing agreements negotiated.
	2001	<ol style="list-style-type: none"> 1. Several NIS plants closed. 2. G-7 adopted the goal of pressuring Russia to close unsafe reactors.

I/P #7: PROMOTE SAFE NUCLEAR COOPERATION (continued)

OUTPUT INDICATOR

Indicator #6: Extension of Benefits of Nuclear Cooperation to U.S. Partners and Implementation of Provisions of Existing Cooperation Agreements

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> Peaceful nuclear cooperation with partners continues without difficulties. If initiated, negotiation of nuclear cooperation agreement with Russia makes substantial progress. New nuclear cooperation programs initiated.
	Results	<ol style="list-style-type: none"> A Protocol to extend the U.S.-Indonesia Agreement was approved by the President and submitted for review to Congress, which raised no objection. An exchange of notes with Indonesia to bring it into force is pending. The first U.S./Argentina Joint Standing Committee was held in 2004 with substantive security discussions to follow. Substantive discussions with South Africa pursued. Taiwan and South Korea participate in successful Joint Standing Committee meetings. Negotiations with Russia have not been initiated. Main obstacle to embarking on negotiations has been Russia's ongoing nuclear cooperation with Iran. Relationships developing with Argentina, Brazil, and South Africa. Peaceful Nuclear cooperation expanding with Taiwan and South Korea.
	Rating	<ol style="list-style-type: none"> ■ On Target ■ On Target
	Impact	The U.S. continues to show itself as a leader in the quest for peaceful nuclear cooperation.
DATA QUALITY	Data Source	Diplomatic cables and first hand accounts of activities. The source of the data is observation of, or personal interaction with representatives of target countries.
	Results Verification Confidence Level	Medium
	Indicator Validation Statement	This indicator is a reliable measure of our progress toward our overall goal of significant technical cooperation to promote peaceful nuclear energy. The related targets provide the best information to measure progress by focusing on the key elements of U.S. policy – nuclear cooperation under international agreements.
PAST RESULTS	2003	<ol style="list-style-type: none"> U.S.-China concluded agreement on re-transfer consents. Nuclear committee with Argentina established. Very successful first meeting held. Committees with South Africa and Brazil remain under active discussion. Generation IV International Forum (GIF) moved forward on developing joint research proposals. The Department of Energy agreed to facilitate by R&D agreements with foreign partners. U.S. continued active participation in international fora. Continued contributions to the IAEA Technical Cooperation (TC) fund – along with in-kind contributions.
	2002	<ol style="list-style-type: none"> U.S.-China Agreement for Cooperation implemented successfully. U.S.-China discussions on "retransfer consents" concluded, but agreement not yet in force. GIF developed list of new technologies for international development and continued as a leading forum for international cooperation in advanced reactor development for safety, sustainability, and proliferation resistance. No security problems arose with U.S.-origin nuclear material. United States continued as reliable partner in nuclear cooperation. Agreement extended with Morocco, but not with Indonesia. Other agreements remained in force.
	2001	<ol style="list-style-type: none"> U.S.-China discussions made substantial progress. GIF successfully drafted/approved. No significant issues about security of U.S.-origin nuclear materials. United States continued as reliable partner in nuclear cooperation.

PERFORMANCE GOAL 3

VERIFICATION INTEGRATED THROUGHOUT THE NEGOTIATION AND IMPLEMENTATION OF NONPROLIFERATION AND ARMS CONTROL AGREEMENTS AND COMMITMENTS, AND RIGOROUS ENFORCEMENT OF COMPLIANCE WITH IMPLEMENTATION AND INSPECTION REGIMES

I/P #8: ARMS CONTROL AND NONPROLIFERATION VERIFICATION	
Integrate verification into negotiations and implementation of arms control and nonproliferation agreements and commitments.	
INPUT INDICATOR	
Indicator #1: Status of Verification of Arms Control and Nonproliferation Agreements and Commitments	
FY 2004 PERFORMANCE	<p>Target</p> <ol style="list-style-type: none"> 1. Seek to enforce Russian compliance with Strategic Arms Reduction Treaty (START) in support of the Moscow Treaty. Implement and enforce the Moscow Treaty. 2. Devise and carry out strategy for integrating the START verification regime implementation, national monitoring activities, and as necessary, transparency measures to enhance monitoring of and confidence in implementation of the Moscow Treaty. 3. Pursue North Korean agreement to verifiable dismantlement of their nuclear programs, and ensure that verification requirements are implemented. Pursue verifiable ban on North Korean indigenous and export ballistic missile programs.
	<p>Results</p> <ol style="list-style-type: none"> 1. Bilateral Implementation Commission (BIC) held first meeting in April 2004. Parties discussed and exchanged information regarding treaty implementation efforts. No additional U.S. enforcement actions required. Working Group One on Offensive Transparency met in November 2003 to discuss near-term transparency and build a long-term vision in arena of offensive systems. 2. U.S. intelligence capabilities and knowledge gained from START and other agreements provided a foundation for providing transparency into implementation of Moscow Treaty. 3. U.S. proposed road map to achieve U.S. and North Korea publicly stated goals, and outlined major elements of the process leading to complete, irreversible and verifiable dismantlement of the North Korea nuclear program. North Korea has not engaged in substantive discussions of U.S. proposal or their own counterproposal. Without progress in the nuclear arena as a matter of priority, there is no movement in the ballistic missile issue.
	<p>Rating</p> <ol style="list-style-type: none"> 1. ■ On Target 2. ■ On Target 3. ■ Below Target
	<p>Impact</p> <ol style="list-style-type: none"> 1. U.S. permitted to more fully exercise START verification rights due to resolution of some U.S. concerns on START compliance issues. U.S. continues to verify declared data on strategic offensive arms limited under START. 2. Foundation for transparency that START and other agreements provide should enable U.S. to better evaluate declared strategic offensive reductions under Moscow Treaty. 3. Failure to agree upon and implement verifiable nuclear dismantlement could destabilize NPT and other Weapons of Mass Destruction (WMD) nonproliferation regimes. Continuing stalemate could call into question utility of either bilateral or multilateral negotiations as a means to resolve crisis, and has inhibited progress on ballistic missile issues. Political milieu detracts from future disarmament efforts and enforcement of export control regimes.

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I/P #8: ARMS CONTROL AND NONPROLIFERATION VERIFICATION (continued)

INPUT INDICATOR

Indicator #1: Status of Verification of Arms Control and Nonproliferation Agreements and Commitments (continued)

DATA QUALITY	Data Source	Diplomatic Post reporting cables and public statements by government (North Korea, U.S., other participants from the Six-Party Talks) officials.
	Results Verification Confidence Level	Medium
	Indicator Validation Statement	Monitoring of agreements/commitments provides direct feedback on all aspects of compliance and significantly contributes to future verification efforts.
PAST RESULTS	2003	<ol style="list-style-type: none"> 1. The Senate provided its advice and consent to ratification of the Moscow Treaty in June 2003. Began implementation of Moscow Treaty through its Bilateral Implementation Commission (BIC). 2. Considered role of transparency measures in terms of the BIC. 3. Integrated verification concepts into USG deliberations and negotiations toward verifiable elimination of North Korea's nuclear program, including preparation of core interagency building blocks.
	2002	<p>Baseline:</p> <ol style="list-style-type: none"> 1. Moscow Treaty Verifiability Report completed. 2. U.S. positions on verification requirements developed. 3. Transparency Measures for the Moscow Treaty developed. 4. Prepared assessment of the elements of the verifiable dismantlement of the North Korean nuclear weapons capability. 5. Prepared assessment of the elements of a ban on North Korean indigenous and export programs for ballistic missiles.
	2001	N/A ¹

¹ This indicator was incorporated in FY 2002.

I/P #9: COMPLIANCE DIPLOMACY

Develop and implement compliance diplomacy strategy to enforce compliance with arms control and nonproliferation agreements and commitments. Ensure implementation of inspection regimes.

INPUT INDICATOR

Indicator #2: Status of Implementation of a Global Norm of Adherence to and Compliance with Arms Control and Nonproliferation Agreements and Commitments

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. Clarify and seek resolution of U.S. compliance concerns. Visits under Article IX of the CWC will be proposed to clarify and resolve compliance issues. Bilateral compliance consultations will be conducted. Pursue open source information in support of compliance diplomacy. 2. Work with Congress to enlist support in enforcing Russian compliance. 3. Promoting compliance with the BWC is a principle thrust of U.S. BWC activities at appropriate fora and in bilateral consultations.
	Results	<ol style="list-style-type: none"> 1. U.S. continued to lead compliance diplomacy efforts to address compliance-related concerns with the Chemical Weapons Convention (CWC). U.S. initiated dialogue with States of concern at various multilateral levels. On-site visits combined with discussions on the margins of the Organization for the Prohibition of Chemical Weapons (OPCW) Executive Council contributed to the forward movement of compliance diplomacy. 2. The Department worked closely with key representatives from Congress, outlining specific U.S. concerns with Russian compliance prior to Congressional Delegation visits and in support of written correspondence to senior Russian officials. 3. U.S. continued to encourage full compliance by all States Parties to the Biological Weapons Convention (BWC), currently in context of the work program agreements being undertaken. U.S. provided assistance on biosecurity and biosafety, highlighted by trilateral discussion between U.S., U.K. and Libya in 2004. At Experts Meetings in July and December, U.S. focused efforts on strengthening international disease surveillance efforts and investigation into allegations of use. Discussion on agreement to improve national capabilities by all States Parties also initiated.
	Rating	<ol style="list-style-type: none"> 1. ■ On Target 2. ■ On Target 3. ■ On Target
	Impact	<ol style="list-style-type: none"> 1. U.S. efforts underline importance of strict compliance with CWC, the need to implement the provision under Article IX, and encourage other States to engage on compliance issues. U.S. persistence enabled expeditious verification of the dismantlement of Libya's CW program. 2. Joint effort by both the Executive and Legislative branches of the USG kept pressure on Russia to remain responsive to U.S. compliance concerns and helped maintain constructive compliance dialogue with Russia. 3. Participation in BWC Work Program increased by 10% as more States came to understand its practical nature. Developed as an alternative to Protocol Negotiation, the Work Program continues to focus States on improvement of their own national capabilities. U.S. efforts continue to build toward full compliance with the convention by all States Parties by 2006, as called for in UN Security Council Resolution 1540.
DATA QUALITY	Data Source	U.S. Noncompliance Report; U.S. Opening Statement, 8th Conference of States Parties to CWC; U.S. Opening Statement, 38th Executive Council Session of OPCW; U.S. Statement, First Review Conference of the CWC; Report of the Meeting of Experts (BWC) 2004; U.S. Strategy Paper for the 2004 BWC Work Program; U.S. Views on Disease Surveillance, presentation at BWC Experts Meeting July 2004.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Establishing a firm standard of compliance with arms control agreements and commitments enforces subsequent efforts as compliance will only be as effective as the willingness of State Parties to ensure verification and take appropriate action against noncompliance.

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I/P #9: COMPLIANCE DIPLOMACY (continued)

INPUT INDICATOR

Indicator #2: Status of Implementation of a Global Norm of Adherence to and Compliance with Arms Control and Nonproliferation Agreements and Commitments (continued)

PAST RESULTS	2003	<ol style="list-style-type: none"> 1. Proliferation behavior reviewed: Prepared and improved the Annual Noncompliance Report and process for determining noncompliance, thereby better positioning the Department to enforce compliance through compliance diplomacy and sanctions. 2. Nonproliferation Compliance/ Enforcement: Sought clarification and resolution of U.S. compliance concerns related to the Chemical Weapons Convention (CWC) through visits conducted under Article IX of the CWC. Bilateral compliance consultations were also conducted. Worked with Congress to enforce Russian compliance with the CWC. Articulated and sought international support for enforcement of compliance with the Biological Weapons Convention (BWC) at appropriate forums and in bilateral consultations. Sought to gain adherence of all countries to the BWC. 3. START: In August 2003, the Department held consultations with Russia's Representative to the Joint Compliance and Inspection Commission on the unclassified version of the Noncompliance Report for the year 2002. In September 2003, the Department sent a follow-up letter to the Russian Ministry of Foreign Affairs (MFA), Department of Security Affairs and Disarmament. The letter reiterated the earlier explanation from the consultations that the law requiring the President to submit the Noncompliance Report to Congress was changed to require more specificity in the unclassified version and that the United States intended to fulfill the requirement in the upcoming Report. In response to a subsequent request from the Russian MFA, a copy of the law containing the requirements for submitting the Report to Congress was delivered to the Russian MFA on September 26. Russia has yet to provide official comments in response to the consultations. 4. Sanctions: During 2003, the Department imposed sanctions on entities for transferring items that could contribute to weapons of mass destruction and delivery system programs as well as lethal military equipment sales. During 2003, the Department imposed sanctions on a number of foreign entities. For example, in May 2003, the Department placed export and import ban sanctions on the Chinese entity China North Industries Corporation (NORINCO).
	2002	<p>Baseline: Compliance issues associated with the Chemical Weapons Convention (CWC) enforced.</p> <ul style="list-style-type: none"> ● Visits conducted in four countries under the provisions of Article IX of the CWC to clarify and resolve compliance issues. Compliance issues resolved as a result of several of these visits. ● During these bilateral discussions with several States Parties, the United States identified its concerns and necessary mitigating steps. The United States also proposed to a State Party a plan for conducting possible site visits to address U.S. CWC compliance concerns. ● Five States Parties responded to follow-up demarches and the Department resolved its compliance concerns with some States Parties. <p>Baseline: Compliance issues with the Biological Weapons Convention (BWC) enforced.</p> <ul style="list-style-type: none"> ● Protocol to the BWC was not supported at the BWC Ad Hoc Group, nor revived at the Fifth Review Conference. The United States called for violators to come into compliance with the BWC. ● Concerns about noncompliance with the BWC were raised in all BWC consultations leading up to the resumed Fifth BWC Review Conference; the United States made this a major focus of the Conference.
	2001	N/A ¹

¹ This indicator was incorporated in FY 2002.

I/P #10: ALL SOURCE INTELLIGENCE COLLECTION AND TECHNOLOGY R&D

Promote intelligence collection resources and technology research and development to support arms control and nonproliferation verification objectives and secure and protect intelligence information.

OUTCOME INDICATOR

Indicator #3: Intelligence Collection Resources Promoted to Support Arms Control and Nonproliferation Verification Objectives

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. Identify and fund Verification Assets Fund projects which are important for monitoring WMD activities. 2. Draft and coordinate the Nonproliferation and Arms Control Technology Working Group (NPAC TWG) Report among all interagency participants. 3. Participate in over 30 USG intelligence groups, which monitor and assess weapons and proliferation activities, and direct appropriate action related to sensors and other assets in support of arms control and nonproliferation objectives.
	Results	<ol style="list-style-type: none"> 1. Limited funds were used to support technical analysis of samples related to nuclear weapons activities, development of a missile monitoring system, acquisition of covert nuclear weapons testing data, and evaluation of open source material of biological weapons. 2. The Department is currently coordinating with contractor to collect data from NPAC TWG focus groups and to prepare final report to be published in CY 2004. 3. The Department was involved with over 30 intelligence committees and working groups, and continued providing information to verify arms control and nonproliferation agreements/commitments, but was unable to consistently participate in all working groups.
	Rating	<ol style="list-style-type: none"> 1. ■ Significantly Below Target 2. ■ On Target 3. ■ Below Target
	Impact	<ol style="list-style-type: none"> 1. Support was limited to combating WMD and delivery means. 2. NPAC TWG provided critical information on development of sensors to detect WMD and means of delivery. 3. Limited Department participation in diverse intelligence committees directly reduced efficiency of verification process by stunting collection and research activities.

DATA QUALITY	Data Source	Department of State's VC and IRM Bureaus
	Results Verification Confidence Level	High
	Indicator Validation Statement	Robust intelligence gathering efforts identify potential security concerns, greatly assist with interagency coordination, and lead to efficient formulation of appropriate U.S. responses.

PAST RESULTS	2003	<ol style="list-style-type: none"> 1. USG did not seek funding from Congress for the Verification Assets Fund (V-Fund), but Department identified projects and funded key intelligence programs using Department funds, important for verification of agreements and for ascertaining WMD-related activities. 2. The annual Nonproliferation and Arms Control Technology Working Group (NPAC TWG) Conference was postponed due to the war in Iraq. 3. Participated in over 20 USG intelligence groups that monitor and assess weapons and proliferation activities. Funding was provided for the V-Fund as noted above. 4. Directed appropriate action related to sensors and other assets in support of arms control and nonproliferation objectives. 5. USG policy for the rapid assessment of allegations of biological and chemical weapons use was agreed on during USG interagency group meeting in July 2004. Department participated in Counterproliferation Technology Coordinating Committee (CTCC) efforts identifying support requirements for research and development of technologies to counter biological and chemical weapons threats. With the assistance of other USG agencies, the Department began compiling data related to the assessment of allegations of chemical and biological weapons use. The Department's Verification and Compliance Bureau presented a paper at the 2004 meeting of BWC States Parties addressing "Investigations of Alleged BW Use of Suspicious Outbreaks of Disease."
	2002	<ol style="list-style-type: none"> 1. Verification Assets Fund (V-Fund) utilized. 2. Verification Technology R&D and intelligence assets coordinated and supported. 3. The Department provided \$400,000 to initiate a Program Office and to advocate funding the replacement for the COBRA JUDY radar (operated by the Department of Defense and the intelligence community), critical for verification of the Strategic Arms Reduction Treaty (START) and for missile proliferation assessments. 4. The Verification and Compliance Bureau (VC) co-chaired the interagency Nonproliferation and Arms Control Technology Working Group (NPAC TWG), which acts as a central Coordinator for verification technology and identifies shortfalls in funding for critical arms control and nonproliferation R&D projects. 5. The Department finalized the biennial NPAC TWG Report. As co-chair, VC assisted in sponsoring major symposia on Biological Weapons Detectors, Nuclear Explosion Detection, Chemical Weapons Detectors, and Unattended Radiation Sensors.
	2001	N/A ¹

¹ This indicator was incorporated in FY 2002.

I/P #11: RAPID AND ACCURATE COMMUNICATIONS FOR ARMS CONTROL

Ensure the rapid transmission of important information regarding compliance with nonproliferation/arms control restrictions.

OUTPUT INDICATOR

Indicator #4: Reliable Communications and Timely Upgrades

FY 2004 PERFORMANCE	Target	Coordination of international testing of accepted Government-to-Government Communications Link (GGCL) replacement architecture design.
	Results	Architecture established, treaty partners notified, consultations for equipment installation and testing begun.
	Rating	■ On Target
	Impact	Consistent and reliable ability to exchange arms control notifications required by treaty.
DATA QUALITY	Data Source	Empirical evidence.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Continued improvements in communications systems are essential for the U.S. to meet arms control treaty and agreement reporting requirements.
PAST RESULTS	2003	<ol style="list-style-type: none"> GGCL preliminary modernization authorized by START partners in the summer of 2003. The Integrated Notification Application (INA) became operational. Network migration completed, with startup of Internet-based Virtual Private Network (VPN). All Network members successfully migrated.
	2002	<ol style="list-style-type: none"> START partners (former Soviet nuclear states) considered completed U.S. proposal for replacement of current GGCL system. INA, designed to support the Conventional Armed Forces in Europe (CFE), Open Skies and the Vienna Document 1999 notification exchange was tested; OSCE Network Phase II Migration was on-track.
	2001	Study of architecture for GGCL replacement system took place.

IX. Program Evaluations and PART Reviews

One Program Evaluation and one OMB PART review were conducted in FY 2004 that pertain to this Strategic Goal.

- 1) Nonproliferation, Anti-terrorism, Demining, and Related Programs Follow Legal Authority, But Some Activities Need Reassessment (GAO-04-521)
- 2) Nonproliferation and Disarmament Fund (OMB PART) – The OMB ratings for this PART program are CY 2004: Effective; and CY 2003: Effective.

Detailed information on major findings, recommendations, and actions to be taken can be found in the “OMB PART Summaries” and the “Completed Program Evaluations for FY 2004” Appendices.

STRATEGIC OBJECTIVE #1: ACHIEVE PEACE AND SECURITY

STRATEGIC GOAL 5: INTERNATIONAL CRIME AND DRUGS
Minimize the impact of international crime and illegal drugs on the United States and its citizens

I. Public Benefit

Americans face growing security threats, both at home and abroad, from international terrorist networks and their allies in the illegal drug trade and international criminal enterprises. Illegal drugs impose a staggering toll, killing more than 19,000 Americans annually and costing more than \$160 billion in terms of law enforcement, drug-related health care, and lost productivity. This is in addition to the wasted lives; the devastating impact on families, schools, and communities; and the generally corrosive effect on public institutions. In the President’s words, “Illegal drug use threatens everything that is good about our country.” International crime groups also pose critical threats to U.S. interests, undermine the rule of law and enable transnational threats to grow. International trafficking in persons, smuggling of migrants and contraband, money laundering, cyber crime, theft of intellectual property rights, vehicle theft, public corruption, environmental crimes, and trafficking in small arms cost U.S. taxpayers and businesses billions of dollars each year. International trafficking in persons violates fundamental human rights of victims. Experts estimate that non-drug crime accounts for half of the estimated \$750 billion of money laundered each year globally.

The events of 9/11 and their aftermath highlight the close connections and overlap among international terrorists, drug traffickers, and transnational criminals. All three groups seek out weak states with feeble justice sectors, whose governments they can corrupt or even dominate. Such groups jeopardize peace and freedom, undermine the rule of law, menace local and regional stability, and threaten the U.S. and its friends and allies.

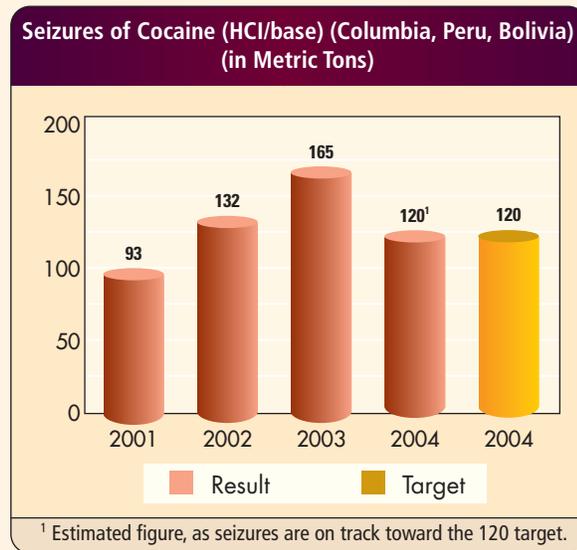
To meet these challenges, the Department supports a robust and comprehensive range of public-private, bilateral, regional, and global initiatives and assistance programs to build up the law enforcement capabilities of foreign governments to help stop these threats before they reach U.S. soil. This includes working with other U.S. Government agencies and foreign governments to break up drug trafficking and other international crime groups, disrupt their operations, arrest and imprison their leaders, and seize their assets. To this end, the Department works with foreign governments to set international anti-crime standards, close off safe-havens

to criminal groups, pool skills and resources, and improve cross-border cooperation. Finally, to help restore the rule of law in key countries and areas emerging from a state of violent conflict, the Department also provides American civilian police and police experts to UN, regional, or other peacekeeping operations to establish or rebuild civilian police forces in those areas.



President Bush and Mexican President Vicente Fox shake hands prior to their bilateral meeting during the Special Summit of the Americas in Monterrey, Mexico.
 © AP/Wide World Photos

II. Selected Performance Trends



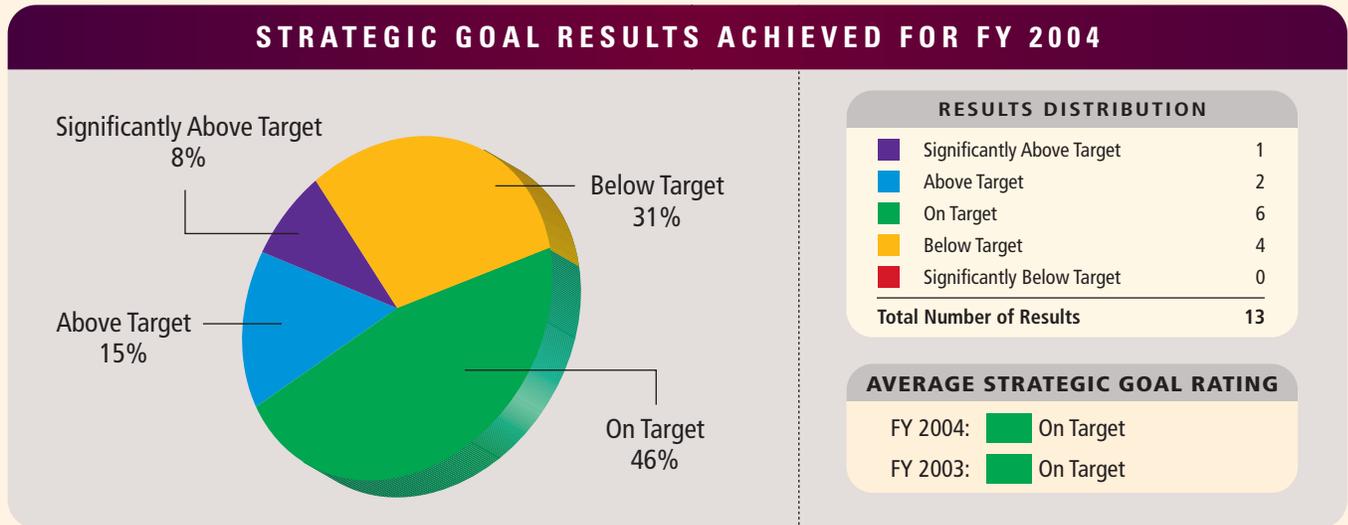
III. Strategic Context

This strategic goal is supported by two performance goals. Shown below are the major Initiatives/Programs, resources, bureaus, and partners that contribute to accomplishment of the strategic goal.

Strategic Goal	Performance Goal (Short Title)	Initiative/Program	Major Resources	Lead Bureau(s)	External Partners
International Crime and Drugs	Disruption of Criminal Organizations	Improve Anti-Trafficking in Persons Prosecutorial and Protection Capacities	D&CP, INCLE, ESF, FSA, SEED, CIO, MRA, DA	G/TIP	DOJ, DOL, USAID, DHS, UN, IOM, ILO, Asia Foundation, OAS, OSCE, Stability Pact, SECI, ASEAN, ECOWAS, SADC
		Counterdrug Initiative	D&CP, ACI, CIO, DA	INL, WHA	DoD, USAID, DEA, DOJ, ONDCP, CNC
	Law Enforcement and Judicial Systems	Support Investigations of Major International Criminals	D&CP, INCLE, ACI, ESF, SEED, FSA	INL, IO	DOJ, DHS, UN
		International Law Enforcement Academies (ILEAs)	D&CP, INCLE, SEED, FSA, CIO	INL	DOJ, DHS, Treasury
		Anticorruption	D&CP, INCLE, ACI, ESF, SEED, FSA	INL	DOJ, UN, USAID, OGC, DOC
		Money Laundering Initiative	D&CP, INCLE, ACI, SEED, FSA, ESF, NADR	INL, S/CT	Treasury, FATF, UN, G-8, DOJ, DHS

IV. Performance Summary

The chart below shows the performance rating distribution of the FY 2004 results for the International Crime and Drugs strategic goal. Also shown is a comparison between FY 2004 and FY 2003 average strategic goal ratings.



V. Performance Analysis

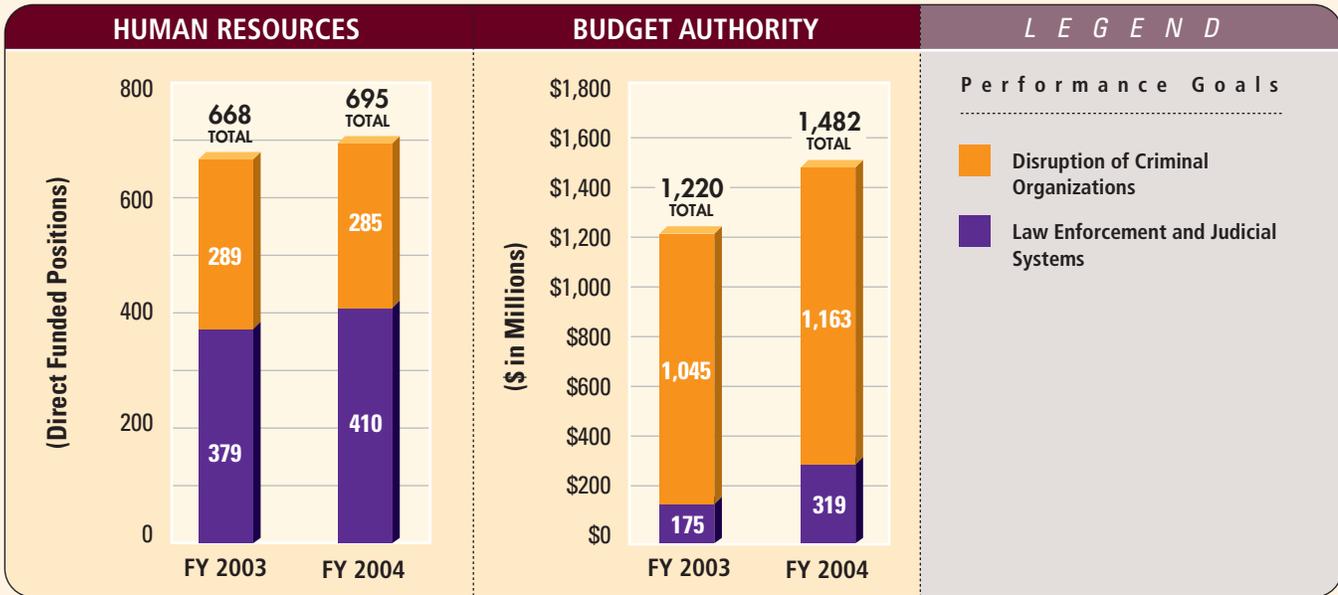
The pie chart above shows the performance rating distribution of the FY 2004 results for the International Crime and Drugs strategic goal. Also shown is a comparison between the FY 2004 and FY 2003 average strategic goal ratings. FY 2004 results produced a rating of "On Target," unchanged from last year's "On Target" rating.

Of the 13 results, 69% or 9 of the results have been rated as "On Target" or above.

- **Three Ratings Ranked "Significantly Above Target" or "Above Target"** – These positive results pertain to the following:
 - Foreign Cultivation of Coca, Opium Poppy and Marijuana (I/P #2, Indicator #2, Target #1)
 - Potential Production of Cocaine and Heroin in Key Source Countries (I/P #2, Indicator #3, Target #1)
 - Status of UN Convention Against Transnational Organized Crime (TOC) and Supplemental Protocols (I/P #3, Indicator #1)

- **Four Ratings Ranked "Below Target"** – These areas of concern pertain to the following:
 - Foreign Cultivation of Coca, Opium Poppy and Marijuana (I/P #2, Indicator #2, Target #2)
 - Potential Production of Cocaine and Heroin in Key Source Countries (I/P #2, Indicator #3, Target #2)
 - Parties to the 1988 UN Drug Convention (I/P #3, Indicator #2)
 - Status of Financial Action Task Force on Money Laundering (FATF) List of Non-Cooperative Countries and Territories (I/P #6, Indicator #6)

VI. Resources Invested



VII. Illustrative Example of a Significant Achievement

Law Enforcement in Post-conflict Societies

The Department is playing a key role in helping to stabilize post-conflict societies by establishing and developing police forces in situations where existing police forces have collapsed or been destroyed. In Afghanistan, where a central police force was nonexistent during more than 20 years of war and civil conflict, the Department helped stand up a new police force by establishing five regional police training centers; training, equipping, and fielding more than 20,000 lower-level police; and establishing the first-ever nationwide police communications system. In Iraq, the Department established police training facilities in Jordan and Baghdad, provided basic training for 7,000 new police recruits and “refresher” training, including human rights training, for several thousand police who had served under the Baathist regime, where they had received only rudimentary or no training. In both Haiti and Liberia, the U.S. is providing American police and police experts as part of the UN peace-keeping operations and is helping to train new national police forces to restore rule of law and build stability in those two countries.



One of Afghanistan's few female police officers, Capt. Gul Jan leads one of her female recruits past a group of police trainees in Kabul, Afghanistan. Seven widowed Afghan women signed up for police training which is being run by the U.S. © AP/Wide World Photo/Ed Wray

VIII. Performance Results

PERFORMANCE GOAL 1

INTERNATIONAL TRAFFICKING IN DRUGS, PERSONS, AND OTHER ILLICIT GOODS DISRUPTED AND CRIMINAL ORGANIZATIONS DISMANTLED

INITIATIVE/ PROGRAM (I/P) #1: IMPROVE ANTI-TRAFFICKING IN PERSONS PROSECUTORIAL AND PROTECTION CAPACITIES

Train law enforcement officials and service providers to identify trafficking rings and victims, effectively use existing legislation, weed out corruption, and ensure protection for victims.

OUTCOME INDICATOR

Indicator #1: Progress Towards the Elimination of Trafficking in Persons (TIP)

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> Increase number of Tier 1 countries by five. Enhance research and data collection; include additional countries in TIP Report. Enhance public awareness in U.S. and abroad. Thirty countries ratify UN Trafficking in Persons Protocol.
	Results	<ol style="list-style-type: none"> One less Tier 1 country in 2004 TIP Report. Fifteen additional countries added to 2004 TIP Report due to enhanced research and data collection. Public awareness campaigns on Child Sex Tourism launched in four countries; toolkit distributed to all U.S. missions. Seventy-two countries ratified UN Trafficking In Persons Protocol.
	Rating	■ On Target
	Impact	The annual Trafficking in Persons Report has motivated many governments to take action against trafficking and be more forthcoming with information on their efforts. Better engagement and collaborations with foreign governments on trafficking in persons helps increase prosecution of traffickers and protection of victims. For example, for the first time this year, the Department determined that 24 countries passed new legislation. Additionally there were 7,992 prosecutions and 2,815 convictions globally during the reporting period (March 2003 – March 2004).
DATA QUALITY	Data Source	2004 Trafficking in Persons Report. UN Trafficking in Persons Protocol website.
	Results Verification Confidence Level	High
	Indicator Validation Statement	This is a new international issue that is little understood by many governments. In some countries where trafficking takes place, it is not punishable as a crime and, in some cases, not even recognized as a problem. These early indicators focus on 1) increasing public awareness – both foreign and domestic – of the issue; 2) identifying problem countries and problem areas within countries through the TIP Report process; and 3) beginning to develop and implement assistance programs for requesting countries.
PAST RESULTS	2003	<ol style="list-style-type: none"> Thirty percent of Tier 2 and Tier 3 countries use Department assistance to develop or further anti-trafficking initiatives. Third TIP Report was issued and includes 26 additional countries for a total of 116. Promoted “best practices” through five new bilateral and regional initiatives among source, transit, and destination countries. Forty-two countries ratified UN Trafficking in Persons Protocol.
	2002	<ol style="list-style-type: none"> The President’s Interagency Taskforce and Senior Policy Advisory Group coordinated anti-trafficking policy. Ratification package for UN Trafficking in Persons Protocol was sent to the Senate. Second Trafficking in Persons Report was issued.
	2001	<ol style="list-style-type: none"> The Office to Monitor and Combat Trafficking in Persons was established. First Trafficking in Persons Report was issued.

I/P #2: COUNTERDRUG INITIATIVE

Reinforce the unified campaign against drug trafficking and the terrorists who benefit from it.

OUTCOME INDICATOR

Indicator #2: Foreign Cultivation of Coca, Opium Poppy, and Marijuana¹ (in Hectares)

FY 2004 PERFORMANCE	Target	1. Coca: 160,000 2. Opium Poppy: 119,000 3. Marijuana: 5,000
	Results	1. Coca: Eradication programs were on track for further reduction from 2003 level, resulting in levels likely below 160,000 hectares. (Final data available March 2005) 2. Opium Poppy: Initial estimates indicate that cultivation continued to decline in Southeast Asia while increasing in Southwest Asia, primarily Afghanistan. (Final data available Spring 2005) 3. Marijuana (Mexico only). Current trend indicates that levels were likely around 5,000 hectares. (Final data available January 2005)
	Rating	1.  Above Target 2.  Below Target 3.  On Target
	Impact	Reduced cultivation of coca and opium poppy in Latin America, the sole source of cocaine and the primary source of heroin entering the U.S., means a reduced supply available for trafficking to the U.S. Increased eradication also raises the cost of doing business for traffickers and pushes them closer to the breaking point where some will be driven out of business. Most of the illicit heroin trade from Afghanistan either remains in the region or goes to Europe and Russia.
DATA QUALITY	Data Source	CIA Crime and Narcotics Center (CNC) provides annual estimates for coca, opium poppy, and marijuana cultivation.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Cultivation levels are the most simple and direct gross indicator of the level of production of crop-based illicit drugs and the best measure of a supply-reduction strategy. The CIA Crime and Narcotic Center (CNC) provides the numbers, using the same methodology and modeling each year, which allows for year-to-year and long-term comparisons.
PAST RESULTS	2003	1. Coca: 172,000 2. Opium Poppy: 127,000 (Afghanistan, Burma, and Laos) 3. Marijuana: 7,500
	2002	1. Coca: 205,450 2. Opium Poppy: 141,200 (Afghanistan, Burma, and Laos) 3. Marijuana: 4,400
	2001	1. Coca: 223,700 2. Opium Poppy: 143,000 (Afghanistan, Burma, and Laos) 3. Marijuana: 8,900

¹ Mexico only.

I/P #2: COUNTERDRUG INITIATIVE (continued)

OUTCOME INDICATOR

Indicator #3: Potential Production of Cocaine and Heroin in Key Source Countries (in Metric Tons)

FY 2004 PERFORMANCE	Target	1. Cocaine: 750 2. Heroin: 220 (Afghanistan, Burma, Laos)
	Results	1. Cocaine: Early estimates indicate that production for cocaine will likely be below 750 metric tons. (Final data available March 2005) 2. Heroin: Estimates indicate that heroin will likely be above 220 metric tons. (Final data available Spring 2005)
	Rating	1.  Above Target 2.  Below Target
	Impact	Lower total production of cocaine means a smaller amount is available for the U.S., European, and other markets. An increase in heroin production does not necessarily mean an increase in heroin available for the U.S. market. The expected increase in heroin production is due primarily to an increase in cultivation in Afghanistan. Most Afghan heroin and opium either remains in the region or goes to the European market. Most of the illegal heroin entering the U.S. comes from South America and Mexico, which continue to post declines in cultivation.
DATA QUALITY	Data Source	CIA Crime and Narcotics Center (CNC) provides the estimates.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Production estimates offer a refinement over cultivation levels because the former take into account differences in plant yield and processing methods, which can vary by region and country. The Department uses both indicators together to present a clear picture of actual circumstances.
PAST RESULTS	2003	1. Cocaine: 655 2. Heroin: 407
	2002	1. Cocaine: 800 2. Heroin: 230
	2001	1. Cocaine: 905 2. Heroin: 110

OUTCOME INDICATOR

Indicator #4: Seizures of Cocaine (HCl/base) (Columbia, Peru, Bolivia) (in Metric Tons)

FY 2004 PERFORMANCE	Target	Cocaine: 120
	Results	The total seizure is on track for reaching the 120 target. (Final data available February 2005)
	Rating	 On Target
	Impact	Increased seizures mean fewer drugs in circulation and available for trafficking to the U.S. Increased seizures also raise the cost of doing business for traffickers.
DATA QUALITY	Data Source	Data provided by host governments.
	Results Verification Confidence Level	Medium
	Indicator Validation Statement	Seizures can be a good indicator of the effectiveness of interdiction and disruption efforts, but can also be misleading in some circumstances. In general, increased interdiction/disruption equates to an increase in seizures. The reverse, however, is not necessarily true. Increased seizures might mean more effective interdiction/disruption, but could mean an increase in drug flow and availability.
PAST RESULTS	2003	Cocaine: 165
	2002	Cocaine: 132
	2001	Cocaine: 93



PERFORMANCE GOAL 2

STATES COOPERATE INTERNATIONALLY TO SET AND IMPLEMENT ANTI-DRUG AND ANTI-CRIME STANDARDS, SHARE FINANCIAL AND POLITICAL BURDENS, AND CLOSE OFF SAFE-HAVENS THROUGH JUSTICE SYSTEMS AND RELATED INSTITUTION BUILDING

I/P #3: SUPPORT INVESTIGATION/PROSECUTION OF MAJOR INTERNATIONAL CRIMINALS

Set standards; share political and financial burdens through international cooperation.

OUTCOME INDICATOR

Indicator #1: Status of UN Convention Against Transnational Organized Crime (TOC) and Supplemental Protocols (e.g., Trafficking in Persons Protocol and the Migrant Smuggling Protocol)

FY 2004 PERFORMANCE	Target	First meeting of Conference of Parties for TOC; ten additional states ratify TOC.
	Results	First Conference of Parties took place in June 2004. Thirty-four states ratified in FY 2004.
	Rating	■ Significantly Above Target
	Impact	Parties that become party to the Convention are legally obligated to implement its provisions, including cooperating with other states to combat transnational organized crime.
DATA QUALITY	Data Source	UN tracks and provides data.
	Results Verification Confidence Level	High
	Indicator Validation Statement	The setting of international norms and standards is a critical component of international cooperation in combating international crime. Parties to the convention are legally obligated to abide by its provisions.
PAST RESULTS	2003	<ol style="list-style-type: none"> Fifty-six states have ratified the TOC; Forty-five states have ratified the Trafficking in Persons Protocol; both have entered into force. Forty states have ratified the Migrant Smuggling Protocol.
	2002	<ol style="list-style-type: none"> A total of 141 states signed the TOC, of which twenty-four have ratified it. Of the 107 states that have signed the Trafficking in Persons Protocol, fourteen have ratified it. Of the 103 states that have signed the Migrant Smuggling Protocol, thirteen have ratified it. Of the thirty-five states that have signed the firearms protocol, two have ratified it.
	2001	TOC completed; 135 states signed treaty.



Two officials from the Department's Office of Strategic and Performance Planning, Anne Pham and Jody Buckneberg (right), experienced the Department's counter-narcotics aircraft when assisting the Bureau of International Narcotics and Law Enforcement with the development of the bureau's long-term strategic plan. Department of State Photo

I/P #3: SUPPORT INVESTIGATION/PROSECUTION OF MAJOR INTERNATIONAL CRIMINALS (continued)

OUTCOME INDICATOR

Indicator #2: Parties to the 1988 UN Drug Convention

FY 2004 PERFORMANCE	Target	175
	Results	169
	Rating	 Below Target
	Impact	The 1988 Drug Convention has been key in normalizing the U.S.-led international campaign against narcotics trafficking and gaining international acceptance of the view that drug trafficking and trafficking organizations are a threat to all countries, not just the (current) major consuming countries. Parties to the convention are legally obligated to take domestic steps and to cooperate with other states to combat drug trafficking. Over recent years, international cooperation on counternarcotics has increased significantly.
DATA QUALITY	Data Source	The UN provides the data.
	Results Verification Confidence Level	High
	Indicator Validation Statement	This indicator tracks the expanding number of parties to the convention. Most countries are now parties and the few remaining non-party exceptions are either unimportant as source or transit countries, or are not likely to become parties in any case. Consequently, the Department believes that tracking this indicator is no longer necessary after FY 2004.
PAST RESULTS	2003	170
	2002	165
	2001	162

I/P #4: INTERNATIONAL LAW ENFORCEMENT ACADEMIES (ILEAS)

Upgrade the facilities of existing ILEAs to permit a broader range of operational training, including counterterrorism.

INPUT INDICATOR

Indicator #3: Number of Officials Trained at International Law Enforcement Academies (ILEAs)

FY 2004 PERFORMANCE	Target	2,400
	Results	2,400
	Rating	 On Target
	Impact	The ILEAs help raise professional standards and skills of key foreign law enforcement officials and foster operational cooperation between U.S. and foreign law enforcement officials and regional cooperation among participating governments.
DATA QUALITY	Data Source	The ILEAs provide the data.
	Results Verification Confidence Level	High
	Indicator Validation Statement	The ILEAs are unique, regional centers providing criminal justice training based on U.S./international standards, focusing on regional issues, and providing training in a collective setting to criminal justice officers from countries around the region. Since the ILEAs serve the Department goals of building strong criminal justice institutions and fostering regional and global cooperation in fighting crime, this indicator measures progress toward that goal by tracking the expansion of the academies and the number of foreign officials trained.
PAST RESULTS	2003	2,200
	2002	2,100
	2001	1,412



I/P #5: ANTICORRUPTION

Target four USG anticorruption areas: transparency in fiscal affairs, transparency in procurement, enforcement, and empowering civil society.

OUTCOME INDICATOR

Indicator #4: Status of UN Convention Against Corruption

FY 2004 PERFORMANCE	Target	Convention completed and opened for signature.
	Results	Convention was signed completed and opened for signature. One hundred and eleven states have signed. Eight states have ratified.
	Rating	■ On Target
	Impact	Parties to the Convention will begin to revise domestic laws to criminalize, identify, investigate, and prosecute cases of corruption. The U.S., UN, and some other countries are already providing assistance to requesting governments to help them revise their laws and set up enforcement units.

DATA QUALITY	Data Source	UN tracks and provides data.
	Results Verification Confidence Level	High
	Indicator Validation Statement	As with the Convention Against Transnational Organized Crime, the Convention Against Corruption represents the first stage of developing international cooperation to combat corruption by setting out international standards and norms. Once the treaty enters into force, it takes on the force of international law for the parties, who are under obligation to take the necessary domestic steps to implement its provisions.

PAST RESULTS	2003	Agreement completed. Signing ceremony took place in December, with more than ninety-three states (including the United States) signing. Ratified by one state.
	2002	Progress made at three negotiating sessions.
	2001	Study completed. Experts Group developed Terms of Reference for negotiations.

OUTCOME INDICATOR

Indicator #5: Status of Regional Anticorruption Frameworks

FY 2004 PERFORMANCE	Target	Number of mechanisms increased to eight, by addition of Middle East Governance Framework and Caucasus Framework.
	Results	Preliminary work begun on Middle East/North Africa (MENA) initiative, including initial gatherings by interested states. APEC countries reached initial agreement on framework document. While this initiative originally anticipated that the Caucasus Framework would be in place by the end of 2004, there has been little progress in that area. Instead, the U.S. has concentrated on helping stand up the APEC Framework, which has progressed faster than originally anticipated. The end result has been the establishment of two new frameworks in 2004.
	Rating	■ On Target
	Impact	Regional frameworks will complement and reinforce the UN Convention on Corruption. As part of regional frameworks, states work together on anti-corruption steps.

DATA QUALITY	Data Source	Data generated by mission reporting and U.S. delegations participating in regional framework meetings.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Regional anticorruption frameworks are mechanisms for collectively addressing regional anticorruption issues. This indicator tracks the expansion of such mechanisms.

PAST RESULTS	2003	African Union (AU) Convention on Preventing and Combating Corruption was adopted by the African Union General Assembly at the AU Summit in Maputo on July 11, 2003. The Convention is now open to signature for 42 AU member States. AU is working with Transparency International to develop a monitoring and assistance mechanism related to The New Partnership for Africa's Development (NePAD).
	2002	Number of mechanisms increased to five, by addition of ADB/OECD Asia Initiative.
	2001	Number of mechanisms increased to four, by addition of Stability Pact agreement.

I/P #6: MONEY LAUNDERING INITIATIVE		
Support the Financial Action Task Force (FATF) and fund the growing demand for assistance for Non-Cooperative Countries and Territories (NCCT).		
OUTCOME INDICATOR		
Indicator #6: Status of Financial Action Task Force on Money Laundering (FATF) List of Non-Cooperative Countries and Territories (NCCT)		
FY 2004 PERFORMANCE	Target	FATF removes all but two countries placed on list prior to 2003.
	Results	FATF removes three countries from list; six countries remain.
	Rating	■ Below Target
	Impact	Three countries improved their anti-money laundering rules, regulations, and practices sufficiently to be removed from the FATF list. Several other countries improved their anti-money laundering regimes, but not enough to meet FATF standards. Some countries on the list have made little effort to meet FATF benchmarks and will likely remain on the list for the foreseeable future.
DATA QUALITY	Data Source	FATF provides data.
	Results Verification Confidence Level	High
	Indicator Validation Statement	The Department uses FATF standards to measure the effectiveness of the anti-money laundering regimes of problem countries and territories. The FATF process not only identifies problem countries and territories, it applies pressure on them to improve their anti-money laundering performance. "Graduation" from the NCCT list is an important milestone both for individual countries and for the global effort in combating money laundering.
PAST RESULTS	2003	FATF removed four additional countries from the list.
	2002	FATF removed four countries from the list; fifteen countries remained on the list.
	2001	FATF removed four countries from the list (due to improved performance) and added eight new ones based on additional reviews.

IX. Program Evaluations and PART Reviews

One Program Evaluation was conducted in FY 2004 that pertains to this Strategic Goal.

Aviation Program Safety Concerns in Colombia Are Being Addressed, But State's Planning and Budgeting Process Can Be Improved (GAO-04-918)

Detailed information on major findings, recommendations, and actions to be taken can be found in the "Completed Program Evaluations for FY 2004" Appendix.

STRATEGIC OBJECTIVE #1: ACHIEVE PEACE AND SECURITY

STRATEGIC GOAL 6: AMERICAN CITIZENS

*Assist american citizens to travel, conduct business, and live abroad securely***I. Public Benefit**

The Department has no more vital responsibility than the protection of American citizens. Approximately 3.2 million Americans reside abroad, and Americans make about 60 million trips outside the United States each year. The Department issues a passport that gives Americans the freedom to travel internationally and is a symbol of the protection that the USG provides its citizens.

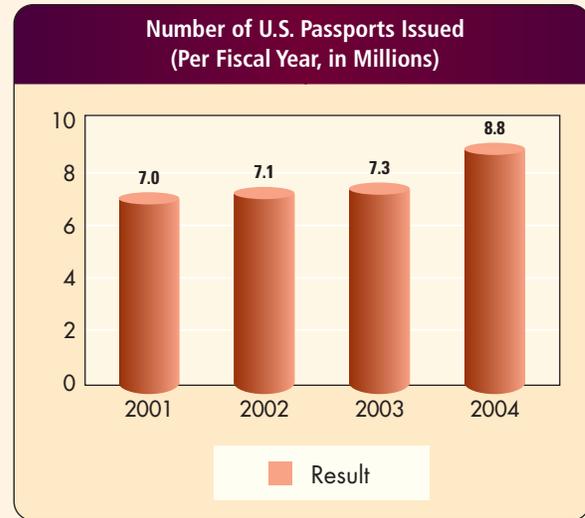
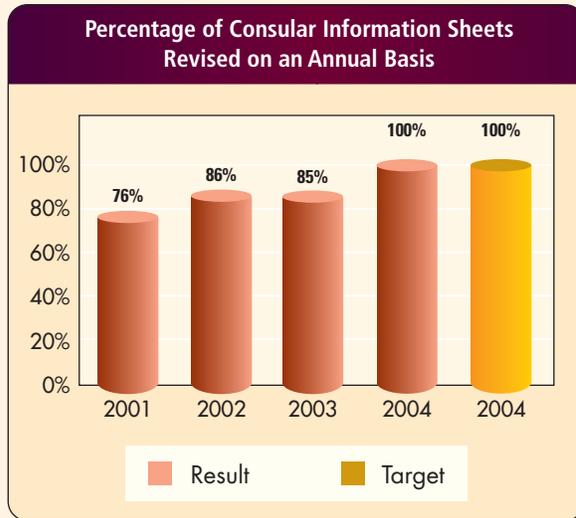
U.S. embassies and consulates provide a range of services that protect U.S. citizens from the cradle to the grave. The Department must plan for the unexpected and be prepared to respond to crises abroad, transportation disasters, and other situations in which U.S. citizens need assistance, including incidents of terrorism and other serious crimes

such as hostage taking, homicide, assault, domestic violence, child abuse, and international parental child abduction. The Department ensures that host governments take steps to protect Americans from crime and unrest; develop effective investigative, prosecutorial, and other judicial capabilities to respond to American victims of crime; and expand their cooperation and information sharing with the United States in order to prevent terrorist attacks on U.S. citizens. The Department also works with foreign governments, other USG agencies, and international organizations on transportation security initiatives.

To alert Americans to conditions that may affect safety and travel abroad, the Department disseminates threat assessments to posts abroad and announcements to the public as quickly as possible using all available means. The Department uses its websites, its Consular Information Program, and the Overseas Security Advisory Councils (OSAC) (a government-private sector partnership) to foster creative solutions to security-related issues affecting U.S. private sector interests. The Department uses threat information and security expertise overseas to protect their personnel, property, proprietary information, and other assets. The Department is making its websites increasingly accessible and interactive and encourages the traveling American public to register with posts abroad.



II. Selected Performance Trends



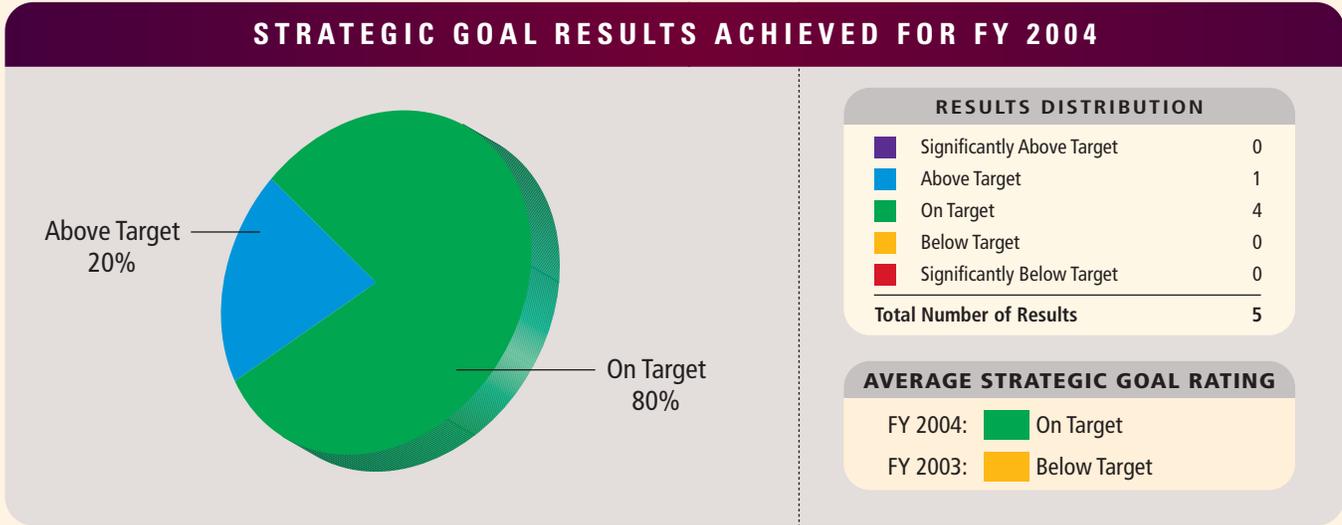
III. Strategic Context

This strategic goal is supported by two performance goals. Shown below are the performance goals, Initiatives/Programs, resources, bureaus, and partners that contribute to accomplishment of the strategic goal.

Strategic Goal	Performance Goal (Short Title)	Initiative/Program	Major Resources	Lead Bureau(s)	External Partners
American Citizens	Assistance for U.S. Citizens Abroad	American Citizen Services	D&CP	Consular Affairs	DOJ, DoD, HHS, DOT, NCMEC, other NGOs
	Passport Issuance and Integrity	Secure Passport Issuance	D&CP	Consular Affairs	GPO, Treasury, DHS, SSA, USPS, USMS, HHS, ICAO, NAPHSIS, AAMVA

IV. Performance Summary

The chart below shows the performance rating distribution of the FY 2004 results for the American Citizens strategic goal. Also shown is a comparison between FY 2004 and FY 2003 average strategic goal ratings.



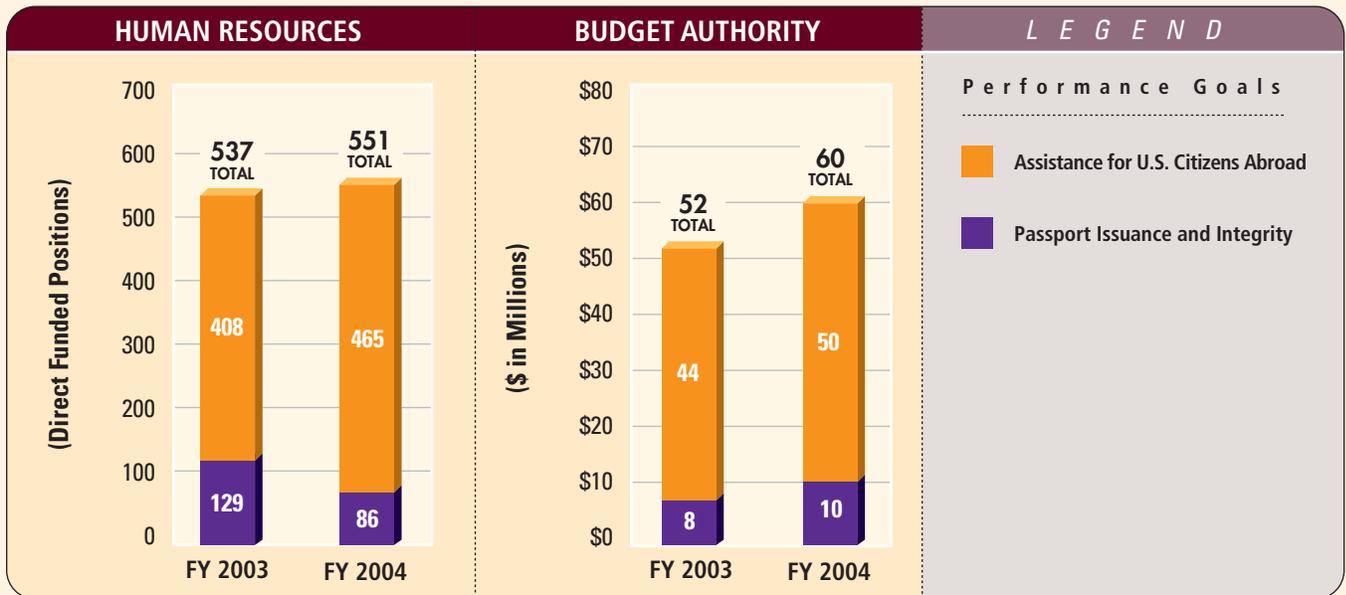
V. Performance Analysis

The pie chart above shows the performance rating distribution of the FY 2004 results for the American Citizens strategic goal. Also shown is a comparison between the FY 2004 and FY 2003 average strategic goal ratings. FY 2004 results produced a rating of “On Target,” an improvement from last year’s “Below Target” rating.

Of the 5 results, 100% or all 5 of the results have been rated as “On Target” or above.

- **One Rating Ranked “Above Target”** – This positive result pertains to the following:
 - Checking of Passport Applications Against Social Security Administration Death Records (*I/P #2, Indicator #2*)
- **No Ratings Ranked “Significantly Below Target” or “Below Target”**

VI. Resources Invested



VII. Illustrative Example of a Significant Achievement

International Cooperation



The Department has provided Interpol with an index of all lost and stolen U.S. passports for inclusion in its Lost and Stolen Document database, available to member law enforcement authorities worldwide. In May, the Bureau of Consular Affairs transferred data on over 300,000 lost, stolen or invalid U.S. passports to Interpol, and recently began providing daily updates. This is a significant step towards curbing not only terrorism, but also identity theft, alien smuggling, and other types of criminal fraud. The Department has formally encouraged other governments to take similar steps as part of a comprehensive effort to make international travel more difficult for terrorists, organized crime figures, and others who seek to travel on lost or stolen travel documents.

Iraq's Directorate of Arabic and International Police Brigadier Riyadh Bahar during the 18th Interpol Regional Conference in Manila. Senior Asian police officials met to improve cooperation in the fight against crime and terrorism through the use of Interpol's global communications and database containing information on fugitives." © AP/Wide World Photos

VIII. Performance Results

PERFORMANCE GOAL 1

U.S. CITIZENS HAVE THE CONSULAR INFORMATION, SERVICES, AND PROTECTION THEY NEED TO RESIDE, CONDUCT BUSINESS, OR TRAVEL ABROAD

INITIATIVE/PROGRAM (I/P) #1: AMERICAN CITIZEN SERVICES

Provide citizens with up-to-date information and easy access to consular services.

OUTPUT INDICATOR

Indicator #1: Percentage of Consular Information Sheets (CIS) Revised on an Annual Basis

FY 2004 PERFORMANCE	Target	100%
	Results	100%
	Rating	■ On Target
	Impact	Americans have access to comprehensive, complete, and up-to date-information on conditions affecting their travel overseas.
DATA QUALITY	Data Source	Internet list of CIS with corresponding issuance date.
	Results Verification Confidence Level	High
	Indicator Validation Statement	CIS alert Americans to conditions that may affect their safety or travel abroad. They are a primary method of informing American travelers and must be kept up-to-date to provide a basis for safe travel.
PAST RESULTS	2003	85%
	2002	86%
	2001	76%

I/P #1: AMERICAN CITIZEN SERVICES (continued)

OUTPUT INDICATOR

Indicator #2: Access to Online Registration System

FY 2004 PERFORMANCE	Target	U.S. citizens have the ability to use a global Internet-based registration system to inform U.S. embassies and consulates about their planned travel to other countries, so they can be contacted in an emergency.
	Results	Launched a new, worldwide global Internet-based registration system that allows U.S. citizens access to secure online U.S. citizen registration system. The system is now operational and allows American citizens to receive timely travel information and enables embassies and consulates to track and assist American travelers and overseas residents.
	Rating	■ On Target
	Impact	Improved information flow to and from U.S. citizen travelers. Consular officers have more information to contact and assist American citizens in an emergency.
DATA QUALITY	Data Source	Internet Based Registration System, Consular Consolidated Database Reports, Post American Citizen Services units, and Bureau of Consular Affairs (CA).
	Results Verification Confidence Level	High
	Indicator Validation Statement	Global access to an online registration system with a database maintained and protected behind the Department's firewalls provides easily accessible, secure registration and management of U.S. citizen contact data, and enables efficient delivery of travel information and consular emergency services anywhere in the world.
PAST RESULTS	2003	Contract to manage the on-line registration system was on schedule, and a 30-Day Notice of Proposed Information Collection was published in the Federal Register in September 2003.
	2002	Pilot software was developed for an Internet-based system that will allow Americans to register overseas travel itineraries at a central website.
	2001	<ol style="list-style-type: none"> 1. Assessment of Registration and Warden List Services completed. 2. U.S. embassies worked with CA to formulate a global plan for allowing U.S. citizens to register with posts electronically.

The Department's website for travelers to and from the U.S., www.travel.state.gov, includes comprehensive information on travel warnings for U.S. citizens abroad, passports, and visas for international visitors.



I/P #1: AMERICAN CITIZEN SERVICES (continued)

OUTPUT INDICATOR

Indicator #3: Status of Hague Convention on Inter-country Adoption

FY 2004 PERFORMANCE	Target	Answer major public comments in the Federal Register, issue revised proposed regulations on the accreditation and approval of adoption service providers, and negotiate Memoranda of Agreement with qualified accrediting entities.
	Results	Published in Federal Register proposed regulations on the accreditation and approval of adoption service providers. Received approximately 1800 public comments on the proposed regulations. Posted the public comments on the Bureau of Consular Affairs (CA) website. Preparing written responses to the public comments and revising regulations to be issued in Federal Register. Published on public CA website Requests for Statements of Interest to Solicit State government and nonprofit accrediting entities (AE's). Three non-profit accreditors and 9 States (many more than expected) expressed interest in becoming accrediting entities. Department team met with and evaluated each of the candidates. Based on the evaluations, the Department found that four of the candidates did not meet criteria for becoming an AE and others withdrew. The Department is preparing to open negotiations with remaining candidates. Once agreements are complete and regulations reissued, Hague Convention accreditation site evaluations of adoption service providers (ASP's) may begin. ASPs must be accredited for Convention to enter into force for U.S.
	Rating	■ On Target
	Impact	The Department is processing the public comments and will then publish the corresponding regulations. At that time, the Department will negotiate with the remaining accrediting entity applicants. After the accrediting entities are chosen, and the Department signs a Memorandum of Agreement with each group, approval and accreditation of adopted service providers will begin. In the coming months, the Department will be working to make the many regulatory and organizational changes required to implement the Inter-country Adoption Act and the Hague Adoption Convention a reality.
DATA QUALITY	Data Source	Proposed Rule on the implementation of the Hague Convention on Inter-country Adoption and the Inter-country Adoption Act of 2000 published in the Federal Register in September 2003; Delegation of Authority published in Federal Register in October 2003; Request for Statement of Interest published on public website in December 2003; approximately 1800 public comments on the Proposed Rule published on the CA website in October 2004.
	Results Verification Confidence Level	High
	Indicator Validation Statement	"Status of the Hague Convention on Inter-country Adoption" demonstrates essential tasks that must be completed prior to U.S. ratification of the Convention in order for the U.S. to meet the Convention's responsibilities.
PAST RESULTS	2003	A Proposed Rule on the implementation of the Hague Convention on Inter-country Adoption and the Inter-country Adoption Act of 2000 was published in the Federal Register in September 2003.
	2002	<ol style="list-style-type: none"> 1. Adoption regulations were discussed and cleared with stakeholders and other federal agencies. 2. Software to manage international adoption cases was delayed to accommodate the Department's new responsibilities as Central Authority under the Hague Convention on adoptions.
	2001	<ol style="list-style-type: none"> 1. The President signed the Inter-country Adoption Act of 2000 (PL 106-279) on October 6, 2000. 2. Requirements for a federal accreditation program for adoption agencies and other new programs were established. 3. Adoption regulations were drafted.

PERFORMANCE GOAL 2
EFFECTIVE AND TIMELY PASSPORT ISSUANCE, WITH DOCUMENT INTEGRITY ASSURED

I/P # 2: SECURE PASSPORT ISSUANCE

Provide American citizens with a travel document that meets or exceeds international standards for passports and maintain current levels of productivity while meeting enhanced security requirements.

OUTCOME INDICATOR

Indicator #1: Development of a Biometrics Collection Program for U.S. Passports

FY 2004 PERFORMANCE	Target	Prepare for 2005 rollout of the system by developing software, conducting initial procurement, and beta testing for biometrics collection.
	Results	Procurement for biometric passport is underway and nearing completion. Initial awards for current procurement were made on October 8, 2004. Testing of offered biometric passports expected in the first quarter of FY 2005. Software has been developed for biometric passport issuance and is being tested. Public Key Infrastructure (PKI) Certificate Authority has been established in the Department for digitally signing passports.
	Rating	■ On Target
	Impact	Awarded contracts to 4 vendors and proceeding with deployment, including the issuance of the official biometric passports in December 2004. The Department expects to begin issuing new passports to the public by March 2005.

DATA QUALITY	Data Source	Work breakdown structure and associated reports
	Results Verification Confidence Level	High
	Indicator Validation Statement	Introducing biometrics into passports and other travel documents represents a major advance in the international effort to prevent imposter fraud. The U.S. Enhanced Border Security and Visa Reform Act requires nations participating in the Visa Waiver Program to incorporate biometrics into their passports.

PAST RESULTS	2003	The International Civil Aviation Organization (ICAO) established standards for the integration of biometric identification information into passports and other Machine Readable Travel Documents (MRTDs) in May 2003, enabling the Department to begin to implement the standards in U.S. passports. Initial planning and requirements definition were underway. In July 2003, the Department issued a Request for Information relating to the integration of a chip with integrated circuit technology into the traditional paper-based passport booklet.
	2002	Inclusion of biometric indicators in U.S. passports considered.
	2001	Biometrics were not used in U.S. passports.

I/P #2: SECURE PASSPORT ISSUANCE (continued)

OUTPUT INDICATOR

Indicator #2: Checking of Passport Applications Against Social Security Administration (SSA) Death Records

FY 2004 PERFORMANCE	Target	Check thirty-five percent of applications.
	Results	The Department revised its program to check passport applications against death records in favor of front-end checking of applications against all SSA records electronically. To this end, the Department signed a Memorandum of Agreement (MOA) on April 4, 2004 to allow for such electronic verification. The Department is currently establishing the technical infrastructure and connectivity to begin this process by the end of calendar year 2004.
	Rating	■ Above Target
	Impact	The revised program is better than the original because it: (1) will account for 100% of applications immediately; (2) will be in full operation sooner and; (3) will check against the SSA database of currently valid SSNs rather than death records, which is a more comprehensive method of verification.
DATA QUALITY	Data Source	Social Security Number Verification MOA between the Department and SSA Office of Income Security Programs, April 20, 2004.
	Results Verification Confidence Level	High
	Indicator Validation Statement	The Department's developing ability to check Passport Applications against Social Security Administration (SSA) Death Records demonstrates increased use of electronically accessible vital records to enhance anti-fraud efforts.
PAST RESULTS	2003	Agreement in principle reached with SSA to check all passport applications against the SSA database. MOA being prepared. The application software has been modified. Waiting for link to be established and completion of MOA to send data.
	2002	Baseline: 1. Capability did not exist. 2. Some initial work done to share data and check information.
	2001	Capability did not exist.

IX. Program Evaluations and PART Reviews

One Program Evaluation was conducted in FY 2004 that pertains to this Strategic Goal.

Review of the Overseas Passport Issuance Program (ISP-CA-04-01)

Detailed information on major findings, recommendations, and actions to be taken can be found in the "Completed Program Evaluations for FY 2004" Appendix.

**STRATEGIC OBJECTIVE #2:
ADVANCE SUSTAINABLE DEVELOPMENT AND GLOBAL INTERESTS**

Protecting our country and our allies from the dangers of terrorism, weapons of mass destruction, international crime, and regional instability is necessary but not sufficient for achieving national security. A healthier, more educated, democratic, and prosperous world — in short, a better world — will also be more stable and secure.

Our strategic goals for democracy and human rights, economic prosperity and security, and social and environmental issues are part of a larger whole. It is no coincidence that conflict, chaos, corrupt and oppressive governments, environmental degradation, and humanitarian crisis often reign in the same places.

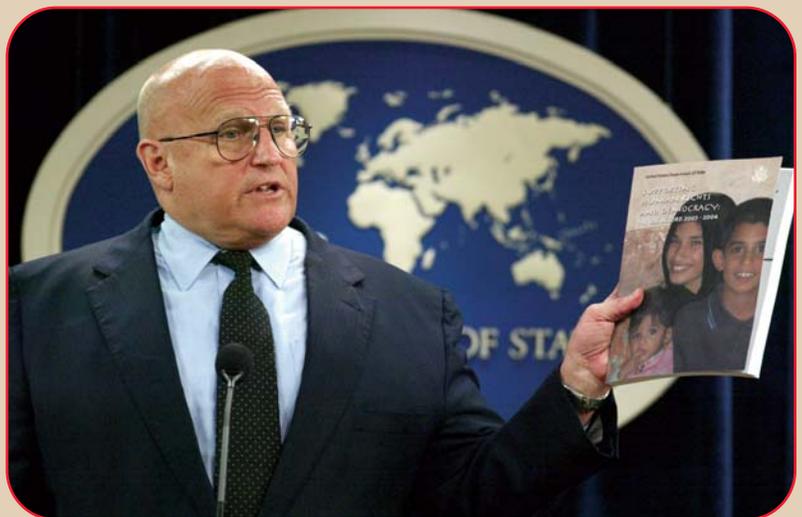
The broad aim of our diplomacy and development assistance is to turn vicious circles into virtuous ones, where accountable governments, political and economic freedoms, investing in people, and respect for individuals beget prosperity, healthy and educated populations, and political stability.

STRATEGIC GOAL 7: DEMOCRACY AND HUMAN RIGHTS
Advance the growth of democracy and good governance, including civil society, the rule of law, respect for human rights, and religious freedom

I. Public Benefit

Extending and defending democracy has long been a centerpiece of U.S. foreign policy. The United States recognizes that a world composed of democracies will better protect America’s long-term national security than a world of authoritarian or chaotic regimes. The rule of law, open markets, more prosperous economies, and better-educated citizens are all benefits of a democratic form of government. Democratic governance ensures a more peaceful, predictable world – a great and lasting benefit to the United States.

Protecting human rights and advocating democracy is an integral part of a U.S. foreign policy that seeks to end oppression, combat terrorism, and advocate American ideals and freedoms worldwide. We utilize the full range of diplomatic and programmatic tools to advance democratic reforms in individual countries. Multilaterally, we engage in fora such as the



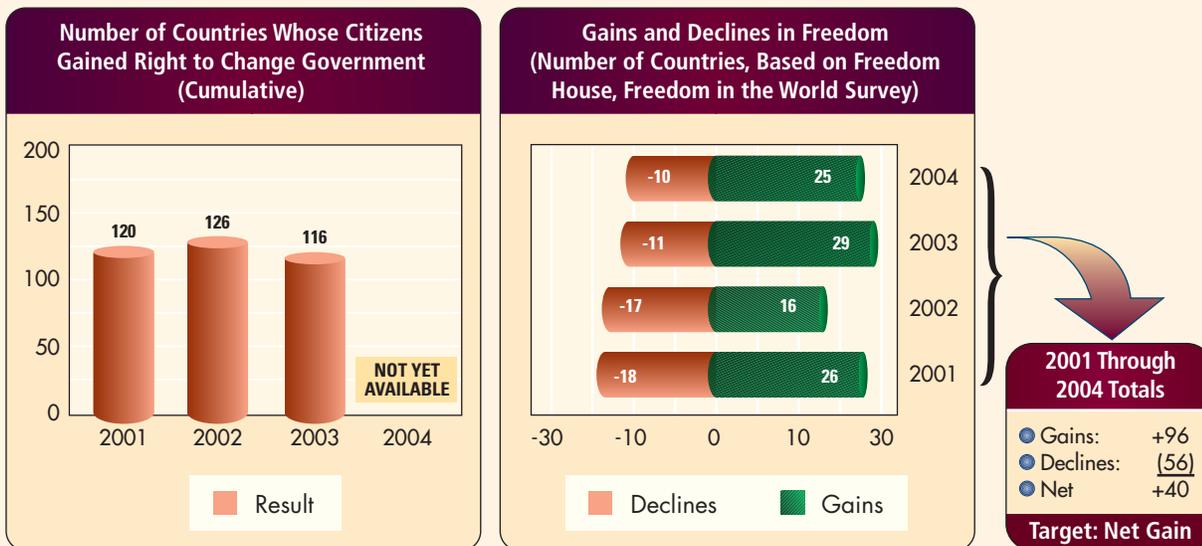
Deputy Secretary of State Richard Armitage holds up a copy of the State Department's report on human rights and democracy. The report highlights the Department's worldwide efforts in the past year to promote human rights and democracy.

© AP/Wide World Photos

United Nations Commission on Human Rights (UNCHR), the Community of Democracies, and regional organizations, such as the Organization for Security and Cooperation in Europe (OSCE) and the Organization of American States (OAS), to advance these democratic ideals. The Department of State’s annual Country Reports on Human Rights Practices serves not only to inform Congress, but also to raise awareness on human rights across the globe. While the United States continues to play a leading role in promoting democracy and human rights, we recognize that they are not uniquely American concepts. By advancing these universal values, we build a stronger, safer, more prosperous world.

Over the past two decades, there has been unprecedented expansion of the number of democracies in the world. Nonetheless, we are well aware that many countries remain that routinely ignore international human rights or selectively uphold them, and we seek opportunities to cooperate with human rights advocates and policy makers to engender positive change. Advancing women’s human rights, for example, generates benefits through the role women play in strengthening democracies, building economic security, increasing governments’ respect for human rights, and enhancing religious tolerance. As democratization must ultimately be a process driven by a society’s citizenry, we work to make sure reforms reflect a representative political process.

II. Selected Performance Trends



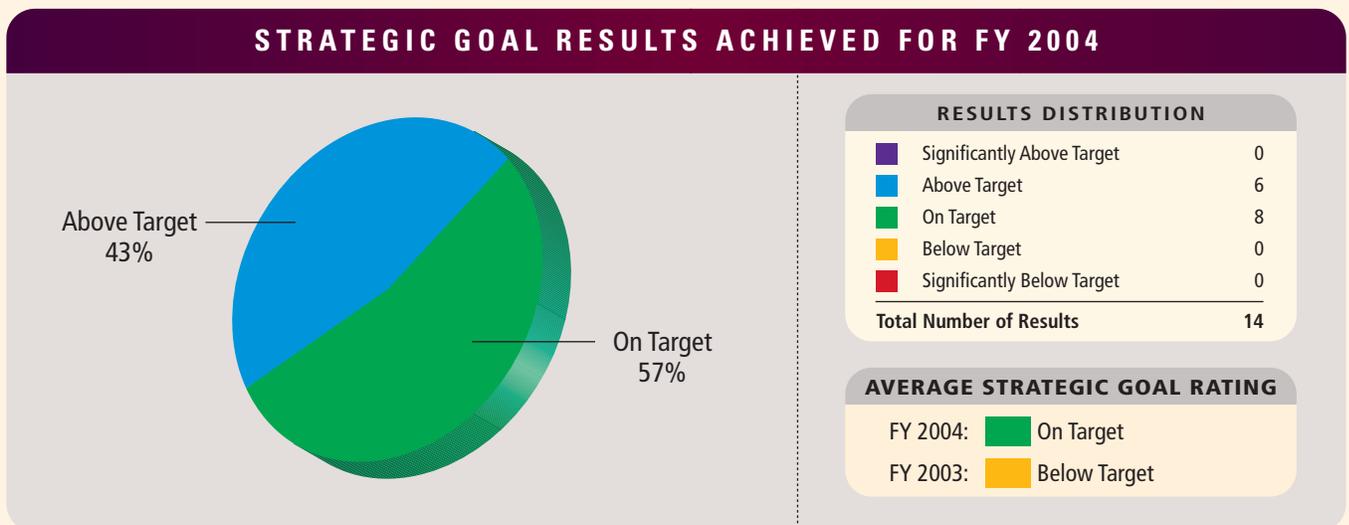
III. Strategic Context

This strategic goal is supported by two performance goals. Shown below are the major Initiatives/Programs, resources, bureaus, and partners that contribute to accomplishment of the strategic goal.

Strategic Goal	Performance Goal (Short Title)	Initiative/Program	Major Resources	Lead Bureau(s)	External Partners
Democracy and Human Rights	Democratic Systems and Practices	Diplomatic Engagement to Advance Democracy	D&CP, ESF	Democracy, Human Rights & Labor	USAID, DOJ NGOs, UN, other int'l orgs.
	Universal Human Rights Standards	Bilateral and Multilateral Diplomacy	D&CP, CIO, IO&P	Democracy, Human Rights & Labor, and International Organizations	UN, other int'l orgs, NGOs
		Apply Human Rights Standards	D&CP	Democracy, Human Rights & Labor	USAID, DOC, DOJ, IFIs, UN, other int'l orgs.
		Annual Country Reports on Human Rights Practices	D&CP, ESF (HRDF)	Democracy, Human Rights & Labor	USAID, DOL, USCIRF, Congress, NGOs
		Promote International Religious Freedom	D&CP, ESF	Democracy, Human Rights & Labor	DOJ, DoD, DHS, USCIRF, Congress, UN, other int'l orgs.
		Labor, Diplomacy and Advocacy for Workers' Rights	D&CP, ESF (PESP)	Democracy, Human Rights & Labor, and Economic and Business Affairs	DOL, DOC, USTR, OPIC, NGOs, IFIs, ILO, other int'l orgs.

IV. Performance Summary

The chart below shows the performance rating distribution of the FY 2004 results for the Democracy and Human Rights strategic goal. Also shown is a comparison between FY 2004 and FY 2003 average strategic goal ratings.



V. Performance Analysis

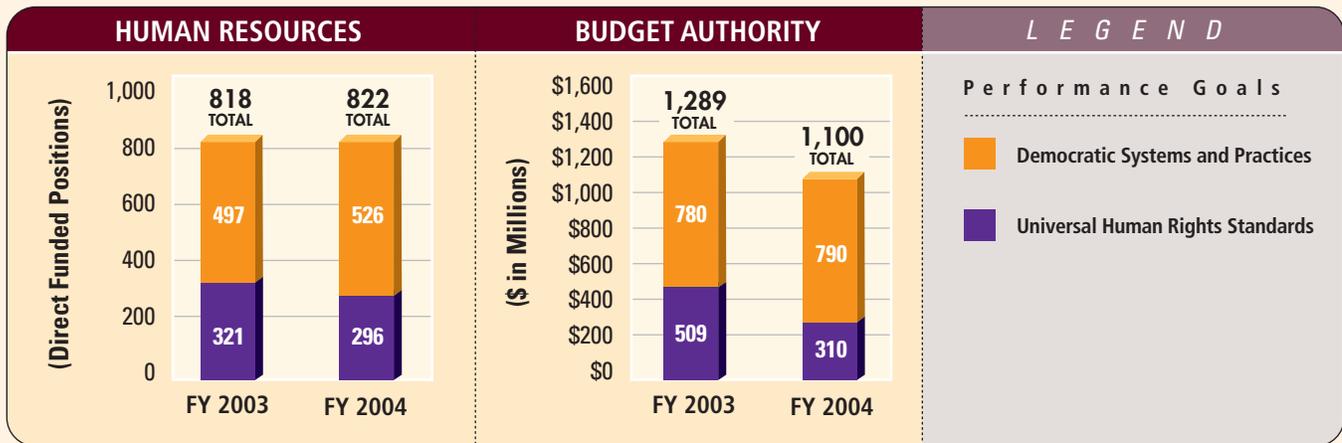
The pie chart above shows the performance rating distribution of the FY 2004 results for the Democracy and Human Rights strategic goal. Also shown is a comparison between the FY 2004 and FY 2003 average strategic goal ratings. FY 2004 results produced a rating of "On Target," an improvement from last year's "Below Target" rating.

Of the 14 results, 100% of the results have been rated as "On Target" or above.

- **Six Ratings Ranked "Above Target"** – Some of these positive results pertain to the following:
 - Number of UN Commission on Human Rights (UNCHR) Resolutions on Democracy Adopted (I/P #2, Indicator #1)
 - Effective Use of the Human Rights Report (HRR) to Promote U.S. Foreign Policy Objectives (I/P #4, Indicator #4)
 - Level of Engagement with Foreign Governments and NGOs to Promote and Advocate on Behalf of Religious Freedom (I/P #5, Indicator #5)

- **No Ratings Ranked "Significantly Below Target" or "Below Target"**

VI. Resources Invested



VII. Illustrative Example of a Significant Achievement

Afghanistan's New Constitution

On January 4, 2004 the Constitutional Loya Jirga (CLJ) passed the new Afghan Constitution, noted as one of the most democratic documents in the region. The CLJ was characterized by energized, open debate and proved to the world that the Afghan people are moving steadily forward on the path to democracy. The constitution they developed provides strong human rights protections,



including the incorporation of international treaties to which Afghanistan is a party. The United States provided training in political advocacy for women delegates, and the CLJ was comprised of 502 delegates (including 102 women) elected from a pool of participants in the June 2002 Emergency Loya Jirga. The delegates were presented with a draft constitution, which had been drafted by a 9-member commission (2 of whom were women) and revised by a larger 35-member commission (7 of whom were women). Today, women in Afghanistan are judges, teachers, politicians, health officials, agronomists, athletes, and Fulbright scholars. Many of these women have traveled to other countries in their capacities as officials, students, visitors and delegates to global fora, signaling Afghan women's reentry into the international community.

Afghan Loya Jirga delegates read copies of the new constitution during the final session in Kabul, Afghanistan. Afghanistan's constitutional convention agreed on a historic new charter, overcoming weeks of division to hammer out a compromise meant to bind together the war-ravaged nation's mosaic of ethnic groups.

© AP/ Wide World Photos/Ajaz Rahi

VIII. Performance Results

PERFORMANCE GOAL 1

MEASURES ADOPTED TO DEVELOP TRANSPARENT AND ACCOUNTABLE DEMOCRATIC INSTITUTIONS, LAWS, AND ECONOMIC AND POLITICAL PROCESSES AND PRACTICES

INITIATIVE/PROGRAM (I/P) #1: DIPLOMATIC ENGAGEMENT TO ADVANCE DEMOCRACY

Work with countries that are reforming government systems to create more transparent, inclusive, and participatory practices, through bilateral engagement and multilateral mechanisms.

OUTPUT INDICATOR

Indicator #1: Number of Countries Meeting Democracy Criteria of the Community of Democracies (CD) or Improving Democracy Scores on Key Indices

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. Additional countries are eligible for inclusion on invitation list for CD ministerial. 2. Net positive change in countries improving their scores in Freedom House’s annual “Freedom in the World” Survey. 3. Net positive change in the number of countries where citizens have the right to change their government (according to the Department’s annual human rights report).
	Results	<ol style="list-style-type: none"> 1. CD invitation lists will be part of preparations for 2005 CD ministerial in Santiago. 2. Freedom House 2004 Report Free: 88; Partly Free: 55; Not Free: 49 Net Change in Status: -1 Improved Countries (showing improvement in Political Rights or Civil Liberties): 25 Declined Countries: 10 Net Progress: +15 3. 2003 Country Reports on Human Rights Practices (published 2/04) Countries w/Rights: 116 Countries w/Limits: 44 Countries w/o Rights: 32 Net change: -7 (9 countries move down from having rights to limited rights; 2 countries move up from not having rights to limited rights)
	Rating	■ On Target
	Impact	The Department moves closer to the desired outcome of more stable and democratic states worldwide, leading to a more secure world where citizens have the right to peacefully change their government and enjoy civil liberties. States where these rights are protected are much less likely to support or harbor terrorists.

Continued on next page

I/P #1: DIPLOMATIC ENGAGEMENT TO ADVANCE DEMOCRACY (continued)

OUTPUT INDICATOR

Indicator #1: Number of Countries Meeting Democracy Criteria of the Community of Democracies (CD) or Improving Democracy Scores on Key Indices (continued)

DATA QUALITY	Data Source	Freedom House "Freedom in the World" annual survey. CD data from U.S. participation as a convening country for the ministerial meetings. U.S. Department of State, Annual Country Reports on Human Rights Practices.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Previously defined targets, while providing a starting point for analysis of progress and representing the best means available at the time, are not ideal tools for measurement of democratic reform. The Country Human Rights Report accurately reflects challenges in reaching the desired outcome of more democratic states worldwide. Longer-term trend lines and broader analysis of civil and political rights reflected in Freedom House indicators show overall progress toward the larger goal.
PAST RESULTS	2003	<ol style="list-style-type: none"> 118 countries invited to participate in 2002 Community of Democracies ministerial meeting (held in FY 2003). Freedom House 2003 Report (released 4/03) <ul style="list-style-type: none"> Free: 89, Partly Free: 55, Not Free: 48 Improved countries: 29; Declined countries: 11 Net Progress: +18 2002 Country Reports on Human Rights Practices (published 03/03) <ul style="list-style-type: none"> Countries w/ Right to Change Governments: 126 Countries w/ Limits: 35 Countries w/o Rights: 34 Net Progress: +6 Citizens of 6 countries gained the right to change their government since the 2001 country reports were issued, including Comoros (new elections), Republic of Congo (new elections), Kenya, Fiji (end of coup), Yugoslavia and Afghanistan.
	2002	Baseline: Invitations sent to 117 countries to participate in CD Ministerial in Seoul.
	2001	N/A ¹

¹ This indicator was incorporated in FY 2002.

I/P #1: DIPLOMATIC ENGAGEMENT TO ADVANCE DEMOCRACY (continued)

OUTCOME INDICATOR

Indicator #2: Status of Community of Democracies (CD)

FY 2004 PERFORMANCE	Target	Implement Seoul Plan of Action; establish mechanisms to strengthen country and regional groups' ability to address threats to democracy; execute preparations for 2005 CD ministerial in Santiago.
	Results	Regional meetings held, in support of Seoul Plan Section 1 "Regional Action." CD makes up basis of incipient Democracy Caucus at UNCHR. U.S. working with other CD members on pilot project in East Timor.
	Rating	■ On Target
	Impact	Achieving the desired results allows for more extensive sharing of how to develop democratic institutions and provides a regional outlook. Forums such as the Community of Democracies provide a dialogue and a basis for democratic states to work together more effectively in multilateral settings.
DATA QUALITY	Data Source	Community of Democracies public documents, UNCHR records
	Results Verification Confidence Level	High
	Indicator Validation Statement	The development of the Community of Democracies (CD) reflects progress in strengthening existing democracies and encouraging democratic processes in other nations. The U.S. is a leading member of the CD, making its continued achievements a significant indicator of U.S. efforts to advance democracy.
PAST RESULTS	2003	<ol style="list-style-type: none"> 1. Seoul Plan of Action implementation well underway. 2. Regional CD conference for democracy building in Africa and Western Hemisphere, with Organization of African States-African Union (OAS-AU) cooperation, held in June 2003. 3. Romania held a meeting in November 2003 on democracy for OSCE member states.
	2002	Follow-up ministerial CD took place in Seoul.
	2001	CD Caucus established and met.

PERFORMANCE GOAL 2

UNIVERSAL STANDARDS PROTECT HUMAN RIGHTS, INCLUDING THE RIGHTS OF WOMEN AND ETHNIC MINORITIES, RELIGIOUS FREEDOM, WORKER RIGHTS, AND THE REDUCTION OF CHILD LABOR

I/P #2: BILATERAL AND MULTILATERAL DIPLOMACY

Press governments with poor human rights records to move toward full observation of internationally recognized human rights standards and norms.

OUTPUT INDICATOR

Indicator #1: Number of UN Commission on Human Rights (UNCHR) Resolutions on Democracy Adopted

FY 2004 PERFORMANCE	Target	Eighty percent of U.S.-supported resolutions are adopted. UNCHR adopts fifth consecutive democracy resolution and/or new democracy-development resolution. The United States successfully opposes moves to eliminate country-specific resolutions.
	Results	U.S. repeated its successful efforts in the 2004 CHR; 80% of key U.S.-supported resolutions were adopted. These were largely the same as the key resolutions in 2003, e.g. Cuba, North Korea, Belarus, and Turkmenistan. The U.S. responded vigorously to Cuba's attempt to criticize the U.S. regarding detainees on the Guantanamo Bay Navy Base, eventually forcing Cuba to withdraw its resolution. Despite a weak resolution on Sudan, an entire day was spent debating the situation in Sudan, more than was spent on any other country's resolution, which set the stage for a special sitting later in 2004.
	Rating	■ Above Target
	Impact	Acceptance of U.S. tabled or supported resolutions demonstrates international acceptance of U.S. policy. Pushing for a stronger resolution on Sudan lead to a special sitting of the Commission later in the year and forced international scrutiny on the humanitarian situation in Darfur.
DATA QUALITY	Data Source	Cables and United Nations High Commissioner for Human Rights reporting
	Results Verification Confidence Level	High
	Indicator Validation Statement	As the premier global forum on human rights, UNCHR actions on important countries demonstrate how the international community deals with the most serious human rights abusers. Resolutions on democracy from UNCHR reinforce the interrelationship between human rights and democracy, and strengthen the legitimacy of human rights and democracy development efforts in non-democratic countries.
PAST RESULTS	2003	In 2003, UNCHR passed resolutions on Cuba, North Korea, Belarus (U.S.-sponsored), Turkmenistan, Burma and Iraq. Chechnya, Sudan and Zimbabwe resolutions were defeated. U.S. took a strong stand against Libyan chairmanship of UNCHR. U.S. succeeded in blocking "special sitting" on Iraq, despite strong anti-U.S. bloc among some Muslim countries and some EU states.
	2002	This indicator was not tracked because the United States was not a member of the UNCHR in 2002, but was re-elected as a member for 2003.
	2001	<ol style="list-style-type: none"> 1. UNCHR passed resolution for the third year on Cuba, Iran, and Iraq. 2. Resolution on China defeated. 3. No Belarus or North Korean resolutions on table.

I/P #2: BILATERAL AND MULTILATERAL DIPLOMACY (continued)

OUTPUT INDICATOR

Indicator #2: Number of UNCHR States With Negative Human Rights Records

FY 2004 PERFORMANCE	Target	Further reduce the number of UNCHR states with negative records.
	Results	Australia replaces Libya as CHR chair for 2004, by acclamation, after vigorous diplomatic effort. Membership for 2005 yet to be determined; WEOG countries negotiating a rotation plan for CHR membership.
	Rating	■ On Target
	Impact	Replacing Libya, a notorious human rights abuser, will allow for greater acceptance of resolutions backing U.S. policy on human rights and democracy issues. WEOG rotation plan will end vote-trading with "negative-record" countries.
DATA QUALITY	Data Source	UNCHR votes, documents for membership totals; State Department and other human rights reporting to determine negative records.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Election to the UNCHR of democratic states with good human rights records demonstrates the importance placed by the international community on human rights issues. Fewer human rights abusers on the UNCHR means fewer countries will be able to thwart UNCHR scrutiny of themselves and other violators.
PAST RESULTS	2003	Sixteen member states with negative records.
	2002	UNCHR election in April 2002 returned the United States as a member; United States began work to change UNCHR membership.
	2001	Eighteen states had negative human rights records.

I/P #3: APPLY HUMAN RIGHTS STANDARDS

Ensure that human rights standards are upheld and advanced.

OUTPUT INDICATOR

Indicator #3: Amount and Quality of Post Reporting on Human Rights Violations Pursuant to Leahy Requirements

FY 2004 PERFORMANCE	Target	Reports from all affected countries reflect new guidance.
	Results	Database to collect information on human rights abuses in countries receiving security assistance has been established and is being upgraded to accept direct reporting from posts.
	Rating	■ On Target
	Impact	Providing standard and reliable documentation of human rights abusers through this database allows for accurate application of Leahy requirements, bringing the Department into further compliance with these regulations. As this effort will be made available Department-wide, it facilitates greater transparency and cooperation on human rights reporting.
DATA QUALITY	Data Source	Department and post reporting database
	Results Verification Confidence Level	High
	Indicator Validation Statement	The U.S. has a number of laws and policies in place, including the Leahy requirements, to ensure that human rights standards are upheld and advanced, and that condition aid and other benefits on respect for internationally recognized human rights. Collecting and providing better information allows for the timely and coherent implementation of the laws and policies by the Department and other USG agencies.
PAST RESULTS	2003	Database to collect information on human rights abuses in countries receiving security assistance was being developed and tested.
	2002	<ol style="list-style-type: none"> 1. The Bureau of Democracy, Human Rights and Labor produced case studies and lessons learned from Leahy implementation. 2. DRL reopened dialogue with the Bureau of Political and Military Affairs, and regional bureaus on standardization of vetting procedures and implementation.
	2001	The Bureau of Intelligence and Research created a database for Human Rights (HR) abuses in Colombia and Indonesia.



Secretary Powell speaking to the press at the rollout of the 2004 Trafficking in Persons Report. State Department photo by Michael Gross.

I/P #4: ANNUAL COUNTRY REPORTS ON HUMAN RIGHTS PRACTICES

Consolidate the U.S. Government’s assessments on human rights situations around the globe, recognizing that judging a country’s human rights performance based on internationally accepted norms remains a powerful tool.

EFFICIENCY INDICATOR

Indicator #4: Effective Use of the Human Rights Report (HRR) to Promote U.S. Foreign Policy Objectives

FY 2004 PERFORMANCE	Target	Human Rights and Democracy Fund (HRDF) programs are based on priorities identified by HRR. Number of translations and web-posting of translations increase to 33% of non-English-speaking countries worldwide.
	Results	HRDF projects are being implemented worldwide, with emphasis on China, Central Asia and the Middle East. Full reports or critical portions are translated into Chinese, Russian, Spanish, French, Arabic and Farsi. Nearly 70% of Embassies have translated the HRR into a local language and posted on their website.
	Rating	 Above Target
	Impact	Posting of reports in local languages allows for a broader audience for U.S. human rights policy statements.
DATA QUALITY	Data Source	Embassy reporting on translations, Department reporting on programming.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Increased respect for human rights in pilot countries where HRR reporting has been used to devise strategic programming has increased Embassy reporting on human rights issues. Foreign countries' reaction to criticism indicates sensitivity to human rights concerns in bilateral relationships; posting translations of the HRR on Embassy websites allows for local distribution and availability.
PAST RESULTS	2003	<ol style="list-style-type: none"> Though length of total HRR was reduced only 10%, 27 pilot countries were selected for editing of text to produce higher readability and more succinct presentation. Praise for the integrity and quality of the report was received from would-be critics, including Human Rights Watch, which said the reports “pulled no punches.” Full reports or critical portions were translated into Chinese, Russian, Spanish, French, Arabic and Farsi. Over 50 individual posts’ reports translated and posted on websites. Human Rights Democracy Fund projects were implemented in several countries in Central Asia and the Middle East in response to issues highlighted in corresponding reports. Human Rights Strategy Report was published in June 2003. Portions translated into host-country, regional and world languages. Translations and other spin-off products for public diplomacy used worldwide, particularly in Africa and Middle East.
	2002	<ol style="list-style-type: none"> DRL developed strategic plan within the Department to use HRR to promote key policy issues. Strategy developed to increase number of posts using HRR for public diplomacy efforts. Introduction of HRRs translated into French, Spanish, and Russian.
	2001	<ol style="list-style-type: none"> HRR not linked to policy or activities. HRR translated into Vietnamese.

I/P #5: PROMOTE INTERNATIONAL RELIGIOUS FREEDOM

Enhance long-term stability, increase opportunity for democracy, support other human rights, and undermine religiously based terrorism by advancing religious freedom in countries and regions important to U.S. interests.

OUTCOME INDICATOR

Indicator #5: Level of Engagement with Foreign Governments and NGOs to Promote and Advocate on Behalf of Religious Freedom

**FY 2004
PERFORMANCE**

Target	<ol style="list-style-type: none"> 1. U.S. influence on legislation in countries with religious freedom restrictions. 2. Fewer people detained and imprisoned for religious reasons in three target countries. 3. At least two additional bilateral or regional International Religious Freedom (IRF) initiatives are undertaken, laying the groundwork for significant policy changes in those countries or regions (e.g., constitutional protections, better religion laws, improved legal status for religious groups, fewer religious prisoners, more inter-religious dialogue, and less religion-based violence). 4. IRF reports recognized for high-quality reporting. 5. Multilateral bodies give increased attention to IRF-related issues due to U.S. advocacy and intervention.
Results	<ol style="list-style-type: none"> 1. Negotiations with Turkmenistan result in decriminalization of religious practice, repeal of oppressive registration laws, and the registration of previously outlawed religious groups. 2. Religious prisoners freed in Laos, Vietnam, China, Egypt, Eritrea, Turkmenistan and other countries. Increased interfaith dialogue, inter-religious cooperation, and redress of some religious property grievances in Sudan. 3. Important constitutional guarantees for religious freedom achieved in Afghan Constitution and Iraqi Transitional Administrative Law. 4. High quality report released, accepted by international community as accurate and balanced. 5. Meetings with officials of UK, Canada, France, Australia, Argentina, Italy, UN agencies, OIC, and others to develop allies in promoting IRF. Coordination with DRL/ Office of Multilateral Affairs and International Organizations in advancing religious freedom in multilateral settings.
Rating	<ol style="list-style-type: none"> 1. ■ Above Target 2. ■ Above Target 3. ■ Above Target 4. ■ Above Target 5. ■ On Target
Impact	<ol style="list-style-type: none"> 1. In Turkmenistan, U.S. diplomacy directly contributed to decriminalization of religious practice for members of minority religious groups and the registration of four minority religious groups. This has created a more open climate for the practice of religious faith. 2. In Laos, Vietnam, China, Egypt, Eritrea, and Turkmenistan, persons imprisoned for the peaceful exercise of their religious beliefs have been freed. This has also increased freedom for other minority religious believers. 3. In Afghanistan, provisions were added to the new constitution that legally recognize and guarantee the right to freedom of religion. Minority faiths are able to practice. In Iraq, the Transitional Administrative Law contains protections for minority religious groups. Believers of many traditions that were persecuted under the Saddam Hussein regime, including Shia Muslims and Chaldean Christians, are now able to practice freely. 4. The accuracy and comprehensiveness of the IRF Reports have been widely praised in the human rights community, including in Congressional hearings and other fora. Leading human rights NGO representatives have stated they no longer feel a need to duplicate U.S. reports, but instead focus on other initiatives. 5. U.S. efforts to advance religious freedom in multilateral fora have benefited from increased coordination with officials from EU and OSCE nations, the OIC, UN agencies, and others interested in promoting IRF.

Continued on next page

I/P #5: PROMOTE INTERNATIONAL RELIGIOUS FREEDOM (continued)

OUTCOME INDICATOR

Indicator #5: Level of Engagement with Foreign Governments and NGOs to Promote and Advocate on Behalf of Religious Freedom (continued)

DATA QUALITY	Data Source	Department of State, Annual Report on International Religious Freedom
	Results Verification Confidence Level	High
	Indicator Validation Statement	Congress established broad policy goals and reporting requirements in the International Religious Freedom Act (IRFA). This indicator follows from the mandates of the IRFA and is thereby validated. Meetings, agreements and documented movement by countries toward greater religious freedom are concrete examples of progress toward IRF goals.
PAST RESULTS	2003	<ol style="list-style-type: none"> 1. IRF concerns were raised by the Department in bilateral and multilateral meetings. 2. IRF officers initiated engagement on promoting religious freedom in Afghanistan and Iraq. 3. Posts increased engagement on IRF issues, producing for the most part excellent country reports for the International Religious Freedom Report to Congress. 4. The IRF ambassador and officers were instrumental in facilitating the removal of people persecuted for their faith from harm's way. 5. The Ambassador-at-Large and staff visited China, Vietnam, and Saudi Arabia for repeated trips.
	2002	<ol style="list-style-type: none"> 1. Continuing U.S. influence on some religion legislation. 2. Some religious prisoners released; some religious refugees assisted.
	2001	<ol style="list-style-type: none"> 1. Minor U.S. successes in forestalling or improving bad religion laws in Eastern Europe and Central Asia. 2. Some religious prisoners released.

I/P #6: LABOR DIPLOMACY AND ADVOCACY FOR WORKERS' RIGHTS

Promote respect for workers' rights by pressing governments to respect internationally recognized worker rights, voluntary business codes of conduct, and the rule of law.

OUTCOME INDICATOR

Indicator #6: Number of Public-Private Partnerships to Advance Respect for Human Rights

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. New companies and southern tier governments join Voluntary Principles (VPs). Establish in-country working group in Indonesia and begin implementation in Angola. 2. Launch Partnership to Eliminate Sweatshops (PESP) pilot program in China or Vietnam to improve worker rights. Harmonization of codes permits greater number of factories to be inspected and worker rights are strengthened.
	Results	<ol style="list-style-type: none"> 1. Increasing number of companies are adopting and implementing codes of conduct; compliance with existing codes improved through PESP programs. In-country process in Indonesia has been re-started after hiatus caused by Bali bombings. Companies are proceeding in integration and implementation in many countries, Angola being one. New companies include Amerada Hess, BHP Billiton, and BC Group. 2. Harmonization program approved and notified. Funded initiatives include the China Training Initiative, a China working group project focused on Small to Medium Enterprises and developing a Chinese business school Corporate Social Responsibility curriculum, and a Toy Industry of America training initiative - all focused on developing sustainable, multi-stakeholder approaches to improving labor conditions in China.
	Rating	<ol style="list-style-type: none"> 1. ■ On Target 2. ■ On Target
	Impact	<ol style="list-style-type: none"> 1. Expansion of participating companies gives the Department and participating companies a solid standing on corporate social responsibility and allows for greater dialogue with foreign nations on business practices, which protect human rights. 2. PESP harmonization program strengthens worker rights.

DATA QUALITY	Data Source	Periodic meetings with NGOs and industry, site visits by Bureau of Democracy, Human Rights, and Labor officers, embassy reporting and record keeping on assistance and cooperative projects.
	Results Verification Confidence Level	Medium
	Indicator Validation Statement	Evaluation of the Department's partnerships with NGOs, private enterprise, foreign governments, and international organizations to eliminate sweatshops provides an indication of where worker rights violations have decreased and where more focus is necessary. Progress of Voluntary Principles, the Partnership to Eliminate Sweatshops Program (PESP) and other programs indicate areas where the private sector is engaged in upholding standards.

PAST RESULTS	2003	<ol style="list-style-type: none"> 1. Programs funded to educate workers on rights and pilot program developed to address labor conditions in select factories in China and in forty-two other countries. 2. Method to track labor violations not developed. Once this is developed, the Department will be able to track progress and more fully report on target two. 3. PESP projects showing progress in Central America.
	2002	<ol style="list-style-type: none"> 1. Occidental Petroleum, ExxonMobil, PaxChristi and the Government of Norway joined VPs. 2. First security managers' workshop conducted. 3. In-country briefings in Colombia. 4. Voluntary Principles and PESP programs contributed to greater respect for worker rights in Central America and Philippines. 5. PESP program contributed to workers empowerment enabling negotiation of agreed framework in Costa Rica and Guatemala.
	2001	<ol style="list-style-type: none"> 1. Government of the Netherlands and Newmont Mining adhered to the VPs. 2. Public-private partnerships created in Central America and Asia to address labor conditions in factories. 3. Child labor abuses decreased due to programs.

I/P #6: LABOR DIPLOMACY AND ADVOCACY FOR WORKERS' RIGHTS (continued)

OUTPUT INDICATOR

Indicator #7: Worker Rights Are Strengthened

FY 2004 PERFORMANCE	Target	Increase the number of independent associations of workers in Muslim countries.
	Results	Creation of trade unions in Bahrain, parliamentary approval of a law in Bangladesh allowing workers in export processing zones to organize, and rebirth of independent trade unions in Iraq.
	Rating	■ On Target
	Impact	Independent trade unions in Iraq help to establish civil society and worker rights and bring the Department closer to its goals.
DATA QUALITY	Data Source	Country Reports on Human Rights Practices, International Labor Organization (ILO) reports, ICFTU reports, other governmental and non-governmental reports, and the WebMILS database (when fully operational).
	Results Verification Confidence Level	High
	Indicator Validation Statement	Tracking the existence of independent and democratic worker organizations will measure a given country's respect for basic worker rights.
PAST RESULTS	2003	<p>1. Significant Human Rights and Democracy Fund and Department of Labor/Bureau of International Labor Affairs projects dealing with worker rights begun in China. Notable improvements in worker rights made in Cambodia. Continuing improvement in Bahrain and Saudi Arabia. For example,</p> <ul style="list-style-type: none"> ● Nineteen new labor unions were formed in Bahrain after the 2002 adoption of a groundbreaking labor law. ● Labor "committees" authorized in Saudi Arabia. ● Key ILO conventions ratified by Syria, Sudan and Lebanon. <p>Labor clauses in all initial versions of the trade agreements were under negotiation: free trade agreements with the South African Customs Union, Thailand, Panama and the Andean FTA Group.</p>
	2002	<p>Baseline:</p> <ol style="list-style-type: none"> 1. Established national plans for the elimination of child labor in Muslim countries. 2. Increased acceptance of ILO issues in the Muslim world.
	2001	N/A ¹

IX. Program Evaluations and PART Reviews

No Program Evaluations were conducted in FY 2004 that pertain to this Strategic Goal. One OMB PART review for the FY 2006 budget process was conducted in FY 2004. However, "major findings/recommendations" and "actions taken/planned" were not yet final as of this publication.

¹ This indicator was incorporated in FY 2002.

**STRATEGIC OBJECTIVE #2:
ADVANCE SUSTAINABLE DEVELOPMENT AND GLOBAL INTERESTS**

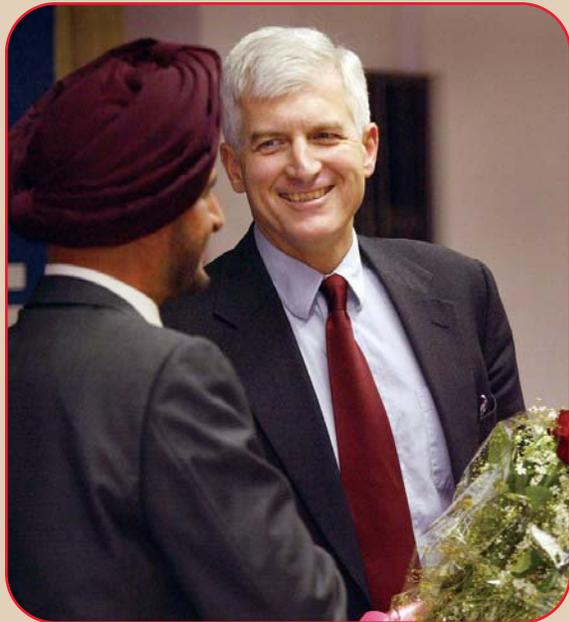
STRATEGIC GOAL 8: ECONOMIC PROSPERITY AND SECURITY
Strengthen world economic growth, development, and stability, while expanding opportunities for U.S. businesses and ensuring economic security for the nation

I. Public Benefit

The President's National Security Strategy aims to "help make the world not just safer but better." National security and global economic prosperity are inextricably linked. Americans have a vital interest in a strong international economy that advances prosperity, freedom, and economic opportunity worldwide. Economic growth creates new jobs and higher incomes for Americans and for citizens of other nations. The Department works closely with other agencies, businesses, and NGOs to build a strong and dynamic international economic system based on free trade with new opportunities for American business, workers, and farmers, and to ensure the economic security of the United States. The Department has a direct impact on U.S. economic security through its work to disrupt terrorist financial networks, support front-line states grappling with difficult economic conditions, develop diversified and reliable sources of energy, and make international transportation of people and goods safe and secure.

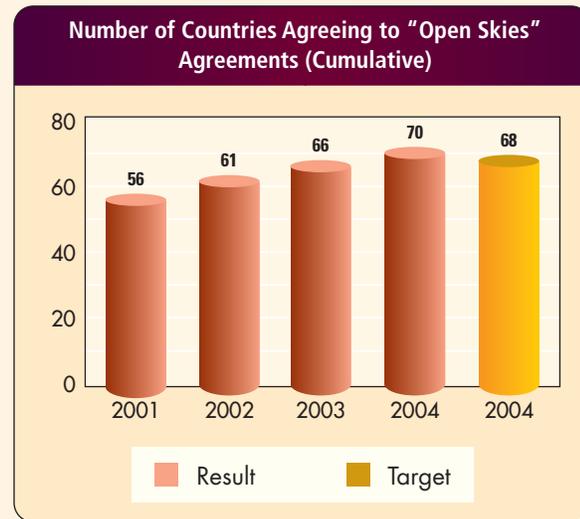
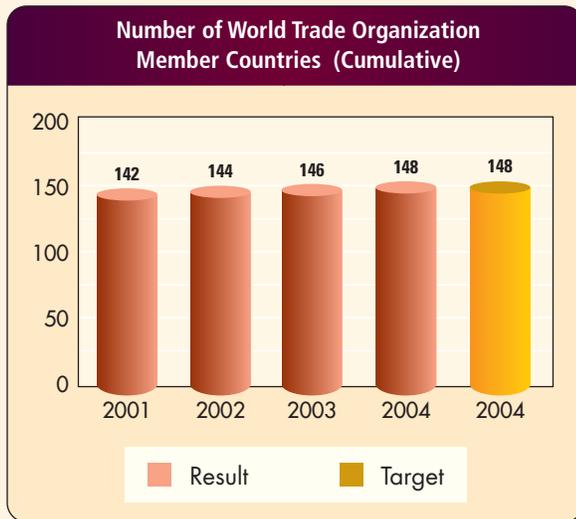
The remarkable growth and prosperity of the developed economies have demonstrated the strength of a dynamic, open international trading system based on free trade and free markets, good governance, and the rule of law, which is a key element of sustainable development. Conversely, the lack of economic opportunity for many around the world is an underlying factor for a number of the grave challenges we face. Regional instability, international crime and illicit drugs, social and environmental destabilization, and humanitarian crises all feed on, and further marginalize, vulnerable populations. The Department's efforts to promote trade and development have a direct positive effect on these vulnerable populations while also strengthening the U.S. economy. As the world's largest importer and exporter, the U.S. has a significant impact: trade accounts for about one quarter of the U.S. economy and reached \$2.6 trillion in FY 2003. Exports account for roughly ten percent of GDP, but contribute much more in terms of GDP growth, as export growth contributed about 15 percent of U.S. economic growth during the past decade. One of every five U.S. manufacturing workers depends on exports for a job. Imports make competitive, lower cost goods available to

American consumers and quality supply components available to American industries. The United States is the largest importer from developing countries, importing goods worth over \$680 billion in 2003, more than ten times the value of the total of all official development assistance to developing countries from all donors. Continued growth and the economic opportunity gained from open trading systems, foreign investment, U.S. development assistance, and international cooperation on financial issues promotes political liberty abroad and our national security at home.



Alan P. Larson, U.S. State Department Under Secretary for Economic, Business and Agricultural Affairs, right, smiles as he receives a flower bouquet from Onkar Singh Kanwar, Senior Vice President of the Federation of Indian Chambers of Commerce and Industry, at an Industry Interface Meeting on Indo-U.S. Economic Dialogue. © AP/Wide World Photos

II. Selected Performance Trends



III. Strategic Context

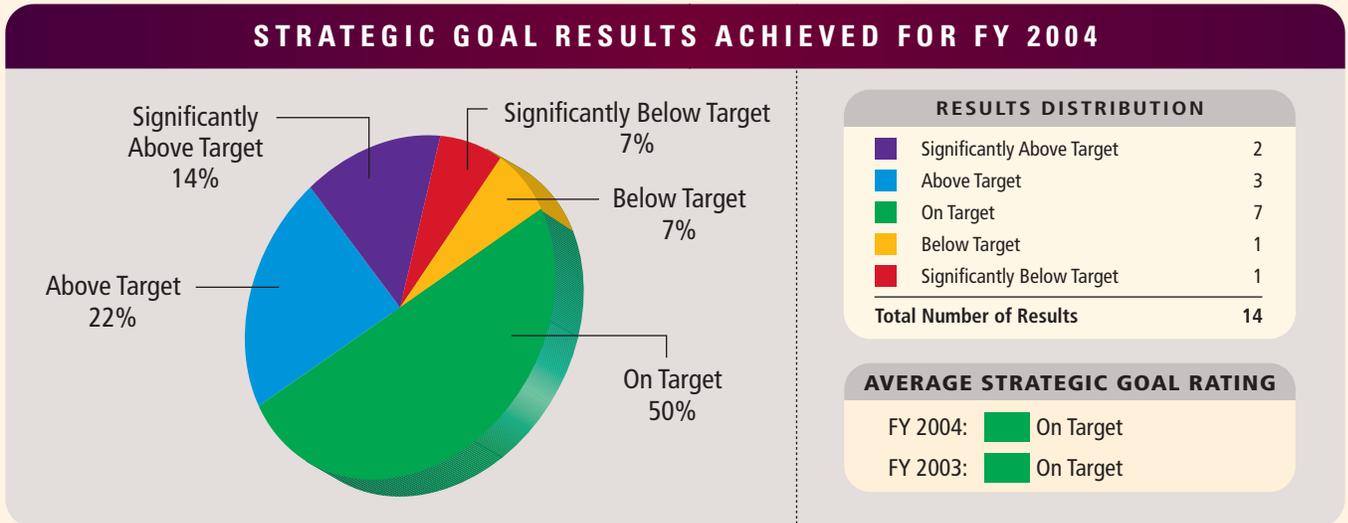
This strategic goal is supported by four performance goals. Shown below are the major Initiatives/Programs, resources, bureaus, and partners that contribute to accomplishment of the strategic goal.

Strategic Goal	Performance Goal (Short Title)	Initiative/Program	Major Resources	Lead Bureau(s)	External Partners	
Economic Prosperity and Security	Economic Growth and Development	Development Strategies	D&CP, ESF, DA	Economic and Business Affairs, International Organizations	USAID, Treasury, DOC, USDA, EXIM, OPIC, TDA, USTR, IMF, World Bank, Regional Development Banks, UNDP, ILO, WTO, OECD, UNCTAD ¹ , UNICEF, FAO, G-8	
	Trade and Investment	Create Open and Dynamic World Markets	D&CP, ESF, DA	Economic and Business Affairs	USTR, Treasury, DOC, DOT, USDA, TDA, USAID, WTO, OECD, international institutions, private sector and NGOs	
	Secure and Stable Markets	Secure Energy Supplies		D&CP	Economic and Business Affairs	DOE, IEA, foreign governments
		Stable Financial Markets		D&CP	Economic and Business Affairs	Treasury, IMF, World Bank, OECD, Regional Development Banks
	Food Security and Agricultural Development	Accomplishment of this goal is the responsibility of USAID.				

¹ United Nations Conference on Trade and Development.

IV. Performance Summary

The chart below shows the performance rating distribution of the FY 2004 results for the Economic Prosperity and Security strategic goal. Also shown is a comparison between FY 2004 and FY 2003 average strategic goal ratings.



V. Performance Analysis

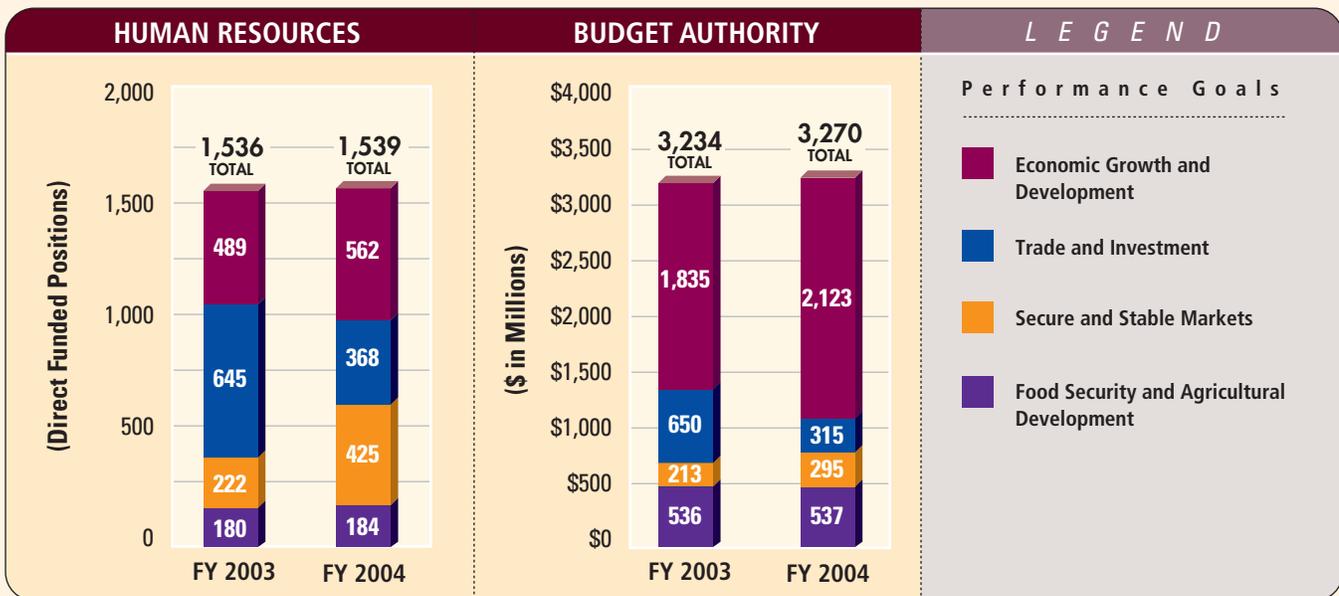
The pie chart above shows the performance rating distribution of the FY 2004 results for the Economic Prosperity and Security strategic goal. Also shown is a comparison between the FY 2004 and FY 2003 average strategic goal ratings. FY 2004 results produced a rating of “On Target,” unchanged from last year’s “On Target” rating.

Of the 14 results, 86% or 12 of the results have been rated as “On Target” or above.

- **Five Ratings Ranked “Significantly Above Target” or “Above Target”** – These positive results pertain to the following:
 - Status of Negotiations on Open Markets for Services, Trade, and Investment (I/P #2, Indicator #1, Target #1, #3)
 - Number of Market Opening Transportation Agreements in Place (I/P #2, Indicator #2, Target #1)
 - Percentage of Debt Crisis Countries on International Monetary Fund (IMF) Programs Successfully Reforming (I/P #4, Indicator #2)

- **Two Ratings Ranked “Significantly Below Target” or “Below Target”** – These areas of concern pertain to the following:
 - Average Developing Country Growth Competitiveness Index (GCI) (I/P #1, Indicator #1)
 - Status of Negotiations on Open Markets for Services, Trade, and Investment (I/P #2, Indicator #1, Target #2)

VI. Resources Invested



VI. Illustrative Example of a Significant Achievement

Madrid International Donors Conference on Iraq Reconstruction



The October 2003 Madrid International Donors Conference on Reconstruction in Iraq, organized by the Department and attended by the Secretary, was the most successful donors conference ever, attended by 77 countries and raising over \$32 billion in pledges, including \$13.5 billion from non-U.S. sources. Of this non-U.S. component, almost \$5 billion was pledged by Japan and \$5.5 billion was pledged by the World Bank and IMF in lending programs. The remainder was pledged by 36 countries and the European Commission. The largest previous pledging conference had raised \$5-6 billion.

The European Union's external affairs commissioner, Chris Patten, left, shares a light moment with U.S. Secretary of State, Colin Powell, during the International Donor's Conference for the reconstruction of Iraq in Madrid, Spain.

© AP Wide World Photos/Paul White

VIII. Performance Results

PERFORMANCE GOAL 1

INSTITUTIONS, LAWS, AND POLICIES FOSTER PRIVATE SECTOR GROWTH, MACROECONOMIC STABILITY, AND POVERTY REDUCTION.

INITIATIVE/PROGRAM (I/P) #1: DEVELOPMENT STRATEGIES

Devise coherent country, regional, and global development strategies to ensure bilateral and multilateral development assistance advances economic stability/integration in the global economy.

OUTCOME INDICATOR

Indicator #1: Average Developing Country Growth Competitiveness Index (GCI)

FY 2004 PERFORMANCE	Target¹	Increase in average GCI by 3%, from 4.81 to 4.95.
	Results	GCI data not available until April 2005. The target, determined in FY 2002, was based on a different methodology than is currently being used. Thus, the target and results will not correspond. One element of the GCI, growth performance, has strengthened from 4.8% in FY 2002 to a projected 6.6% in FY 2004 (IMF World Economic Outlook data), which would indicate some improvement in the GCI. However, without actual data, the projection will be "significantly below target."
	Rating	■ Significantly Below Target
	Impact	Development is the third pillar of our national security strategy. The flattening of the GCI average is an improvement over the sharp decline from 2001 to 2002. Strong developing country growth in the last two years also points to progress being made.
DATA QUALITY	Data Source	The Global Competitiveness Report, 2002-2003
	Results Verification Confidence Level	Medium
	Indicator Validation Statement	The World Economic Forum's average developing and transitional country GCI is a widely respected indicator of relative development. Changes in the GCI reflect the capacity of national economies to achieve sustainable economic growth over the medium term, controlling for current level of economic development. The Department has chosen this indicator because the Department's engagement with the World Bank Group, regional development banks as well as U.S. bilateral efforts all work towards strengthening the capacity of countries to achieve sustainable growth in the medium to long term.
PAST RESULTS	2003	3.80
	2002	3.82
	2001	3.95

¹ The FY 2004 target was originally based on a different set of data and criteria, causing the disconnect between the FY 2003 and FY 2004 projections of 4.81 and 4.95, respectively, and the result of 3.80 for FY 2003. Additional data resulted in rationalizing the indicator basis.

I/P # 1: DEVELOPMENT STRATEGIES (continued)

OUTPUT INDICATOR

Indicator #2: International Telecommunication Union (ITU) Development Sector Programs and Projects

FY 2004 PERFORMANCE	Target	Implement six programs of the Istanbul Action Plan through ongoing projects, technical assistance, and study group activities. Link Istanbul Action Plan with objectives set forth by the World Summit on the Information Society (WSIS).
	Results	Phase one objectives were met.
	Rating	■ On Target
	Impact	Successful implementation results in market entry for U.S. firms; development of technology for dispersion; private sector investment in developing countries' IT infrastructure; and technical assistance to developing countries.
DATA QUALITY	Data Source	ITU and U.S. industry.
	Results Verification Confidence Level	High
	Indicator Validation Statement	ITU programs and projects include commitments by countries that will enable vibrant commercial telecommunications and e-commerce systems to grow. The successful implementation of agreements, adoption of standards and allocation of spectrum in a manner compatible with the U.S., increases U.S. companies' ability to export telecom equipment. The converse limits exports.
PAST RESULTS	2003	472 U.S. telecom, information technology, radio communication proposals/positions, standards, and recommendations adopted.
	2002	385
	2001	321

PERFORMANCE GOAL 2

INCREASED TRADE AND INVESTMENT ACHIEVED THROUGH MARKET-OPENING INTERNATIONAL AGREEMENTS AND FURTHER INTEGRATION OF DEVELOPING COUNTRIES INTO THE TRADING SYSTEM

I/P #2: CREATE OPEN AND DYNAMIC WORLD MARKETS

Pursue increased market access through multilateral, regional, and bilateral negotiations to conclude agreements to create open investment policies and free trade in goods and services.

OUTCOME INDICATOR

Indicator #1: Status of Negotiations on Open Markets for Services, Trade, and Investment

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. WTO Doha Round negotiations continue. 2. Conclude two new bilateral investment treaties (BIT). 3. Conclude two free trade agreements (FTA). 4. Continue Free Trade Agreement of the Americas (FTAA) negotiations.
	Results	<ol style="list-style-type: none"> 1. Successful WTO Doha Round framework agreement July 2004. 2. One BIT, with Uruguay, concluded by October 2004. 3. Concluded 4 FTAs (Australia, Bahrain, Morocco, Central America). 4. FTAA negotiations continue.
	Rating	<ol style="list-style-type: none"> 1. ■ Above Target 2. ■ Below Target 3. ■ Significantly Above Target 4. ■ On Target
	Impact	<p>Concluded FTAs open markets for U.S. businesses, serve as model agreements for future FTAs, and provide leverage in other negotiations. Successful WTO interim framework agreement (in July) lays ground for bringing Doha Round negotiations to conclusion in 2005-06 and ultimately greater trade liberalization worldwide.</p>
DATA QUALITY	Data Source	WTO Secretariat, State Department, USTR, and Department of Commerce websites.
	Results Verification Confidence Level	High
	Indicator Validation Statement	These agreements expand the international framework to create a dynamic, free and open trade system, which contributes directly to the prosperity of the United States.
PAST RESULTS	2003	<ol style="list-style-type: none"> 1. Two FTAs (Chile, Singapore) concluded. 2. WTO and FTAA negotiations continue. 3. FTA negotiations began with Central American Free Trade Area (CAFTA), Morocco, Southern African Customs Union (SACU), and Australia. 4. Notified Congress of intent to initiate FTA talks with Dominican Republic and Bahrain.
	2002	<p>WTO launched new round in Doha. China and Taiwan joined WTO. Jordan FTA entered into force. Chile and Singapore FTA negotiations continued.</p> <p>Morocco, CAFTA, SACU, and Australia identified as partners for FTAs. BIT discussions continued with Venezuela, Peru, Colombia, and South Korea. China took concrete steps to remove trade barriers and open its markets; some shortfalls remained in areas of interest.</p>
	2001	<p>Preparations for launch of new WTO round underway. Chile and Singapore FTA negotiations began. Congress approved Jordan FTA. Five BITs entered into force. APEC leaders agreed in Shanghai to liberalize trade and investment.</p>

I/P #2: CREATE OPEN AND DYNAMIC WORLD MARKETS (continued)

OUTPUT INDICATOR

Indicator #2: Number of Market Opening Transportation Agreements in Place

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. Conclude two bilateral Open Skies agreements (or Multilateral accessions). 2. Conclude three non-Open Skies agreements. 3. Conclude shipping agreement with China.
	Results	<ol style="list-style-type: none"> 1. Open Skies agreements concluded with Indonesia, Tonga, Madagascar, and Gabon. 2. Liberalized agreements concluded with China and Vietnam, and original agreement with Indonesia. 3. Shipping agreement concluded with China.
	Rating	<ol style="list-style-type: none"> 1. ■ Significantly Above Target 2. ■ On Target 3. ■ On Target
	Impact	<ol style="list-style-type: none"> 1. These Open Skies agreements modernize aviation relations by allowing airlines to make commercial decisions with minimal government intervention. They provide for open routes, capacity, frequencies, designations, and pricing, as well as opportunities for cooperative marketing arrangements, including code-sharing. Establishing an Open Skies agreement is an important step toward spurring bilateral trade, investment, tourism, and cultural exchange. 2. The conclusion of a landmark liberalization agreement with China will enable U.S. carriers to offer significantly more services to a nation where our trade value has grown from \$4.8 billion in 1980 to \$170 billion in 2003. The agreement with Vietnam will solidify a bilateral partnership that generated almost \$3 billion in direct trade in 2002 and will help reunite families and further strengthen human ties between the two nations. 3. U.S. shipping companies can now offer services throughout China and may now control their inland activities directly, instead of having to use Chinese intermediaries.
DATA QUALITY	Data Source	U.S. Departments of State and Transportation make this data available on their websites. Air Transport Agreements (ATAs) signed and registered with the International Civil Aviation Organization.
	Results Verification Confidence Level	High
	Indicator Validation Statement	These Open Skies agreements are key to expanding a dynamic and open system of aviation services. Bilateral and Multilateral aviation agreements are the primary mechanisms for aviation liberalization. Service for passengers and cargo are implemented by airlines pursuant to ATAs. Maritime agreements help open restricted foreign markets.
PAST RESULTS	2003	<ol style="list-style-type: none"> 1. Concluded three bilateral Open Skies agreements: Jamaica, Albania, and Thailand (all cargo Open Skies); and one multilateral accession: Samoa. 2. Liberalized two (non-Open Skies agreements): Hong Kong and Thailand.
	2002	Five additional bilateral Open Skies agreements plus three other liberalized agreements concluded.
	2001	<ol style="list-style-type: none"> 1. Five additional bilateral Open Skies agreements concluded. 2. Multilateral Open Skies agreements with four countries concluded.

I/P #2: CREATE OPEN AND DYNAMIC WORLD MARKETS (continued)	
OUTPUT INDICATOR	
Indicator #3: Number of Countries Allowing Commercial Use of Agricultural Biotechnology and Global Acreage of Biotech Crops Under Cultivation	
FY 2004 PERFORMANCE	Target 1. Three additional countries begin to commercialize ag-biotech. 2. Acreage of agricultural biotechnology crops increases by twelve percent.
	Results 1. Australia approved the commercialization of biotechnology-derived canola. Malaysia and Thailand are taking steps toward putting biosafety frameworks in place that would allow for the commercialization of biotechnology-derived crops. In addition, the European Communities approved the first two new biotechnology-derived crops since 1998. 2. Data on acreage of agricultural biotechnology crops is not available until January 2005, although preliminary information suggests acreage is expanding.
	Rating 1. ■ Above Target 2. ■ On Target
	Impact 1. Positive results in Australia, Thailand, and Malaysia have encouraged progress in other Asian countries such as Taiwan, Vietnam, and Indonesia, and re-enforced the decision the Philippines made in 2003 to commercialize a biotechnology-derived crop. Progress in these countries has also contributed to positive statements about agricultural biotechnology in regional fora such as APEC and ASEAN. 2. Expanding acreage of crops derived through biotechnology creates momentum for other countries to adopt the technology and demonstrates the benefits of the crops for both developing and developed countries.
DATA QUALITY	Data Source International Service for the Acquisition of Agri-biotech Applications.
	Results Verification Confidence Level High
	Indicator Validation Statement Countries that commercialize biotechnology-derived crops are most likely to permit entry of biotechnology-derived products from other countries.
PAST RESULTS	2003 1. The Philippines and Brazil commercialized ag-biotech. 2. Biotech acreage continued to expand.
	2002 1. India commercialized transgenic cotton. 2. Philippines and Brazil took initial steps toward commercializing ag-biotech.
	2001 1. Seven additional countries allowed commercial use of ag-biotech products. 2. Acreage under cultivation increased.

I/P #2: CREATE OPEN AND DYNAMIC WORLD MARKETS (continued)

OUTPUT INDICATOR

Indicator #4: Number of New Accessions to the WTO

FY 2004 PERFORMANCE	Target	1. Two new accessions 2. 148 total members
	Results	1. Cambodia and Nepal acceded to WTO in FY 2004. 2. WTO total membership: 148.
	Rating	■ On Target
	Impact	Cambodia's and Nepal's WTO accession will expand market access opportunities for U.S. goods and services in those two countries, and will encourage others, including least developed countries (LDCs), to enter into or accelerate their WTO accession talks.
DATA QUALITY	Data Source	WTO Secretariat, State Department, and USTR websites.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Increasing the number of WTO members expands the number of economies operating under market-oriented, open trade principles and regulations, and thus enhances market opportunities for U.S. goods, services and investment.
PAST RESULTS	2003	1. 2 new accessions 2. 146 total members
	2002	1. 2 new accessions 2. 144 total members
	2001	1. 7 new accessions 2. 142 total members

PERFORMANCE GOAL 3
SECURE AND STABLE FINANCIAL AND ENERGY MARKETS

I/P #3: SECURE ENERGY SUPPLIES

Prevent sudden disruptions in the oil market from damaging the world economy by ensuring that the U.S. and other nations maintain their own Strategic Petroleum Reserves.

OUTPUT INDICATOR

Indicator #1: World Emergency Oil Stocks

FY 2004 PERFORMANCE	Target	International Energy Agency (IEA) and non-IEA emergency oil stocks are at or above FY 2003 levels.
	Results	Preliminary information from June 2004 indicates improvement in both IEA and non-IEA stocks. ¹
	Rating	■ On Target
	Impact	Appropriate and adequate response to oil supply disruptions depends on maintaining emergency stocks.
DATA QUALITY	Data Source	IEA statistics
	Results Verification Confidence Level	High
	Indicator Validation Statement	Oil is the major energy import for the U.S. and an adequate supply is key for the U.S. and global economies. Increasing world oil stocks increases ability to withstand possible oil shocks.
PAST RESULTS	2003	On October 1, 2003, emergency reserves of IEA members (net importers) stood at 115 days.
	2002	<ol style="list-style-type: none"> 1. Higher stock levels in the United States, Japan, and South Korea (a new IEA member). 2. Increased overall IEA stocks to 114 days of net oil imports as of 12/21/02. 3. China (a non-IEA member) actively engaged with the IEA, APEC, and the United States to create emergency oil stock reserves and has formulated a plan for holding significant stocks
	2001	IEA stock level was 112 days of net oil imports.

¹Data not available till end of calendar year 2004.

I/P #4: STABLE FINANCIAL MARKETS

Prevent financial disruptions from undermining the economic stability of global markets.

OUTCOME INDICATOR

Indicator #2: Percentage of Debt Crisis Countries on IMF Programs Successfully Reforming

FY 2004 PERFORMANCE	Target	60%
	Results	80%
	Rating	 Above Target
	Impact	Successful performance on IMF-supported programs or under countries' own macroeconomic programs should reduce the number of countries that experience financial instability or crisis.
DATA QUALITY	Data Source	Paris Club Secretariat, IMF
	Results Verification Confidence Level	High
	Indicator Validation Statement	Successful completion of reform programs is key to nations achieving long-term financial stability.
PAST RESULTS	2003	70%
	2002	63%
	2001	57%

PERFORMANCE GOAL 4

ENHANCED FOOD SECURITY AND AGRICULTURAL DEVELOPMENT

The U.S. Agency for International Development is reporting results for this goal.

IX. Program Evaluations and PART Reviews

One Program Evaluation and two OMB PART reviews were conducted in FY 2004 that pertain to this Strategic Goal.

- 1) U.S. Non-Military Assistance To Colombia Is Beginning To Show Intended Results, But Programs Are Not Readily Sustainable (GAO-04-726)
- 2) United Nations Development Program (UNDP) (OMB PART) – The OMB ratings for this PART program are CY 2004: Effective; and CY 2003: Results Not Demonstrated.
- 3) Support for East European Democracy (SEED) and Assistance for the Independent States of the Former Soviet Union (FSA) (OMB PART) – The OMB ratings for this PART program are CY 2004: Effective; and CY 2003: Results Not Demonstrated.

Detailed information on major findings, recommendations, and actions to be taken can be found in the “OMB PART Summaries” and the “Completed Program Evaluations for FY 2004” Appendices.

**STRATEGIC OBJECTIVE #2:
ADVANCE SUSTAINABLE DEVELOPMENT AND GLOBAL INTERESTS**

STRATEGIC GOAL 9: SOCIAL AND ENVIRONMENTAL ISSUES

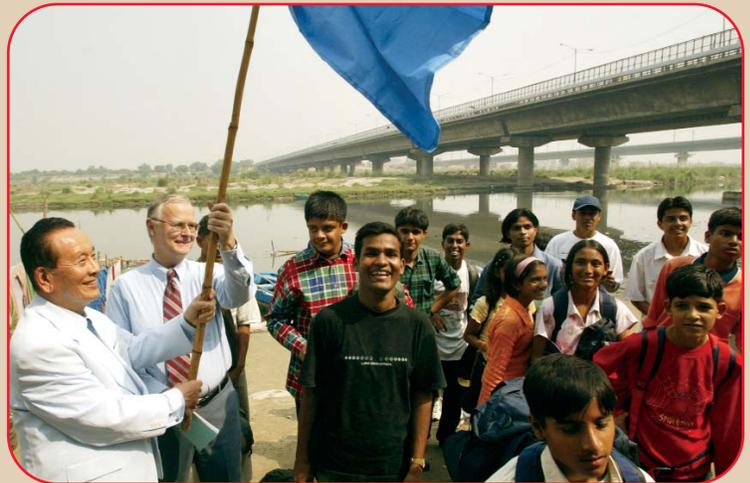
Improve health, education, environment, and other conditions for the global population

“The strong partnership between American science and American statecraft is more critical than ever in meeting the challenges of the 21st century. Whether the mission is supporting the President’s campaign against terrorism, implementing arms agreements, creating conditions for sustainable development, or stemming the global HIV/AIDS pandemic, the formulation of foreign policy must proceed from a solid scientific foundation.”

Secretary Colin L. Powell

I. Public Benefit

Disease, poverty, environmental degradation, lack of education, and unchecked migration destroy lives, weaken societies, destabilize regions, and cheat future generations of prosperity. While these social and environmental problems are daunting, ample experience at the international and national level demonstrates that progress is possible through concerted efforts. The United States has humanitarian, security, and economic interests in helping countries tackle social and environmental problems. Left unresolved, these problems will aggravate social and political instability and could reverse the development advances made over the last several decades. By confronting these problems, we can save lives, reduce human suffering, lay the groundwork for sustainable economic development, forestall the conditions that sow the seeds of terrorism, and prevent adverse conditions from spilling across our borders.



Honorary Ambassador of United Nations Volunteers Takehito Nakata, left, and U.S. Embassy Public Affairs Officer Michael Anderson, second left, kickoff the Yamuna Yatra or 'Yamuna Journey' at the banks of the River Yamuna in New Delhi, India. The two-week yatra, funded by the U.S. Department of State, is aimed at promoting environmental education among youth.

© AP/Wide World Photos

The Department will build public-private partnerships that leverage resources, strengthen international cooperation, and help other countries build their institutional capacity to manage these problems. The Department will encourage good governance by bringing problems to light, supporting varied, creative solutions in the context of public debate, and holding governments accountable for results in order to make sustainable gains against social and environmental problems.



II. Selected Performance Trends

Number of Countries With Stabilized or Reduced Rates of New HIV Infections (Cumulative)



Percentage of Initiatives Agreed Upon at Regional Migration Dialogues That Are Implemented



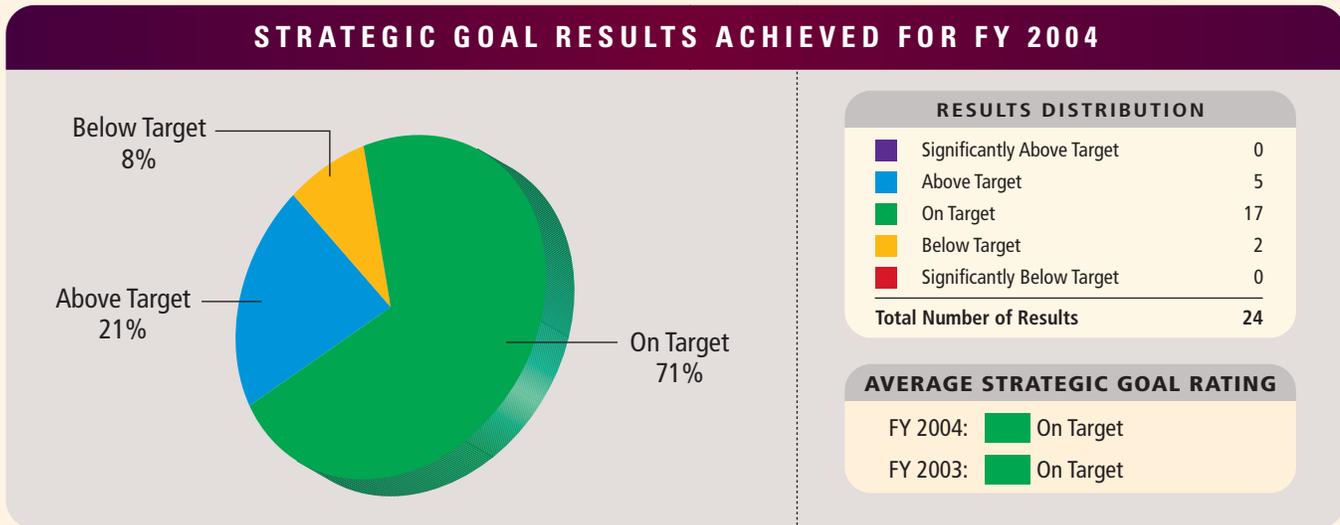
III. Strategic Context

This strategic goal is supported by four performance goals. Shown below are the major Initiatives/Programs, resources, bureaus, and partners that contribute to accomplishment of the strategic goal.

Strategic Goal	Performance Goal (Short Title)	Initiative/ Program	Major Resources	Lead Bureau(s)	External Partners	
Social and Environmental Issues	Global Health	Global Health	D&CP, GAI, CS&H, ESF	Oceans and International Environmental and Scientific Affairs, International Organizations, Population, Refugees, and Migration, Office of the Global AIDS Coordination	HHS, USAID, DoD, DOL, EPA, CDC, NSC, CEQ, Commerce, UNFPA, UNAIDS, WHO	
	Environmental Protection	Trade and Environment	D&CP, ESF, IO&P	Oceans and International Environmental and Scientific Affairs	DOC National Oceanic and Atmospheric Administration, USAID, USDA, DOE, DOI USFWS, EPA, NSF, NRC, NASA, DoD, USTR, USCG, NGOs, International Organizations, and International Coral Reef Initiative Partners.	
		Global Climate Change and Clean Energy	D&CP, IO&P, ESF	Oceans and International Environmental and Scientific Affairs, the Office of Science and Technology Advisor	DOE, EPA, CEQ, CEA, NOAA, NASA, USAID, Treasury, USDA, NSF, DOC, DOI, DOT, DoD	
		Science and Technology Cooperation	D&CP, ESF	Oceans and International Environmental and Scientific Affairs, the Office of Science and Technology Advisor, Economic and Business Affairs	USAID, USDA, DOE, DOC, DOI, EPA, NSF, NRC, NASA, DoD, USPTO, USTR	
		Sustainable Development	D&CP, ESF	Oceans and International Environmental and Scientific Affairs, International Organizations	USAID, EPA, USDA, NOAA, DOE, Smithsonian Institution, civil society and private sector organizations	
	Access to Quality Education	Accomplishment of this performance goal is the responsibility of USAID.				
	Migration Policies and Systems	Effective and Humane Migration Policies and Systems	MRA	Population, Refugees, and Migration	DHS, IOM	

IV. Performance Summary

The chart below shows the performance rating distribution of the FY 2004 results for the Social and Environmental Issues strategic goal. Also shown is a comparison between FY 2004 and FY 2003 average strategic goal ratings.



V. Performance Analysis

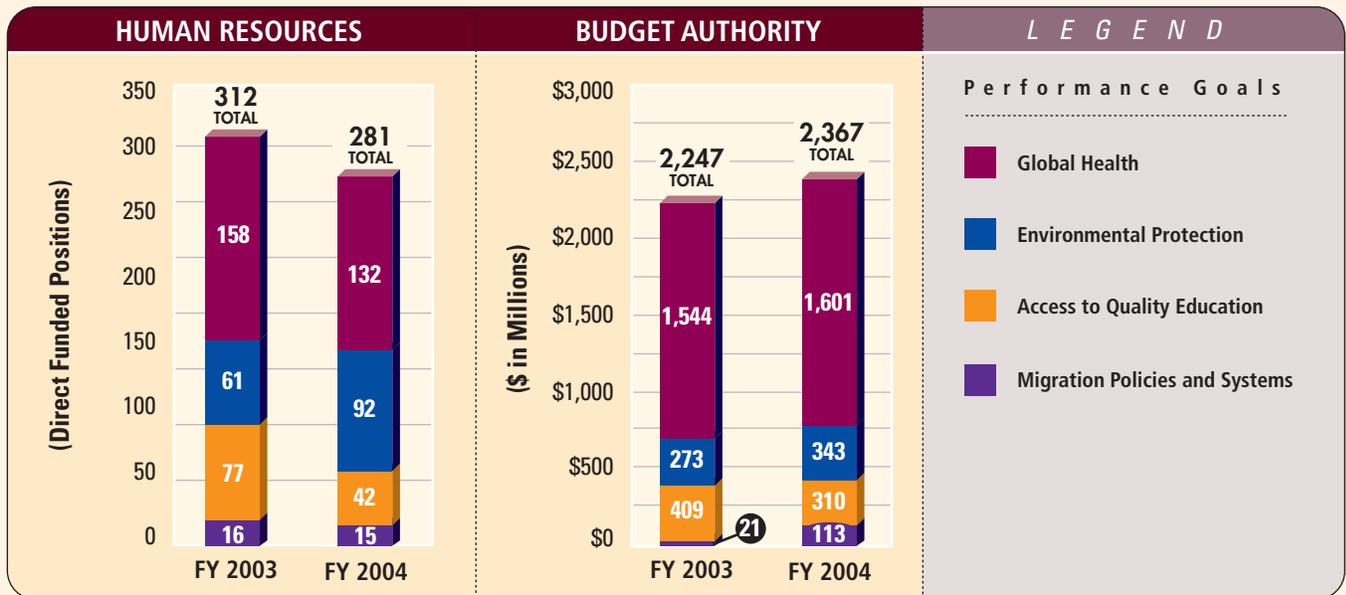
The pie chart above shows the performance rating distribution of the FY 2004 results for the Social and Environmental Issues strategic goal. Also shown is a comparison between the FY 2004 and FY 2003 average strategic goal ratings. FY 2004 results produced a rating of "On Target," unchanged from last year's "On Target" rating.

Of the 24 results, 92% or 22 of the results have been rated as "On Target" or above.

- **Five Ratings Ranked "Above Target"** – These positive results pertain to the following:
 - Countries or Regions with Stabilized or Reduced Rates of New HIV Infections (I/P #1, Indicator #2)
 - Status of Trade Agreements or Guidelines that Minimize Environmental Harm (I/P #2, Indicator #1)
 - Coordination and Management of All U.S. Government S&T Activities Derived from S&T Agreements (I/P #4, Indicator #3, Target #2)
 - Partnerships, Capacity-Building Efforts, Level of Funding, and Sectoral Policies Promoting Sustainable Development (I/P #5, Indicator #4, Target #3-4)
 - Percentage of Initiatives Agreed Upon at Regional Migration Dialogues That Are Implemented (I/P #6, Indicator #1)

- **Two Ratings Ranked "Below Target"** – These areas of concern pertain to the following:
 - Countries With Smallpox Vaccine and Drug Stockpiles (I/P #1, Indicator #6)
 - Coordination and Management of All U.S. Government S&T Activities Derived from S&T Agreements (I/P #4, Indicator #3, Target #1)

VI. Resources Invested



VII. Illustrative Example of a Significant Achievement

Global Fisheries

Effective multilateral conservation and management of highly migratory and straddling fish stocks requires the participation and commitment of all major distant water fishing nations and coastal states active in the fishery. Multilateral management regimes that prevent or do not include such broad participation will be unable to promote long-term sustainable conservation and management of such fisheries because any measures adopted will not have unanimous support. Furthermore, those nations not party to such arrangements have no binding legal obligation to implement adopted conservation and management measures. Since 2000, the Department has led a successful international effort to engage certain Asian distant water fishing nations within the context of an adopted fisheries management agreement. In 2004, these nations announced that they were proceeding with their internal processes and intended to become bound to the agreement in the near term.



Fishing boats docked in Guangzhou, China. Multilateral cooperation, including through regional fishery management organizations, is essential to balance global demand for fish and fish products with a biologically sustainable harvest of wild fish. Department of State photo.

VIII. Performance Results

PERFORMANCE GOAL 1

IMPROVED GLOBAL HEALTH, INCLUDING CHILD, MATERNAL, AND REPRODUCTIVE HEALTH, AND THE REDUCTION OF ABORTION AND DISEASE, ESPECIALLY HIV/AIDS, MALARIA, AND TUBERCULOSIS

INITIATIVE/PROGRAM (I/P) #1: GLOBAL HEALTH

Improve global health by fighting the global HIV/AIDS pandemic, combating other emerging diseases, and countering bioterrorism.

OUTPUT INDICATOR

Indicator #1: Level of International Collaboration and Partnerships to Support Health, Including the Global Fund to Fight AIDS, Tuberculosis, and Malaria

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. Interagency Global HIV/AIDS Five-Year Strategy developed with defined priorities for international collaboration and partnerships. 2. Fully coordinated interagency country five-year strategic plans developed for 15 focus countries. 3. Dialogue established with other donor nations and multilateral institutions to improve coordination with U.S. bilateral programs.
	Results	<ol style="list-style-type: none"> 1. U.S. Five-Year Global HIV/AIDS Strategy with priorities for international collaboration released in February 2004. 2. 15 Focus Country Five-Year HIV/AIDS Strategic Plans, developed in coordination with other in-country donors and multilateral institutions, completed October 2004. 3. UNAIDS "Three Ones" principles, committing donors to "one" national HIV/AIDS plan, "one" national coordinating body, and "one" national monitoring and evaluation system developed and disseminated with the USG as contributor and signatory.
	Rating	■ On Target
	Impact	Improved coordination and adherence to best practices in HIV/AIDS programming, evaluation, and management will maximize the effective use of resources and greatly amplify the fight against global HIV/AIDS.
DATA QUALITY	Data Source	Semi-annual progress reports from countries reporting participation on coordinating bodies, development of national action plans, and implementation of single monitoring and evaluation systems.
	Results Verification Confidence Level	Medium
	Indicator Validation Statement	Encouraging and working with other donors, including multilateral institutions, to improve HIV/AIDS leadership, coordination, collaboration, and adherence to best practices worldwide is a primary factor in amplifying results against the global pandemic.
PAST RESULTS	2003	N/A ¹
	2002	N/A
	2001	N/A

¹ This indicator was revised this fiscal year, so past results are not available.

I/P #1: GLOBAL HEALTH (continued)

OUTPUT INDICATOR

Indicator #2: The Number of People Receiving HIV/AIDS Treatment in 15 Focus Countries

FY 2004 PERFORMANCE	Target	Progress toward goal of having at least 200,000 individuals receiving treatment at the end of the first year of full program implementation.
	Results	<ol style="list-style-type: none"> 1. Interagency teams developed the initial framework for implementation of the Emergency Plan, and designed and announced its first funding mechanisms. First release of funds for focus country programs, totaling \$350 million, and the release of the U.S. Five-Year Global HIV/AIDS strategy announced February 2004. 2. USG interagency teams in the focus countries developed coordinated operational plans for HIV/AIDS treatment services in the focus countries, laying the plans for an additional \$515 million that began flowing to the focus countries in June 2004. 3. Preliminary data from 9 of 15 focus countries indicates significant progress toward first-year program implementation goal of 200,000 people receiving treatment. Just a few months into program implementation, the Emergency Plan is supporting antiretroviral therapy for, at minimum, 24,900 people. Final data from the focus countries are due December 3, 2005, reflecting the first six months of full program implementation.
	Rating	■ On Target
	Impact	With its severe social, economic, and political consequences, HIV/AIDS presents a security threat and violates a basic principle of development that each generation do better than the one before. HIV/AIDS treatment mitigates the consequences of HIV/AIDS by dramatically improving health and therefore productivity. With every person receiving treatment, life is extended, families are held intact, and nations move forward with development.
DATA QUALITY	Data Source	Semi-annual progress reports to the Office of the Global AIDS Coordinator from each of the focus countries reporting numbers of people receiving support for treatment in each country.
	Results Verification Confidence Level	High
	Indicator Validation Statement	The President's Emergency Plan for AIDS Relief commits \$15 billion over five years to dramatically scale-up the fight against global AIDS by providing treatment to 2 million people living with HIV in 15 focus countries, preventing 7 million new HIV infections in 15 focus countries, providing care for 10 million people infected and affected by HIV in 15 focus countries, and continuing HIV/AIDS assistance to over 100 countries worldwide. Reporting the number of people receiving treatment tracks progress against the Emergency Plan's goal of 2 million HIV-infected people receiving treatment.
PAST RESULTS	2003	N/A ¹
	2002	N/A
	2001	N/A

¹ This indicator is new, so past results are not available.

I/P #1: GLOBAL HEALTH (continued)

OUTPUT INDICATOR

Indicator #3: The Estimated Number of HIV Infections Prevented in the 15 Focus Countries

FY 2004 PERFORMANCE	Target	Progress toward goal of having an estimated 1 million infections prevented at the end of the first year of full program implementation.
	Results	<ol style="list-style-type: none"> 1. Interagency teams developed the initial framework for implementation of the Emergency Plan and designed and announced its first funding mechanisms. First release of funds for focus country programs, totaling \$350 million, and the release of the U.S. Five-Year Global HIV/AIDS strategy announced February 2004. 2. USG interagency teams in the focus countries developed coordinated operational plans for HIV/AIDS prevention services in the focus countries, laying the plans for an additional \$515 million that began flowing to the focus countries in June 2004. 3. Preliminary data indicates significant progress toward first-year program implementation goal of an estimated 1 million infections prevented, with preventions services reaching millions. Final data from the focus countries are due December 3, 2005, reflecting the first six months of full program implementation.
	Rating	■ On Target
	Impact	Reduced HIV transmission is a primary factor in winning the war against HIV/AIDS. Preventing HIV infections will dramatically decrease burdens of the disease on individuals, families, and nations.
DATA QUALITY	Data Source	Semi-annual progress reports to the Office of the Global AIDS Coordinator from each of the focus countries will report results for numbers of persons receiving prevention services and the estimated number of infections prevented. The estimated number of infections prevented will be determined through several techniques, including modeling, triangulating country longitudinal antenatal clinic (ANC) prevalence rates with population survey HIV testing results, and evaluating country demographic health surveys reporting HIV/AIDS prevalence rates.
	Results Verification Confidence Level	Medium
	Indicator Validation Statement	The President's Emergency Plan for AIDS Relief commits \$15 billion over five years to dramatically scale-up the fight against global AIDS by providing treatment to 2 million people living with HIV in 15 focus countries, preventing 7 million new HIV infections in 15 focus countries, providing care for 10 million people infected and affected by HIV in 15 focus countries, and continuing HIV/AIDS assistance to over 100 countries worldwide. Reporting the estimated number of infections prevented tracks progress against the Emergency Plan's goal of 7 million infections prevented.
PAST RESULTS	2003	N/A ¹
	2002	N/A
	2001	N/A

¹ This indicator is new, so past results are not available.

I/P #1: GLOBAL HEALTH (continued)

OUTPUT INDICATOR

Indicator #4: The Number of People Receiving HIV/AIDS Care in the 15 Focus Countries

FY 2004 PERFORMANCE	Target	Progress toward goal of at least 1 million people infected and affected by HIV/AIDS receiving care and support, including orphans and other vulnerable children, by the end of the first year of full program implementation.	
	Results	<ol style="list-style-type: none"> 1. Interagency teams developed the initial framework for implementation of the Emergency Plan and designed and announced its first funding mechanisms. First release of funds for focus country programs, totaling \$350 million, and the release of the U.S. Five-Year Global HIV/AIDS strategy announced February 2004. 2. USG interagency teams in the focus countries developed coordinated operational plans for HIV/AIDS care services in the focus countries, laying the plans for an additional \$515 million that began flowing to the focus countries in June 2004. 3. Preliminary data indicates significant progress toward first-year program implementation goal of an estimated 1 million people infected and affected by HIV/AIDS receiving care, with care activities planned for 1.1 million people. Final data from the focus countries are due December 3, 2005, reflecting the first six months of full program implementation. 	
	Rating	■	On Target
	Impact	Care for people infected and affected by HIV/AIDS, including orphans, mitigates the severe pain and debilitating symptoms caused by HIV/AIDS as well as its social and economic consequences.	
DATA QUALITY	Data Source	Semi-annual progress reports to the office of the Global AIDS Coordinator from each of the focus countries reporting numbers of people receiving care services in each country.	
	Results Verification Confidence Level	Medium	
	Indicator Validation Statement	Reporting the number of people receiving care services tracks progress against the Emergency Plan goal of 10 million people infected and affected by HIV/AIDS receiving care.	
PAST RESULTS	2003	N/A ¹	
	2002	N/A	
	2001	N/A	

¹ This indicator is new, so past results are not available.

I/P # 1: GLOBAL HEALTH (continued)

OUTCOME INDICATOR

Indicator #5: Management Reforms at the United Nations Population Fund (UNFPA)

FY 2004 PERFORMANCE	Target	UNFPA reforms methods of monitoring and evaluating two programs.
	Results	Implementation of UNFPA's new monitoring and evaluation system, the Technical Advisory Programme (TAP), began in October 2003. Assessment of this method is ongoing.
	Rating	■ On Target
	Impact	Expected outcomes of the TAP for UNFPA are: a) increased national and regional capacity to provide technical support for population and development programs; b) increased accessibility and use of technical information in national population and development programs; and c) improved strategic technical support at key stages of the UNFPA program cycle and in UN system-wide processes.
DATA QUALITY	Data Source	United Nations document DP/FPA/2004/16, United Nations Population Fund, Midterm Review of the Technical Advisory Programme.
	Results Verification Confidence Level	High
	Indicator Validation Statement	The Department's collaboration with UNFPA to promote human rights in reproductive health care is designed to garner political support for this agency, and promote U.S. government population policy. Ensuring financial transparency, operational accountability, and management reform are important first steps for institutional reform and to establish a foundation for promoting efficiency gains.
PAST RESULTS	2003	Department special teams conducted 2 monitoring trips to China, a UNFPA program country, in FY 2003.
	2002	Baseline: One independent Department team visited China to assess the UNFPA program there.
	2001	N/A ¹

¹ This indicator was incorporated in FY 2002 and revised this fiscal year.

I/P #1: GLOBAL HEALTH (continued)

INPUT INDICATOR

Indicator #6: Status of World Health Organization (WHO) International Health Regulations (IHR)

FY 2004 PERFORMANCE	Target	Technical review of the revised IHR continues at global, regional, and sub-regional level; regulatory draft IHR revision is submitted to member states for review.
	Results	A technical review of the revised IHR at global, regional, and sub-regional level has taken place. The U.S. participated in a number of these review meetings. A revised draft of the IHR has been submitted to member states for review and consideration at the Intergovernmental Working Group in November 2004.
	Rating	■ On Target
	Impact	The Department's efforts in FY 2004 have helped prepare the USG for the November 2004 meeting of the Intergovernmental Working Group on Revision of the IHRs in Geneva. This negotiation is to finalize the draft IHRs to be submitted for final formal adoption at the World Health Assembly in May 2005. While USG is publicly supportive of completion of the negotiation in time for adoption in 2005, there are concerns by the U.S. and other governments that more time may be necessary, due to the complex and cross-sectoral nature of the IHRs. At this time, the Department is on target for its FY 2005 goal of adoption, but the situation will be clearer following the November Intergovernmental Working Group.
DATA QUALITY	Data Source	WHO documents, including those for the Intergovernmental Working Group on revision of the International Health Regulations, HHS.
	Results Verification Confidence Level	High
	Indicator Validation Statement	This indicator provides a solid measure of the progress of the IHRs, an important measure of WHO and global abilities to respond to public health emergencies of international concern. Because the IHR process is a lengthy one, an indicator focusing on IHR status provides flexibility to use this indicator for more than one year, allowing data to be tracked and compared between years for trend analysis.
PAST RESULTS	2003	<ol style="list-style-type: none"> WHO strengthened its activities related to global and national-level disease surveillance and undertook major efforts with governments in limiting and controlling SARS. Work continued on revising the WHO International Health Regulations with the target for adoption in 2005 of revised regulations.
	2002	WHO continued consultation and elaboration of approach and gaining international consensus.
	2001	Baseline: World Health Assembly linked IHR revision process to global health, security, and bioterrorism.

I/P #1: GLOBAL HEALTH (continued)

INPUT INDICATOR

Indicator #7: The Global Health Security Action Group (GHSAG) Becomes Sustainable

FY 2004 PERFORMANCE	Target	GHSAG conducts cooperative exercises; the private sector, NGOs, and health and science institutions are more involved in the introduction of new knowledge to a rapidly evolving security area.
	Results	GHSAG has completed a successful international anthrax workshop to test lab procedures, developed plans with WHO for distribution of smallpox vaccination training materials, and initiated work both with governments and private sector institutions to strengthen preparedness and response capabilities for pandemic influenza.
	Rating	■ On Target
	Impact	GLOBAL MERCURY was a critical first step in establishing stronger and more effective international health communication in the event of a bioterrorist attack. Among its outcomes, GHSAG member nations are developing up-to-date emergency contact lists, and have identified steps for WHO or other international organizations to play a key role in facilitating communication and information flow. All of this strengthens the Department's goal of fostering enhanced international cooperation to prevent and respond to bioterrorism. GHSAG's successful workshops – mostly recently on anthrax, and earlier on smallpox – enhance laboratory coordination and communication between and among countries.
DATA QUALITY	Data Source	Statement from GHSAG Ministerial Meeting in Berlin, Germany: http://www.state.gov/g/oes/rls/or/2004/33564.htm Exercise GLOBAL MERCURY - international smallpox bioterrorism exercise: http://www.state.gov/documents/organization/33671.pdf
	Results Verification Confidence Level	High
	Indicator Validation Statement	Because GHSAG is a relatively new initiative (begun in November 2001), its sustainability is a critical way to have a sense of whether it can achieve its goals of promoting greater health security among the eight member nations and beyond. This indicator can be used for multiple years, allowing data to be tracked and compared between years for trend analysis.
PAST RESULTS	2003	GHSAG has formed technical working groups. In December 2002, GHSAG formed a new technical working group (TWG) on Pandemic Influenza. During the GHSAG working meeting in September 2003 in Ottawa, GHSAG members decided to add SARS to the topic of the Influenza TWG. GHSAG has tested Incident Scale. GHSAG members were prepared to submit Terms of Reference for GHSAG Ministerial Meeting in November 2003.
	2002	General terms of reference for the creation of a pharmaceutical and biotech industry anti-terrorism code of conduct were developed.
	2001	Baseline: The United States, Canada, France, Germany, Italy, Japan, Mexico, and the United Kingdom agreed to cooperative efforts to counter bioterrorism.

I/P #1: GLOBAL HEALTH (continued)		
OUTPUT INDICATOR		
Indicator #8: Countries With Smallpox Vaccine and Drug Stockpiles		
FY 2004 PERFORMANCE	Target	Additional ten countries establish vaccine and drug stockpiles; work with WHO to strengthen its smallpox vaccine reserve.
	Results	U.S. continues to work with WHO on setting up global smallpox vaccine reserve. Germany and Canada have all made contributions to this reserve in the past year. Additional nations, including Japan and Germany, are expanding the size of their own vaccine and drug stockpiles.
	Rating	■ Below Target
	Impact	Creation of WHO global smallpox vaccine reserve has been a critical step in improving international health security. Failing to meet this target will jeopardize the U.S. and global health security.
DATA QUALITY	Data Source	Reports from Health and Human Services, Global Health Security Action Group, and other countries.
	Results Verification Confidence Level	Medium
	Indicator Validation Statement	This indicator provides a clear measure of success (the documented existence of vaccine and drug stockpiles) toward achieving global health and emergency preparedness. It is articulated clearly, identifies what is being measured, and can be used over multiple years as additional countries develop comparable stockpiles.
PAST RESULTS	2003	<p>Baseline: Several countries reported development or expansion of national smallpox vaccine stockpiles.</p> <ul style="list-style-type: none"> ● In March 2003, Germany reported a build-up of their smallpox vaccine stockpile. As of March 2003, Germany had amassed 64 million doses, with a target of an eventual 100 million doses. This stockpile also included Vaccinia Immune Globulin (VIG) and antiviral medications. ● Italy also reported plans to increase their national stockpile of smallpox vaccine. ● Japan has 2.5 million doses stockpiled of an attenuated vaccine (LC16M8), with plans for further procurement.
	2002	N/A ¹
	2001	N/A

¹ This indicator was incorporated in FY 2003.

PERFORMANCE GOAL 2

PARTNERSHIPS, INITIATIVES, AND IMPLEMENTED INTERNATIONAL TREATIES AND AGREEMENTS THAT PROTECT THE ENVIRONMENT AND PROMOTE EFFICIENT ENERGY USE AND RESOURCE MANAGEMENT

I/P #2: TRADE AND ENVIRONMENT

Negotiation of bilateral and multilateral trade agreements that ensure that expanded trade neither increases environmental degradation nor creates unfair trade barriers.

OUTPUT INDICATOR

Indicator #1: Status of Trade Agreements or Guidelines that Minimize Environmental Harm

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. Organization for Economic Cooperation and Development (OECD) partners take qualitative and quantitative steps to strengthen environmental standards and transparency for export credit agencies. 2. New FTA negotiations incorporate satisfactory environmental provisions. 3. Implementation of environmental cooperation agreements negotiated with FTA partners.
	Results	<ol style="list-style-type: none"> 1. Completed negotiations and gained agreement from all OECD countries on the "Common approaches to export credit and the environment" in December 2003. U.S. Export Import Bank (Ex-Im) is in the process of revising its environmental policy in line with the OECD agreement. The Department continues to monitor the compliance of other countries through the Environment office of Ex-Im. 2. Central America and Dominican Republic: FTA Environment Chapter and Environmental Cooperation Agreement negotiations concluded; FTA signed. Chile: FTA and ECA entered into force. U.S./Andes Free Trade Agreement (FTA) negotiations focus on environmental chapter of FTA in September 2004, including commitment to effective enforcement of environmental laws. Singapore: FTA Environment Chapter and Memorandum of Intent on Cooperation negotiated and entered into force. Thailand: FTA Environment Chapter negotiations commenced. Morocco: FTA Environment Chapter and Joint Statement on Cooperation negotiated and signed; U.S. Congress approved FTA implementing legislation. Bahrain: FTA Environment Chapter and Memorandum of Understanding on Cooperation negotiations concluded. Australia: FTA Environment Chapter and Joint Statement on Cooperation negotiated and signed; U.S. Congress approved FTA implementing legislation. 3. First meeting of bilateral bodies established under U.S./Chile Free Trade Agreement (FTA) and associated Environmental Cooperation Agreement in Santiago, July 2004. Work plan implementing ECA expected to be finalized Fall, 2004. Work plan agreed interagency and with Chileans, awaiting interagency ratification October 2004. First meeting of bilateral body under U.S./Jordan Joint Statement on Environmental Technical Cooperation held in Amman, September 13-14, 2004, resulting in approved Plan of Action for cooperation under the Joint Statement. Final agreement reached on text of Environmental Cooperation Agreement in association with Dominican Republic / Central America / U.S. FTA.
	Rating	<ol style="list-style-type: none"> 1. ■ Above Target 2. ■ On Target 3. ■ On Target
	Impact	<ol style="list-style-type: none"> 1. Commitment by all OECD countries to utilize a set of minimum standards and procedures to projects receiving support from national export credit agencies. 2. Commitment by trading partners to effective enforcement of environmental laws in FTA environment chapters will help to ensure consistency between free trade and high levels of environmental protection. 3. Environmental cooperation generated under environmental cooperation agreements negotiated with FTA partners will help to improve their environmental performance as well as increase trade.

Continued on next page

I/P # 2: TRADE AND ENVIRONMENT <i>(continued)</i>		
OUTPUT INDICATOR		
Indicator #1: Status of Trade Agreements or Guidelines that Minimize Environmental Harm <i>(continued)</i>		
DATA QUALITY	Data Source	Free Trade Agreement Environmental Chapters, Environmental Cooperation Agreements, and Environmental Reviews of Free Trade Agreements.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Free trade agreements are critical vehicles that promote high levels of environmental protection, effective enforcement of environmental laws, and when accompanied with environmental cooperation agreements build environmental management capacity. Developed countries export credit policies play a key role in ensuring export credit is extended in a manner that supports environmental protection.
PAST RESULTS	2003	<ol style="list-style-type: none"> 1. Free Trade Agreements (FTAs) with Singapore and Chile are completed that have satisfactory environmental provisions. 2. OECD members agree to undertake formal discussions of environmental standards. 3. Discussions with Jordan expected early in new fiscal year. Substantial progress made on U.S.-Morocco workplan for environmental cooperation.
	2002	<ol style="list-style-type: none"> 1. Negotiations were ongoing for four bilateral FTAs. 2. The Trade Act of 2002 authorized the President to negotiate trade agreements subject to an up-or-down vote in Congress. 3. FTAA negotiators agreed at the Quito Ministerial to language in the declaration that included protecting the environmental as an FTAA goal.
	2001	<p>Baseline:</p> <ol style="list-style-type: none"> 1. FTA negotiations with Singapore and Chile were launched. 2. The WTO agreed to negotiate trade and environment issues within the Doha Round.

I/P #3: GLOBAL CLIMATE CHANGE AND CLEAN ENERGY

Implement the President's new approach to climate change and energy technologies.

OUTPUT INDICATOR

Indicator #2: Enhance or Establish Bilateral and Regional Climate Change Partnerships in Target Countries to Implement the President's New Approach on Climate Change

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. Establish additional climate change partnerships, as necessary (Mexico, Brazil, South Africa, and Egypt). 2. For existing climate change partnerships, the Department meets timelines and deliverables established in previous years. 3. Review existing climate change partnerships, increase or adjust engagement where needed.
	Results	<ol style="list-style-type: none"> 1. Established new bilateral climate change partnership with Brazil. Implemented international initiatives on earth observation, carbon capture and storage, and the hydrogen economy in partnership with a growing number of developing and developed countries. 2. For existing climate change partnerships, the Department met timelines and deliverables established in previous years. Built support among developing countries for U.S. positions on science, technology, and adaptation under the UN Framework Convention on Climate Change. 3. Advanced joint projects and activities under 13 existing climate change partnerships, and reviewed and adjusted engagement with these partners.
	Rating	<ol style="list-style-type: none"> 1. ■ On Target 2. ■ On Target 3. ■ On Target
	Impact	<ol style="list-style-type: none"> 1. Enhanced climate-related diplomatic relationship with new partner. 2. Enhanced climate-related diplomatic relationships with existing partners. 3. Through joint projects and activities, improved climate science and technology.
DATA QUALITY	Data Source	Decisions and reports of the UN Framework Convention on Climate Change; internal and external reviews of activities under bilateral, regional, and multilateral partnerships. Decisions and reports of the UN Framework Convention on Climate Change; internal and external reviews of activities under bilateral, regional, and multilateral partnerships.
	Results Verification Confidence Level	Medium
	Indicator Validation Statement	International cooperation on global climate change is critical to develop the necessary technologies and build national-level capacity to address global climate change in an economically viable manner.
PAST RESULTS	2003	Initiated partnerships with New Zealand, Russia, Mexico, and South Africa, and continued exploratory discussions with Kazakhstan and Brazil. Advanced a range of cooperative activities with Australia, Canada, Central American countries, China, the EU, India, Italy, and Japan. Results were consistent with 2002 timelines, and existing partnerships were reviewed.
	2002	<ol style="list-style-type: none"> 1. New partnerships announced or initiated with Australia, Canada, the EU, India, South Korea, and China. 2. Implemented partnerships with Japan, Central American countries, Italy, and Australia. 3. Key working groups were established, and specific projects and project-related activities agreed to and begun.
	2001	Baseline: New partnerships announced with Japan, EU, Central American countries, and Italy to initiate the President's directive to engage internationally toward more effective global effort to address climate change.

I/P #4: SCIENCE AND TECHNOLOGY COOPERATION

Negotiation and implementation of bilateral/multilateral science and technology agreements and partnerships promoting sound science and technological advance as a foundation of sustainable development and environmental stewardship.

INPUT INDICATOR

Indicator #3: Coordination and Management of All U.S. Government S&T Activities Derived from S&T Agreements

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. Conduct a policy review of S&T activities under the U.S.-China S&T agreement. 2. Touching on the full spectrum of OES issues (science-based decision-making; environmental and biodiversity protection; marine sciences; energy; climate; HIV/AIDS and other health issues; and science, technology and engineering for sustainable development), establish, renegotiate, as necessary, and implement S&T agreements that forge partnerships between USG agencies, foreign counterparts, public and private research institutions, and industry.
	Results	<ol style="list-style-type: none"> 1. Biannual report to Congress on U.S.-China S&T cooperation delayed due to incomplete data from USG agencies; final submissions received September; will form the basis for policy review second or third quarter FY 2005. 2. One new S&T agreement negotiated: Tunisia, June 22, 2004. Five S&T agreements renewed. Sixteen S&T agreements under negotiation (C-175 Authority obtained), includes Algeria and Morocco. Twelve S&T agreements planned (no C-175 Authority, in clearance, or being drafted).
	Rating	<ol style="list-style-type: none"> 1. ■ Below Target 2. ■ Above Target
	Impact	<ol style="list-style-type: none"> 1. Realignment of activities to enhance engagement on priority issues. 2. S&T agreements forge partnerships that promote sustainable development and environmental protection. New relationships with Muslim states designed to support democratic reforms, address stability and the root causes of terrorism as part of the Department's efforts for Muslim outreach.
DATA QUALITY	Data Source	Status of S&T agreements derived from Science and Technology Cooperation officers. (www.state.gov/g/oes/stc)
	Results Verification Confidence Level	High
	Indicator Validation Statement	S&T collaboration supports technological advances that create key conditions for sustainable development and improved environmental protection.
PAST RESULTS	2003	<ol style="list-style-type: none"> 1. Established new S&T agreements in Bangladesh, Pakistan, and the Philippines. 2. Renewed Ukraine S&T Agreement for 1 year to allow time to negotiate a new 5-year agreement. 3. Conducted S&T assessments in Maghreb (Morocco, Algeria, and Tunisia). 4. Initiated S&T dialogue with Baltic States (Estonia, Latvia, and Lithuania), Kazakhstan, Norway, and Switzerland. 5. Expanded S&T relationships under existing agreements with Italy, Japan, South Korea, and Vietnam by adding new topics and partnerships. 6. Achieved record levels for Embassy Science Fellows Program. 7. Agreements with several additional states stalled due to lengthy negotiation over IPR negotiations, liability, and taxation issues.
	2002	Policy review was conducted of the S&T activities under the U.S.-China S&T agreement.
	2001	Baseline: Policy review was concluded of the S&T activities under the U.S.-Russia S&T agreement.

I/P #5: SUSTAINABLE DEVELOPMENT

Develop, negotiate, and implement initiatives, treaties, and agreements to better protect both living and nonliving marine resources and promote sustainable development.

OUTPUT INDICATOR

Indicator #4: Partnerships, Capacity-Building Efforts, Level of Funding, and Sectoral Policies Promoting Sustainable Development

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. Launch and maintain partnerships and initiatives with governments, elements of civil society and the private sector to advance U.S. interests on water, access to energy, health, forests, oceans, and science and technology. Promote good domestic governance in developing countries by building environmental enforcement and compliance capacity, and public access to information. 2. The Congo Basin Forest Partnership improves forest conservation efforts and promotes sustainable development and forest management in eleven critical landscapes. 3. Develop additional country participation for debt reduction in return for conservation under the Tropical Forest Conservation Act. 4. Implement fisheries treaties and voluntary instruments (including ones to resolve fisheries disputes and the reduce illegal fishing), in order to conserve sharks, mitigate sea turtle by-catch, and increase awareness of fishery-related marine pollution, through cooperative work programs and technical and financial assistance to developing countries. Encourage additional states to sign or participate in existing agreements, and develop new instruments, as needed. 5. Promote trading regimes that support sustainable fisheries by continuing inspections in shrimp exporting countries, achieving progress in implementing cooperative agreements on trade-related fisheries issues, and achieving by working for WTO agreements that do not undermine U.S. interests. 6. USG inter-agency support for the World Summit on Sustainable Development (2002) Global Plan of Action follow-on activities. 7. Intergovernmental Oceanographic Commission (IOC), North Pacific Marine Science Organization (PICES), and the International Council for the Exploration of the Sea (ICES) generate ecosystem-based reports, and implement plans to contribute to capacity building, full and open data exchange, and global ocean observing systems.
	Results	<ol style="list-style-type: none"> 1. In January, the Department launched the USG sustainable development partnership website (www.sdp.gov). The site promotes accountability and transparency. USG hosted the White Water to Blue Water Partnership conference in Miami in March 2004, generating over 100 new public-private partnerships in the Wider Caribbean to address priority areas including coral reefs, fisheries management, land- and ship-based sources of pollution. With significant input from the U.S., the UN Commission on Sustainable Development convened a successful session (CSD-12; April 2004) on water, sanitation, and human settlements. The CSD-12 Partnership Fair and Learning Center supported partnership development and provided capacity building to participants. In September, the U.S. joined the Supporting Entrepreneurs for Environment and Development (SEED) Initiative, a partnership designed to encourage community-level partnership action in support of sustainable development. Regional wildlife trafficking enforcement workshops held at International Law Enforcement Academy (ILEA) in Thailand (October, 2003), Botswana (June, 2004), and in Argentina (September 2004). Thailand workshop spurred opening of regional wildlife enforcement training center and Thai crack-down on illegal wildlife trade. Argentina event trained 70 Argentine, Chilean and Bolivian officials on prevention of illegal trafficking in vicuña products. Pursuant to the President's Initiative Against Illegal Logging, Department led interagency effort to reconstruct Liberia's forest sector and its associated rule of law. At the Africa Forest Law Enforcement and Governance Ministerial in October 2003, ministers undertook with strong U.S. support an unprecedented commitment to monitor and control bushmeat trade. USG interagency team conducted workshop with Chilean enforcement officials and civil society on litigation to recover natural resource damages (September, 2004). Department supported "The Access Initiative" assessments of public participation and access in environmental decision-making in the Baltics and Poland, and workshops on environmental enforcement principles in Brazil and Serbia. 2. Forest Directors and experts from Central Africa met in Brazzaville on January 15 and 16 to promote sustainable forest management. The Republic of Congo announced plans to expand its protected area network. Key forest stakeholders, met in Douala, Cameroon in early March to design a forest concession monitoring system. 3. Tropical Forest Conservation Act agreements were signed with Jamaica and Colombia, and the agreement with Panama was expanded. 4. Led international community to adopt aggressive research and testing program for longline fisheries to reduce bycatch of critically endangered leatherback and loggerhead sea turtles. Finalized a \$150,000 grant to the World Wildlife Fund to conduct training and technology transfer on circle hooks to Central America, Peru, and Colombia. Led development of Asia Pacific Economic Cooperation (APEC) work program to promote greater conservation and management of Pacific sharks. Northwest Atlantic Fisheries Organization adopted first ever fishing controls for thorny skates, a member of the shark/ ray family. 5. Department expanded the training component of the annual verification visits in support of Sec. 609 to incorporate new training and technology transfer to participating foreign governments/industries on the design, manufacture, installation and use of larger, more effective turtle excluder devices (TEDs). Conducted first-ever training for government officials and fishermen in the two major port cities of Mozambique and worked with Madagascar to create its own domestic TEDs legislation. 6. More than ten U.S. government agencies are participating in partnership initiatives launched at the World Summit on Sustainable Development (WSSD) or as part of the WSSD process. 7. PICES and ICES produce regional ecosystem status reports; IOC initiates a Capacity Building plan of action.

Continued on next page

I/P #5: SUSTAINABLE DEVELOPMENT (continued)

OUTPUT INDICATOR

Indicator #4: Partnerships, Capacity-Building Efforts, Level of Funding, and Sectoral Policies Promoting Sustainable Development (continued)

FY 2004 PERFORMANCE <i>(continued)</i>	Rating	<ol style="list-style-type: none"> 1. ■ On Target 2. ■ On Target 3. ■ Above Target 4. ■ Above Target 5. ■ On Target 6. ■ On Target 7. ■ On Target
	Impact	<ol style="list-style-type: none"> 1. Partnership and good governance efforts build national-level capacity to implement practices essential for sustainable development. The White Water to Blue Water (WW2BW) approach will likely be adopted in other regions, such as the South Pacific and Africa. 2. Cooperation among several partners to improve conservation in Congo Basin, and commitment on the part of Gabon to set aside protected areas. 3. Debt relief for and improved conservation of natural resources by Jamaica, Colombia, and Panama. 4. Significant increase in awareness of impacts of fishing gear on vulnerable turtle and shark species and broad acceptance of new gears and techniques to reduce mortality. 5. Expansion of the training and technology transfer component provides countries with the tools necessary to comply with the Department's requirements for the adoption of the new TED technology and promotes the recovery of large turtles, including the critically endangered leatherback species. Expansion of TED use to Mozambique and Madagascar marks a first in the Indian Ocean region. 6. The WSSD Task Force has catalyzed continued interagency support for WSSD implementation. The creation of sdp.gov has increased the exposure of existing partnerships providing an incentive for agencies to develop new partnerships and to continue posting to the site. 7. The results of PICES and ICES are used to better manage living marine resources. Through the appointment of a director for capacity building, IOC initiates a strategic plan for capacity building.
DATA QUALITY	Data Source	OES tracks events directly, and relies on external reporting, including: UN Partnership website (www.un.org/esa/sustdev/partnerships/); SEED Initiative website; www.sdp.gov ; White Water to Blue Water Steering Committee and website (www.ww2bw.org); National Office for Integrated and Sustained Ocean Observations; Ocean.US (www.ocean.us).
	Results Verification Confidence Level	High
	Indicator Validation Statement	The development of partnerships, funding, capacity building, and sectoral policies for addressing key environmental, science, and technology issues are important tools for promoting sustainable resource management while protecting U.S. interests.
PAST RESULTS	2003	<p>Result Set #1</p> <ul style="list-style-type: none"> ● The UN Fish Stocks Agreement had 36 parties. ● Japan rejoined the discussions on highly migratory fish stocks in the central and western Pacific. ● The Polar Bear Treaty and amendments to the U.S.-Canada Albacore Treaty and the eastern Pacific tuna convention were submitted to Congress for advice and consent to ratification. Senate consented to ratify amended South Pacific Tuna Access Treaty. Protocol Concerning Specially Protected Areas and Wildlife in the Wider Caribbean Marine Environment (SPAW Protocol) was ratified. ● Three new states became party to the Inter-American Sea Turtle Convention. U.S. tightened domestic fisheries rules relating to sea turtles; pushed for comparable changes by foreign governments. ● Three new marine species are listed under the Convention on International Trade in Endangered Species of Fauna and Flora (CITES). CITES rejected proposals to relax restrictions on whale and other marine species. International Whaling Commission (IWC) renewed bowhead whale quota. ● Food and Agriculture Organization (FAO) adopted strategy for improving data collection and reporting in fisheries, and work plan on eco-labeling and other non-tariff trade measures. The World Bank initiated projects with targeted sustainable fisheries components in developing countries.

Continued on next page

I/P #5: SUSTAINABLE DEVELOPMENT (continued)

OUTPUT INDICATOR

Indicator #4: Partnerships, Capacity-Building Efforts, Level of Funding, and Sectoral Policies Promoting Sustainable Development (continued)

PAST RESULTS (continued)	2003 (continued)	<p>Result Set #2</p> <ul style="list-style-type: none"> ● The Global Environmental Facility (GEF) adopted strong environmental performance measures and established an independent monitoring unit. Over \$600 million was made available for project funding in FY 2003. <p>Result Set #3</p> <ul style="list-style-type: none"> ● The Department launched the President’s Initiative Against Illegal Logging, and signs Tropical Forest Conservation Agreement (TFCA) with Panama. Eleven major landscapes designated for protection pursuant to the Congo Basin Forest Partnership (CBFP). The 12-country Montreal Process report on the State of Forests released at the XIth World Forestry Congress in September 2003. ● Senior Officials of the Asia Pacific Economic Cooperation Forum (APEC) agreed to support workshop on invasive species – to be hosted by China in 2004. ● International Coral Reef Initiative (ICRI) workshop supported development of a best practices guide to coral reef assessment and management. <p>Result Set #4</p> <ul style="list-style-type: none"> ● UN Commission on Sustainable Development (CSD) adopted reforms to focus on implementation in priority sectors, specifically water, sanitation, and human settlements in 2004-2005 and energy-related issues in 2005-2006. ● The Water for the Poor Initiative, launched at the World Summit on Sustainable Development (WSSD), improved water and/or sanitation services for more than 16 million people. The Global Village Energy Partnership to improve access to energy in developing countries grew from 70 to 246 government, civil society, and international organization partners. ● Shenyang, China legislature considered landmark legislation on environmental public participation and information, access, and Thailand launches wildlife enforcement initiative, recovering more than 33,000 animals, after Department–sponsored capacity-building efforts. ● White Water to Blue Water Initiative (announced at the World Summit on Sustainable Development) included a focus on domestic good governance practices for integrated management of fresh water and marine resources in the wider Caribbean region.
	2002	<ol style="list-style-type: none"> 1. Consultations with other States Parties to the UN Fish Stocks Agreement (UNFSA) to promote its effective implementation, particularly cooperation with developing states. The UN General Assembly and States Parties to the UNFSA agreed in principle to establish a voluntary trust fund to implement the UNFSA. 2. A rebuilding plan of the International Commission for the Conservation of Atlantic Tunas, (ICCAT) contributed to recovery of the North Atlantic swordfish. APEC workshop on shark conservation and management was held to build capacity to implement FAO International Plan of Action (IPOA). A regional fisheries management organization adopted the first limitations on fishing capacity. The Southern Ocean Albatross and Petrel Agreement entered into force. Further progress was made toward establishing a regime to conserve and manage highly migratory fish stocks in the central and western Pacific. 3. The Department raised U.S. concerns with EU fisheries policies at a high level and in multilateral fora, and continued to work with EU counterparts as the Common Fisheries Policy (CFP) was finalized.
	2001	<p>Baseline: The UN Food and Agriculture Organization’s (FAO) activities were often limited to pelagic fisheries. The World Bank Fund for Sustainable Fisheries established with a donation from Japan. The World Bank undertook work on new environmental policy paper for forest sector projects.</p>

PERFORMANCE GOAL 3

BROADER ACCESS TO QUALITY EDUCATION WITH EMPHASIS ON PRIMARY SCHOOL COMPLETION

The U.S. Agency for International Development is reporting results for this goal.

PERFORMANCE GOAL 4

EFFECTIVE AND HUMANE MIGRATION POLICIES AND SYSTEMS

I/P #6: EFFECTIVE AND HUMANE MIGRATION POLICIES AND SYSTEMS

Promote orderly and humane migration policies on the regional and inter-regional level.

OUTPUT INDICATOR

Indicator #1: Percentage of Initiatives Agreed Upon at Regional Migration Dialogues That Are Implemented

FY 2004 PERFORMANCE	Target	Baseline: Implement approximately 60 percent of the activities agreed upon in the Regional Conference on Migration (RCM), and about half of the activities agreed upon in the Intergovernmental Consultations on Asylum, Refugees, and Migration (IGC), and the Western and Southern African dialogues.
	Results	Over 90% of the activities agreed upon by members of the IGC in FY 2004 have been implemented. Over 75% of the activities agreed by RCM member states have been implemented. Shorter-term activities were conducted in a reasonable timeframe, while implementation of longer-term initiatives is underway. Although the activities of more nascent regional dialogues are difficult to quantify, considerable progress is being made in establishing these fora and developing specific goals and activities of the groups.
	Rating	 Above Target
	Impact	The implementation of concrete activities agreed to at regional migration dialogues improves migration management overall, resulting in more humane treatment of migrants and strengthened homeland security. The dialogues foster cooperation and accountability among nations, whose activities are interdependent in order to manage migration successfully. Examples of activities include training of border officials, collection and analysis of migration statistics, and implementing a framework for returning migrants.
DATA QUALITY	Data Source	Bureau of Population, Refugees, and Migration participates in regional migration dialogues, and tracks the implementation of follow-on activities.
	Results Verification Confidence Level	Medium
	Indicator Validation Statement	Tracking the number of activities implemented under the auspices of migration dialogues is a good indicator because it is the most quantifiable measure of governments' political and financial commitment to the success of these dialogues. The U.S. participates in and supports various active regional dialogues on migration including the Regional Conference on Migration in North and Central America (RCM); the South American Conference on Migration (SACM); the Summit of the Americas (SOA); the Migration Dialogue for Southern Africa (MIDSA); the nascent West Africa Regional Consultative Process (WARCP); the Intergovernmental Consultations on Asylum, Refugee and Migration Policies in Europe, North America and Australia (IGC); and discussions with the EU under the auspices of the New Transatlantic Agenda (NTA).
PAST RESULTS	2003	N/A ¹
	2002	N/A
	2001	N/A

IX. Program Evaluations and PART Reviews

One Program Evaluation was conducted in FY 2004 that pertains to this Strategic Goal.

Global Health: U.S. AIDS Coordinator Addressing Some Key Challenges to Expanding Treatment, But Others Remain (GAO-04-784)

Detailed information on major findings, recommendations, and actions to be taken can be found in the "Completed Program Evaluations for FY 2004" Appendix.

¹ This indicator is new, so past results are not available.

**STRATEGIC OBJECTIVE #2:
ADVANCE SUSTAINABLE DEVELOPMENT AND GLOBAL INTERESTS**

STRATEGIC GOAL 10: HUMANITARIAN RESPONSE

Minimize the human costs of displacement, conflicts, and natural disasters

I. Public Benefit

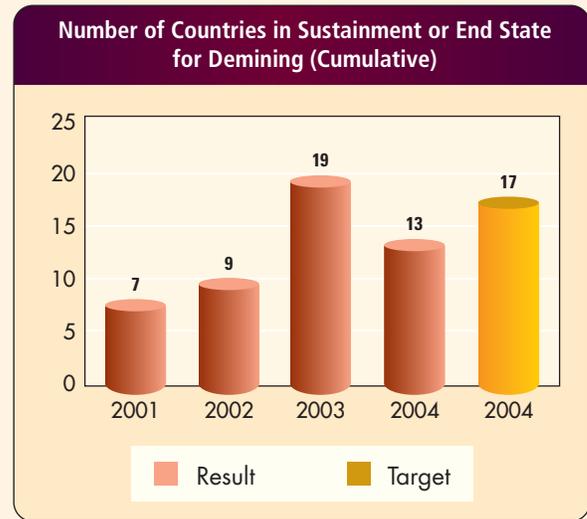
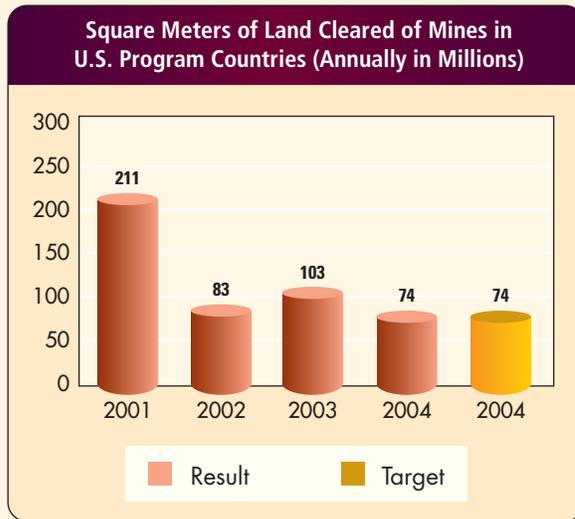
The U.S. commitment to humanitarian response demonstrates America’s compassion for victims of armed conflict, forced migration, human rights violations, widespread health and food insecurity, and other threats. The strength of this commitment derives from both our common humanity and our responsibility as a global leader. When responding to natural and human-made disasters, the United States complements efforts to promote democracy and human rights. In addition to saving lives and alleviating human suffering, humanitarian programs support the objectives of the U.S. National Security Strategy by addressing crises with potential regional (or even global) implications, fostering peace and stability, and promoting sustainable development and infrastructure revitalization.

The Department is a leader in international efforts to prevent and respond to humanitarian crises. It provides substantial resources and guidance through international and nongovernmental organizations (NGOs) for worldwide humanitarian programs, with the objective of increasing access to protection, promoting burden-sharing, and coordinating funding and implementation strategies. The Department urges and participates in multilateral responses to humanitarian crises, and regularly monitors and evaluates humanitarian programs to ensure that the needs of refugees, internally displaced persons (IDPs), and other conflict victims are met. Its financial support for demining activities makes areas safe for the return of refugees and IDPs. Its management and support of overseas refugee admissions programs provides an important durable solution for refugees and serves as a leading model for other resettlement countries.

Actress Angelina Jolie, a goodwill ambassador for the United Nations High Commission for Refugees (UNHCR), right, and Secretary of State Colin Powell take part in a ceremony at the National Geographic Society in Washington to officially launch World Refugee Day 2004. © AP/Wide World Photos



II. Selected Performance Trends



III. Strategic Context

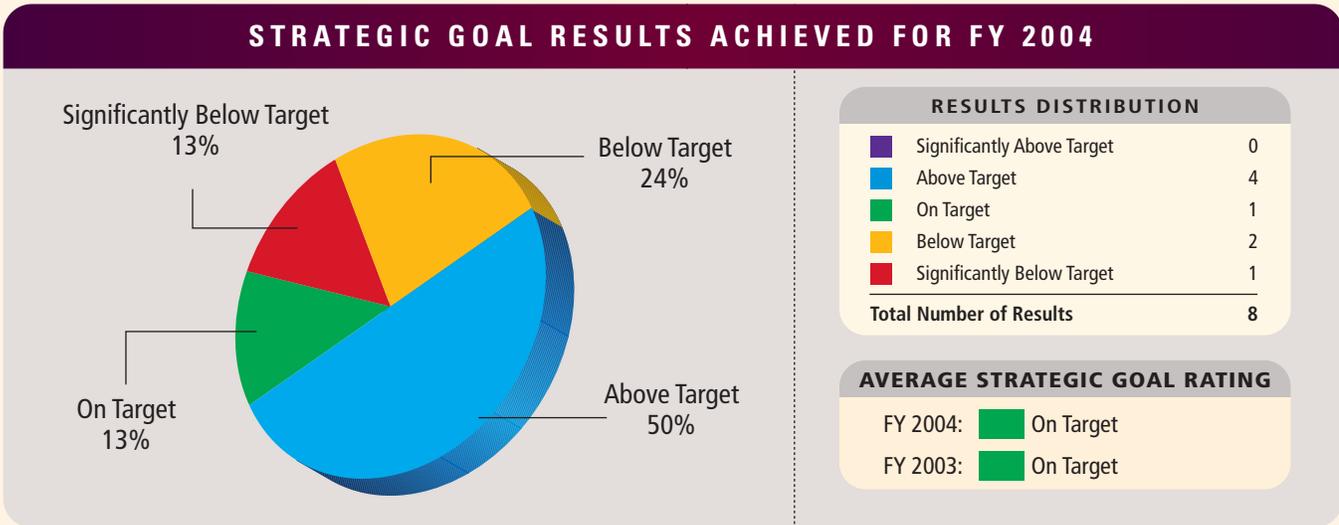
This strategic goal is supported by two performance goals. Shown below are the major Initiatives/Programs, resources, bureaus, and partners that contribute to accomplishment of the strategic goal.

Strategic Goal	Performance Goal (Short Title)	Initiative/Program	Major Resources	Lead Bureau(s)	External Partners ¹
Humanitarian Response	Assistance for Refugees and Other Victims	Humanitarian Assistance	MRA, ERMA	Population, Refugees, and Migration	UNHCR, UNRWA, ICRC, IOM, other international and nongovernmental organizations, USAID
		Refugee Admissions to the United States	MRA & ERMA	Population, Refugees, and Migration	DHS, HHS, UNHCR, IOM, NGOs
		World Food Program Donor Base	D&CP, IO&P, MRA, ERMA	International Organizations, Population, Refugees, and Migration	USAID, WFP, other WFP donors
		Humanitarian Demining	NADR	Political-Military Affairs	USAID, DoD, NGOs
	Disaster Prevention and Response Through Capacity Building	Accomplishment of this goal is the responsibility of USAID.			

¹ Selected acronyms are defined as follows: UNRWA: United Nations Relief and Works Agency for Palestine Refugees in the Near East; UNHCR: United Nations High Commissioner for Refugees; ICRC: International Committee of the Red Cross; IOM: International Organization for Migration

IV. Performance Summary

The chart below shows the performance rating distribution of the FY 2004 results for the Humanitarian Response strategic goal. Also shown is a comparison between FY 2004 and FY 2003 average strategic goal ratings.



V. Performance Analysis

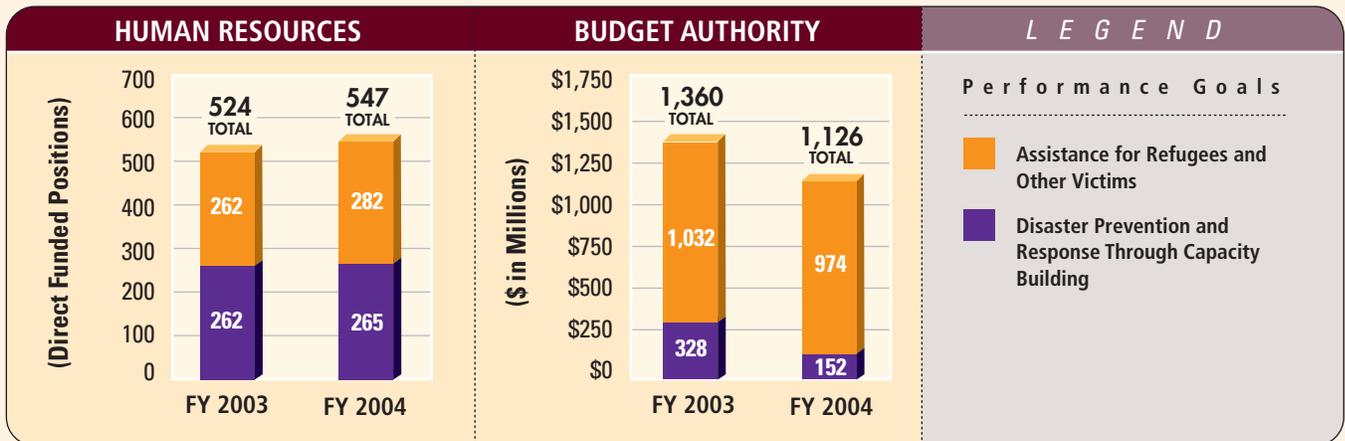
The pie chart above shows the performance rating distribution of the FY 2004 results for the Humanitarian Response strategic goal. Also shown is a comparison between the FY 2004 and FY 2003 average strategic goal ratings. FY 2004 results produced a rating of "On Target," unchanged from last year's "On Target" rating.

Of the 8 results, 63% or 5 of the results have been rated as "On Target" or above.

- **Four Ratings Ranked "Above Target"** – These positive results pertain to the following:
 - Crude Mortality Rate (CMR) (I/P #1, Indicator #1, Target #2)
 - Refugees Resettled in the U.S. as a Percentage of the Allocated Ceiling (I/P #2, Indicator #3)
 - Percentage of Non-U.S. Donors to the World Food Program (WFP) (I/P #3, Indicator #4)
 - Decrease in Percentage of Reported Landmine Casualties in U.S. Program Countries (I/P #4, Indicator #5)

- **Three Ratings Ranked "Significantly Below Target" or "Below Target"** – These areas of concern pertain to the following:
 - Crude Mortality Rate (CMR) (I/P #1, Indicator #1, Target #1)
 - Nutritional Status of Children Under 5 Years of Age (I/P #1, Indicator #2)
 - Number of U.S. Program Countries in Sustainment or End State - Demining (I/P #4, Indicator #7)

VI. Resources Invested



VII. Illustrative Example of a Significant Achievement

Refugee Admissions to the United States

In 2004, over 50,000 refugees arrived in the United States for resettlement, exceeding the regionally allocated ceiling established by the President. This level of admissions represents a 86% increase over last year's admissions total. The United States admitted fewer than 30,000 refugees in 2002 and 2003 as a result of security concerns and program changes necessitated by the events of 9/11 as well as changes in the composition of the refugee population. This year's achievement reflects significant effort, resources

and coordination among program partners - both inside and outside government. The Departments of State, Homeland Security, and Health and Human Services have worked closely to overcome obstacles in refugee admissions processing.



Somali Bantu refugees in Lokichokio, Kenya, boarding a flight en route to the United States for resettlement.

Photo courtesy of PRM staff.

VIII. Performance Results

PERFORMANCE GOAL 1

EFFECTIVE PROTECTION, ASSISTANCE, AND DURABLE SOLUTIONS FOR REFUGEES, INTERNALLY DISPLACED PERSONS, AND CONFLICT VICTIMS

INITIATIVE/PROGRAM (I/P) #1: HUMANITARIAN ASSISTANCE

Address the humanitarian needs of refugees, victims of conflict, and internally displaced persons.

OUTCOME INDICATOR

Indicator #1: Crude Mortality Rate (CMR)

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. Refugee crises do not exceed a CMR of 1/10,000 people per day. 2. Improve and expand data collection and reporting.
	Results	<ol style="list-style-type: none"> 1. In June 2004, CMR exceeded 2/10,000/day among Sudanese refugees in Chad. 2. With the Department's support, the Centre for Research on the Epidemiology of Disasters has created an online Complex Emergencies Database (CE-DAT) to track data on CMR and nutritional status.
	Rating	<ol style="list-style-type: none"> 1. ■ Below Target 2. ■ Above Target
	Impact	<ol style="list-style-type: none"> 1. Refugees were dying at an unacceptable rate despite efforts to provide humanitarian assistance. 2. Data on eight countries is available on the CE-DAT website, enabling humanitarian actors (including the USG) to make more informed decisions about assistance policies and programs.
DATA QUALITY	Data Source	Centre for Research on the Epidemiology of Disasters (CRED); UN Nutrition Information in Crisis Situations (NICS); Centers for Disease Control and Prevention (CDC); reports from international and nongovernmental organizations.
	Results Verification Confidence Level	Medium
	Indicator Validation Statement	The crude mortality rate is the mortality rate from all causes of death for a population. It is an accepted indicator of the extent to which the international community is meeting minimum standards of care (see www.sphereproject.org).
PAST RESULTS	2003	<ol style="list-style-type: none"> 1. Where data was available, crude mortality rates did not exceed 1/10,000 people per day in refugee crises. 2. Efforts to expand pilot data collection were delayed; the Department's implementing partner was behind schedule and did not reach the pilot stage of the project, but finalized guidelines and methodology for CMR surveys.
	2002	Where data were available, refugee crises did not exceed a CMR of 1/10,000 people/day for an extended period. The Department and USAID developed tools to measure and track CMR and the nutritional status of children under 5 years of age. A training workshop for practitioners was held in July.
	2001	Refugee crises did not exceed a CMR of 1/10,000 people/day. Links established between the Bureau of Population, Refugees and Migration (PRM) and USAID to strengthen data collection.

I/P #1: HUMANITARIAN ASSISTANCE (continued)

OUTCOME INDICATOR

Indicator #2: Nutritional Status of Children Under 5 Years of Age

FY 2004 PERFORMANCE	Target	In targeted refugee populations, less than 10% of children under age five suffer from global acute malnutrition. Global acute malnutrition is defined as weight-for-height ratios that are less than 2 standard deviations below the mean (Z score of less than -2), or less than 80% median weight-for-height, or the presence of nutritional edema.
	Results	In June 2004, 36-39% of children under age five suffered from global acute malnutrition among Sudanese refugees in Chad.
	Rating	■ Below Target
	Impact	Sudanese refugee children suffered unacceptably high rates of malnutrition (wasting), and were at grave risk of death.
DATA QUALITY	Data Source	Centre for Research on the Epidemiology of Disasters (CRED); UN Nutrition Information in Crisis Situations (NICS); Centers for Disease Control and Prevention (CDC); and reports from international and nongovernmental organizations.
	Results Verification Confidence Level	Medium
	Indicator Validation Statement	Acute malnutrition of children under age five is closely associated with risk of death. If nutritional status is improving, this is a good indicator that humanitarian assistance programs are working (assuming other variables are constant).
PAST RESULTS	2003	<p>Baseline:</p> <ol style="list-style-type: none"> In humanitarian crises where Department funds were provided, at least 90% of children under age five had weight-for-height ratios that were greater than or equal to 2 standard deviations below the mean (Z score of greater than or equal to -2), or greater than 80 percent median weight-for-height, and an absence of nutritional edema. Kakuma refugee camp in Kenya was one exception where slightly less than 90% of children under age five had weight-for-height ratios that were greater than or equal to 2 standard deviations below the mean (Z score of greater than or equal to -2), or greater than 80 percent median weight-for-height, and an absence of nutritional edema. An anthropometric survey of Kakuma camp by the International Rescue Committee in January 2003 found that 12.5 percent of Somali Bantu children and 14.3 percent of other children under age five suffered from acute malnutrition. PRM and USAID continued to support the development of tools and measures to improve data collection and reporting on nutritional status.
	2002	N/A ¹
	2001	N/A



Bureau of Population, Refugees and Migration Refugee Officer Hazel Reitz (center), with OMB Examiner Melissa Dettmer (right) and UNHCR Emergency Management officer Johanna Haener with Sudanese refugees in Chad.

Photo courtesy of PRM staff.

¹ This indicator was incorporated in FY 2003.

I/P #2: REFUGEE ADMISSIONS TO THE U.S.

Eligible refugees in need of protection are offered the durable solution of resettlement, and are received and initially assisted so that they can begin the process of becoming self-sufficient, fully integrated members of U.S. society.

OUTPUT INDICATOR

Indicator #3: Refugees Resettled in the U.S. as a Percentage of the Allocated Ceiling
 (The ceiling is established by Presidential determination each year through consultations with voluntary agencies, Congress, the Department of Homeland Security, and the Department of Health and Human Services.)

FY 2004 PERFORMANCE	Target	100%
	Results	106%; 52,868 refugees were resettled in the U.S.
	Rating	■ Above Target
	Impact	Refugees and their families achieved a durable solution and started new lives in communities across the U.S. The U.S. Refugee Program overcame significant challenges and continued its global leadership in resettling refugees.
DATA QUALITY	Data Source	The Department's Refugee Processing Center collects data on refugees admitted to the U.S.
	Results Verification Confidence Level	High
	Indicator Validation Statement	This indicator measures the effectiveness of the refugee admissions program overall. To the extent that PRM has control of the process, it also measures the Department's performance in managing the program.
PAST RESULTS	2003	Out of an allocated ceiling of 70,000 refugees, 28,421 (or 41 percent) were resettled.
	2002	Out of a ceiling of 70,000 refugees, 27,113 (or 39 percent) were resettled. This number was significantly affected by developments following the events of 9/11.
	2001	Baseline: As a percentage of the established ceiling, 87 percent of refugees were resettled.



Assistant Secretary Arthur E. Dewey, Bureau of Population, Refugees, and Migration, talks to victims of the conflict in Darfur, Sudan, while traveling with the United Nations High Commissioner for Refugees in September 2004. Department of State Photo

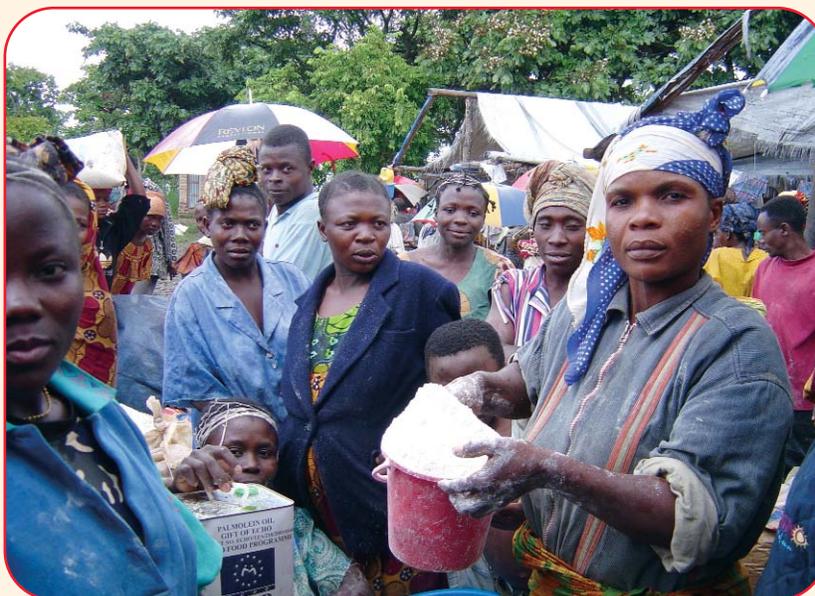
I/P #3: WORLD FOOD PROGRAM DONOR BASE

Coordinate humanitarian assistance and head off actions contrary to U.S. foreign policy objectives.

OUTPUT INDICATOR

Indicator #4: Percentage of Non-U.S. Donors to the World Food Program (WFP)

FY 2004 PERFORMANCE	Target	Number of donors to WFP increased by five, and non-US contributions increased to 50% of total.
	Results	As of August 24, 2004, there were seven new donors to WFP—Madagascar, Syria, Ecuador, United Arab Emirates, Iran, Pakistan, and Zimbabwe. New donors are defined as those that did not contribute in CY 2002 or CY 2003. As of August 24, WFP had received \$1.185 billion in contributions, of which \$498 million was from the United States. Thus, non-USG contributions were 58%.
	Rating	■ Above Target
	Impact	Attracting new donors to the WFP increases worldwide interest in and commitment to international humanitarian assistance.
DATA QUALITY	Data Source	WFP reports
	Results Verification Confidence Level	High
	Indicator Validation Statement	WFP is a generally well-run organization, but its effectiveness can be compromised by over-reliance on U.S. contributions. More contributors and greater contributions from existing contributors are needed to keep WFP's crisis response capacity at its current level.
PAST RESULTS	2003	<ol style="list-style-type: none"> As of September 22, 2003, WFP had nine new donors. "New donors" were defined as those that did not contribute in either 2002 or 2001. They were: Cameroon, El Salvador, Greece, Kuwait, Malta, Marshall Islands, Qatar, Russia, and Vietnam. As of September 22, 2003, non-USG contributions to WFP totaled \$877 million, compared to \$871 million as of December 31, 2002, an increase of 0.7 percent (short of the 4 percent target).
	2002	Baseline: Out of a total of \$1.8 billion, U.S. contributions were 52 percent and non-U.S. contributions were 48 percent.
	2001	N/A ¹



Congolese refugees receive cooking oil and fortified corn-soy blend flour with beans, salt, and sugar. The United States is by far the top donor of food assistance globally; the Department of State and USAID are working to increase contributions by other donors to the World Food Program. Photo courtesy of PRM staff.

¹ This indicator was incorporated in FY 2002.

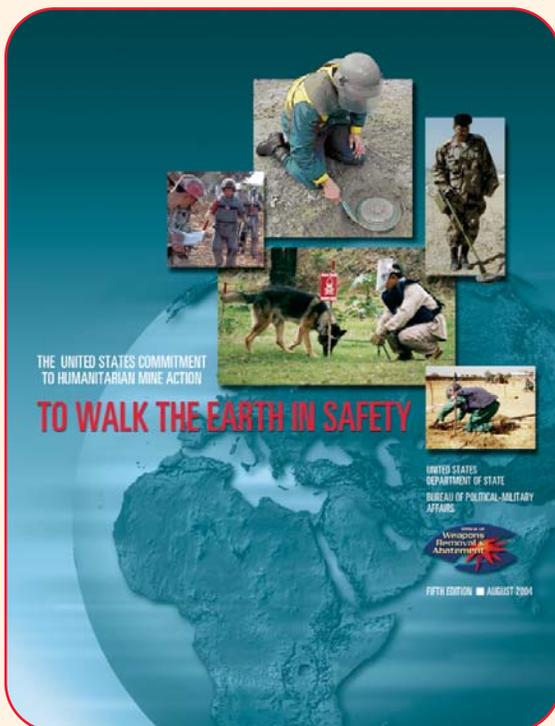
I/P #4: HUMANITARIAN DEMINING

Humanitarian Mine Action (HMA) reduces casualties, allows refugees and IDPs to return in safety, and allows for the delivery of humanitarian assistance, food, and medical services.

OUTCOME INDICATOR

Indicator #5: Decrease in Percentage of Reported Landmine Casualties in U.S. Program Countries

FY 2004 PERFORMANCE	Target	5%
	Results	Landmine casualty figures are reported annually on a calendar year basis; so rates will be available at the end of calendar year 2004. Rates for FY 2004 are not yet available, but anecdotal evidence suggests a continued general decline in the number of casualties in countries with long-standing programs.
	Rating	■ Above Target
	Impact	The reduction in landmine-related casualties in U.S. program countries saves lives and protects the health (i.e. saved eyesight, limbs) of affected populations enabling people to return to pre-conflict economic and social activities.
DATA QUALITY	Data Source	Landmine Monitor Report
	Results Verification Confidence Level	Medium
	Indicator Validation Statement	Decreases of reported landmine casualties in U.S. program countries provide the best measure of lives saved through humanitarian mine action.
PAST RESULTS	2003	6%
	2002	6%
	2001	10%



The Department released the fifth annual edition of *To Walk the Earth in Safety* in FY 2004. The report contains information on specific programs and accomplishments of the U.S. Humanitarian Mine Action Program through the end of 2003. The program recently marked ten uninterrupted years of genuine and significant U.S. action to eradicate persistent landmines as well as unexploded ordnance wherever they threaten civilian populations or deny them access to their land, homes, markets, schools, churches, and hospitals. The report is available online at www.state.gov/t/pm/rls/rpt/walkearth/2004/.

I/P # 4: HUMANITARIAN DEMINING (continued)

OUTPUT INDICATOR

Indicator #6: Square Meters of Land Cleared in U.S. Program Countries

FY 2004 PERFORMANCE	Target	74,000,000 m ²
	Results	Final, complete data is not yet available until February 2005. However, preliminary data from implementing partners indicates that the program will reach its target of 74,000,000 m ² of land cleared.
	Rating	■ On Target
	Impact	The 74,000,000 m ² of land cleared of landmines can now return to productive use, allowing post-conflict communities to rebuild in safety and furthers a country's progress towards mine-safe status.

DATA QUALITY	Data Source	Implementing partners, including contractors and NGOs.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Land cleared and returned to productive use measures the additional space that post-conflict societies can rebuild in safety. It is a primary indicator of success because it signifies progress toward the end goal of mine-safe status.

PAST RESULTS	2003	103,319,920 m ²
	2002	82,500,000 m ²
	2001	211,000,000 m ²

OUTCOME INDICATOR

Indicator #7: Number of U.S. Program Countries in Sustainment or End State (Cumulative)

FY 2004 PERFORMANCE	Target	17
	Results	13
	Rating	■ Significantly Below Target
	Impact	During FY 2004, one program country, Djibouti, reached end state when it declared itself mine-safe. Since no additional countries reached end state, it will take longer for more countries to reach end state. USG program end state is the end of significant U.S. funding assistance. PM/WRA program managers define this end state for each country the country plan. Depending on the situation in each country (availability of resources, severity of impact, etc.) the end state might be when the country is mine safe, i.e. mines/UXO no longer impact society, or it may be when the country has the indigenous capability to become mine safe, i.e. sustainment.

DATA QUALITY	Data Source	Sustainment and end state status are determined by PM/WRA in consultation with posts.
	Results Verification Confidence Level	High
	Indicator Validation Statement	The number of countries that are managing or have solved their landmine problem determines the overall success of the humanitarian demining program toward reaching a mine-safe world.

PAST RESULTS	2003	19
	2002	9
	2001	7

PERFORMANCE GOAL 2

IMPROVED CAPACITY OF HOST COUNTRIES AND THE INTERNATIONAL COMMUNITY TO REDUCE VULNERABILITIES TO DISASTERS AND ANTICIPATE AND RESPOND TO HUMANITARIAN EMERGENCIES

The U.S. Agency for International Development is reporting results for this goal.

IX. Program Evaluations and PART Reviews

One Program Evaluation and four OMB PART reviews were conducted in FY 2004 that pertain to this Strategic Goal.

- 1) Report to Congress in Response to Section 594 (c) of Public Law 108-199 (Foreign Operations, Export Financing and Related Programs Appropriations Act), Fiscal Year 2004: U.S. Government Efforts to Protect Women and Children Affected by Humanitarian Emergencies.
- 2) United Nations High Commissioner for Refugees (UNHCR) (OMB PART) – The OMB ratings for this PART program are CY 2004: Effective; and CY 2003: Moderately Effective.
- 3) Humanitarian Demining (OMB PART) – The OMB ratings for this PART program are CY 2004: Effective; and CY 2003: Effective.
- 4) Humanitarian Migrants To Israel (OMB PART) – The OMB ratings for this PART program are CY 2004: Effective; CY 2003: Moderately Effective; and CY 2002: Adequate.
- 5) Refugee Admissions To U.S. – The OMB ratings for this PART program are CY 2004: Effective; CY 2003: Moderately Effective; and CY 2002: Adequate.

Detailed information on major findings, recommendations, and actions to be taken can be found in the “OMB PART Summaries” and the “Completed Program Evaluations for FY 2004” Appendices.

**STRATEGIC OBJECTIVE #3:
PROMOTE INTERNATIONAL UNDERSTANDING**

Throughout the world, the public face of the United States generates strong opinions, positive and negative. These public attitudes directly affect our ability to achieve our foreign policy and development assistance objectives. The Department leads the effort to shape these U.S. perceptions by relating this public face to our values as a nation and our history as a people.

U.S. values and interests drive our policies. Moreover, the values we espouse of political and economic freedom and the non-negotiable demands of humanity are increasingly recognized as universal rather than culturally specified. Successful public diplomacy will need to communicate and translate this intersection of values, interests, and policy while listening carefully to international publics. To this end, we must maintain a continuous dialog, mindful of regional context and cultural traditions, on the substance of U.S. ideals and their relationship to specific policies. Through this dialog, the Department will work to paint a realistic picture of the United States, one that enables audiences to make informed judgements about our policies, our society, and the relationship of both to their own interests.

STRATEGIC GOAL 11: PUBLIC DIPLOMACY AND PUBLIC AFFAIRS

Increase understanding for American values, policies, and initiatives to create a receptive international environment

I. Public Benefit

The exchange of information, persons, and ideas is fundamental to the security of the United States. Public Diplomacy and Public Affairs functions are premised on the knowledge that public opinion affects official decision-making almost everywhere in the world today.

The Department’s public diplomacy activities continue to promote better appreciation for the U.S. abroad and greater receptivity for U.S. policies among international publics. The need for public understanding continues to be critically important, both domestically and internationally. Anti-American sentiment must be countered with appreciation for our policies and people to win the war on terrorism, achieve greater international stability, and dispel worldwide uncertainty. Public diplomacy will remain a critical component in these efforts. It provides a rapid flexible



Secretary of State Colin Powell greets one of the first Iraqi Fulbright Scholars at the State Department. The Fulbright program is sponsored by the State Department, Bureau of Educational and Cultural Affairs. Its purpose is to build understanding between the people of the U.S. and other countries. Award recipients are selected on the basis of academic or professional achievement and leadership potential. © AP/Wide World Photos

capability for U.S. diplomacy directed at improving understanding of and support for U.S. policy, encouraging and empowering moderates, offering productive and attractive alternatives to those who preach violence, and discouraging indoctrination in extremism. Used over the long term, public diplomacy programs build and maintain a foundation of positive public opinion that directly supports U.S. approaches to satisfying universal demands for human dignity; the rule of law; limits on the absolute power of the state; free speech; freedom of worship; equal justice; respect for women; religious and ethnic tolerance; and respect for private property.

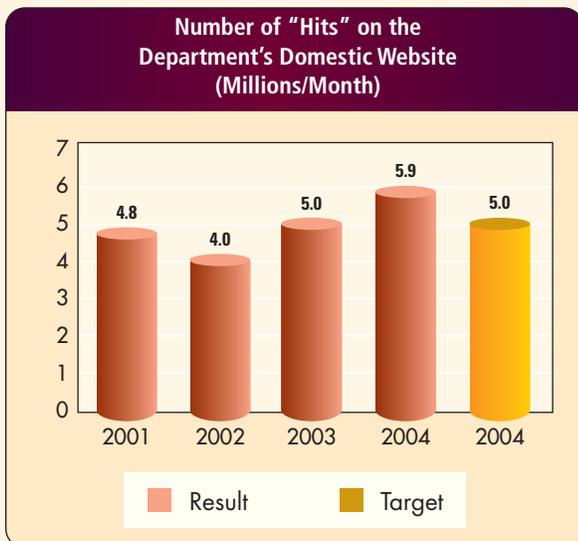
Through public affairs programs, the Department also informs the American people of U.S. foreign policy and initiatives that have a direct impact on their lives and provides opportunities for them to participate in programs that build individual capacity and deeper resources for the nation. In our democratic society, it is imperative that the public understands the basis of Department policies carried out on their behalf. Our outreach to Arab and Muslim communities is currently an area of the highest priority. For the public benefit, the Department will continue to reach beyond its traditional audience to include more women, youth, the business sector, nongovernmental organizations, state and local government officials, and the Muslim and Arab community in the U.S.

Our message, as Secretary Powell has said, is simple, but strong:

“We are not here to impose our system on anyone. We are not here to tell you you’ve got to do it the American way. We’re here to show you by example what you can achieve when you believe in peace, when you believe in freedom, when you believe in the individual rights of men and women to seek their own destiny as God shows them the way to achieve that destiny. That’s what we present to the rest of the world: a value system that works for us and with adaptation can work for others.”

Secretary Colin L. Powell

II. Selected Performance Trends



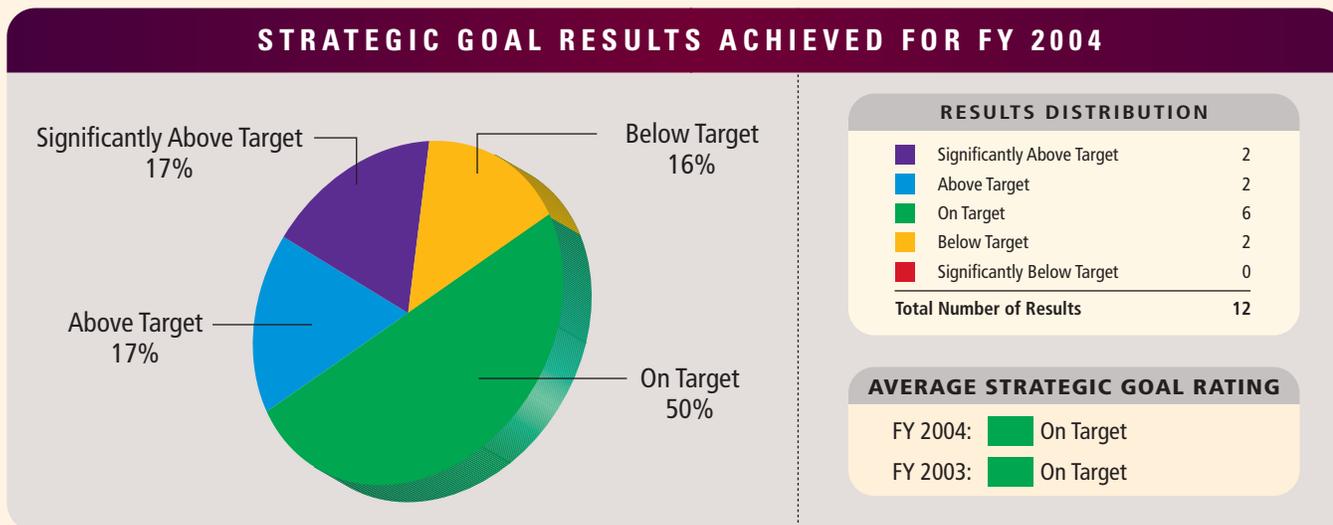
III. Strategic Context

This strategic goal is supported by four performance goals. Shown below are the major Initiatives/Programs, resources, bureaus, and partners that contribute to accomplishment of the strategic goal.

Strategic Goal	Performance Goal (Short Title)	Initiative/ Program	Major Resources	Lead Bureau(s)	External Partners	
Public Diplomacy and Public Affairs	International Public Opinion	Reaching Out to Allies and Regional Powers	D&CP	International Information Programs, Public Affairs, Coordinator for Counterterrorism, Regional Bureaus	DoD, USAID, Board of Broadcasting Governors, International media organizations, think tanks and polling organizations	
	Mutual Understanding	Engage Audiences More Deeply	ECE, ESF	Educational and Cultural Affairs, Regional Bureaus	NGOs, Academia, Private Sector	
	American Values Respected Abroad	Communicate More Effectively With Global Publics	D&CP, ESF, FSA, SEED	Educational and Cultural Affairs, Public Affairs, International Information Programs, Regional Bureaus	NED, USAID, Board of Broadcasting Governors, International media organizations, Private Sector, NGOs, Think Tanks and Polling Organizations, Academia	
	Domestic Understanding of Foreign Policy	Outreach to Expanded U.S. Audience		D&CP	Public Affairs, Regional Bureaus	Educational institutions, IG organizations, NGOs, and community groups
		Historical Research and Publications		D&CP	Public Affairs	CIA

IV. Performance Summary

The chart below shows the performance rating distribution of the FY 2004 results for the Public Diplomacy and Public Affairs strategic goal. Also shown is a comparison between FY 2004 and FY 2003 average strategic goal ratings.



V. Performance Analysis

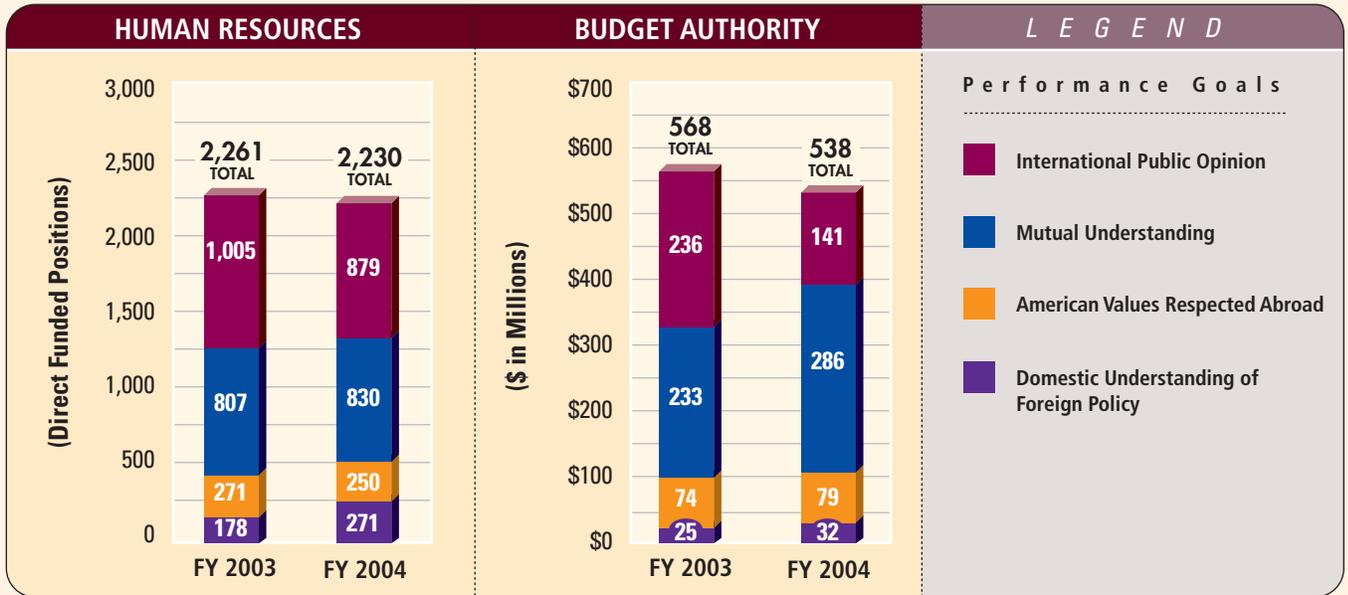
The pie chart above shows the performance rating distribution of the FY 2004 results for the Public Diplomacy and Public Affairs strategic goal. Also shown is a comparison between the FY 2004 and FY 2003 average strategic goal ratings. FY 2004 results produced a rating of “On Target,” unchanged from last year’s “On Target” rating.

Of the 12 results, 84% or 10 of the results have been rated as “On Target” or above.

- **Four Ratings Ranked “Significantly Above Target” or “Above Target”** – These positive results pertain to the following:
 - Percentage of Participants Who Remain in Contact with Host Country People Met on Their Program One Year or Longer After Their Program (*I/P #2, Indicator #2*)
 - Percentage of Participants Who Initiate or Implement Change in Their Organization or Community Within Five Years of Their Program Experience (*I/P #2, Indicator #4*)
 - Percentage of Exchange Program Participants Who Espouse Democratic Principles Three or More Years After Their Program Experience (*I/P #3, Indicator #1*)
 - Increase in “hits” on the Department’s Domestic Website (*I/P #4, Indicator #3*)

- **Two Ratings Ranked “Below Target”** – These areas of concern pertain to the following:
 - Percentage Increase of Unique Users to the Department’s International Website and Listservs (*I/P #1, Indicator #2*)
 - Targeted Publics Receive Intended Message (*I/P #3, Indicator #2*)

VI. Resources Invested



VII. Illustrative Example of a Significant Achievement

CultureConnect Ambassadors Reach Young People

CultureConnect Ambassador Mary Wilson made two trips that capture the spirit of this innovative program. Her trip to Oman, Pakistan, and Bangladesh in March engaged young boys and girls from college age to primary schools, focusing especially on young people from disadvantaged communities. Wilson’s June trip to Mozambique and Botswana reached out to young people as part of ECA’s efforts to combat HIV/AIDS. She directly touched over 3,500 young people in a schedule that included visits to orphanages, high schools, and elementary schools. Her meetings included a 50-minute session with the President of Botswana that resulted in the President publicly stating he had gone for an HIV test—an unprecedented achievement. Mary Wilson’s message to get tested, stay healthy, and avoid HIV/AIDS was given saturation media coverage, and was supported by a concert where those who could demonstrate having taken an HIV test were given free admittance. To enhance the effectiveness of these interactions, ECA developed a dedicated website (<http://cultureconnect.state.gov>) that enables the Ambassadors to exchange email directly and securely to mentor young people that they meet on their trips.



Mary Wilson, formerly of "The Supremes," interacts with Bangladeshi children while serving as one of the Department's Culture Connect Ambassadors. Department of State Photo

PERFORMANCE GOAL 1

PUBLIC DIPLOMACY INFLUENCES GLOBAL PUBLIC OPINION AND DECISION-MAKING CONSISTENT WITH U.S. NATIONAL INTERESTS

INITIATIVE/PROGRAM (I/P) #1: REACHING OUT TO ALLIES AND REGIONAL POWERS

Emphasize U.S. interests in global security by reaching out publicly to friends, allies, and regional powers.

OUTPUT INDICATOR

Indicator #1: The Level of Media Placement in Foreign Markets in Broadcast and Print

FY 2004 PERFORMANCE	Target	Evidence shows that information has reached intended user, and there is a 5% increase based on the FY 2003 Performance Results (Baseline).
	Results	<ul style="list-style-type: none"> Placement of Broadcast Media: 103 Stories made available to foreign Media (29 Official Speeches, 41 Iraqi Reconstruction Stories, 11 Afghanistan Reconstruction Stories, and 22 Terrorism Reports and others); State Department Video Clips uploaded (441 different foreign TV stations received 10,715 clips and 121 countries reached.) Production of Broadcast Media: Produced 46 TV Co-ops; 67 Live/taped studio and location TV interviews with Department and other USG/NGO officials; 169 Events covered; 40 Original news productions; 6 Co-productions; and over 1300 hours of AETN transmissions. Actual op-ed/byliner placement by region: Africa-242, East Asia/Pacific-231, Europe-277, Near East-174, South Asia-712, and Western Hemisphere-309.
	Rating	■ On Target
	Impact	<p>A lack of financial resources has not allowed the Department to develop systematic evidence of the impact of media placements. However, the Department has substantial anecdotal evidence, such as:</p> <p>Reported by Embassy Abuja (Nigeria): "Northern Nigeria's most strident anti-U.S. radio station joined moderate Muslim voices. In the seventh of thirteen episodes of a series on 'Muslim Life in America,' radio FRCN Kaduna reported that 'America gives more freedom to Muslims to practice their religion than anywhere else in the Islamic world.'" The producer reported that the TV Co-op program was his most difficult challenge in many years of experience at FRCN because of the misconceptions about America that their listeners had been fed over the years.</p>
DATA QUALITY	Data Source	<ol style="list-style-type: none"> The NewsMarket, which is a global platform that allows journalists to view and request broadcast-standard video 24/7, around the world. Media Monitor, which provides limited reporting on policy matters of interest to overseas audiences.
	Results Verification Confidence Level	Medium
	Indicator Validation Statement	This indicator helps to illustrate how our media placement brings broader perspectives to international television audiences, promoting more profound, diverse and representative views of American life, and U.S. foreign policies.
PAST RESULTS	2003	<p>Baseline:</p> <ol style="list-style-type: none"> Placement of Broadcast Media: Two short documentary films aired in 25 countries (Rebuilding Afghanistan and Afghan Spring); 120 special TV productions; 75 Foreign Press Center Briefings; 31 TV co-ops with foreign broadcasters; 4 co-productions for Russian Public TV, Belarus TV, Georgian TV, and French African TV, 184 TV interviews; and 38 radio interviews. Print media: 22 Foreign Press Center briefings and 87 interviews. Actual op-ed/by-liner placement, by region: Africa-53, East Asia/Pacific-60, Europe-434, Near East-43, South Asia-78, and Western Hemisphere-238.
	2002	N/A ¹
	2001	N/A

¹ This indicator was incorporated in FY 2003.

I/P #1: REACHING OUT TO ALLIES AND REGIONAL POWERS (continued)		
OUTCOME INDICATOR		
Indicator #2: Percentage Increase of Unique Users to the Department's International Website and Listservs		
FY 2004 PERFORMANCE	Target	Ten percent increase over 2003 baseline.
	Results	1. 15% decrease over baseline (website) 2. 1% increase over baseline (listservs)
	Rating	■ Below Target
	Impact	Use of the Department's international website is one indication of international public interest in the U.S. and what the U.S. is officially saying to the world. The decline the Department experienced in FY 2004 may be an indication of reduced international interest in or antagonism toward the U.S., but that is conjecture in the absence of an objective marketing study and structured verifiable evaluation. The 2003 baseline figures could also be anomalous due to attention aroused by Operation Iraqi Freedom.
DATA QUALITY	Data Source	1. Webtrends, upgraded to industry standard (website). 2. Actual numbers that are easily identified (listservs).
	Results Verification Confidence Level	Medium
	Indicator Validation Statement	Current software can measure the number of page views during a visit and the amount of time a user spends on a page. This is significant information since users have to make the effort to view or use the site material, a possible indication of wanting or needing that material.
PAST RESULTS	2003	Baseline: 1. Daily average of 155,000 USINFO pages read, an increase of approximately 20% over FY 2002. 2. Approximately 10% of users used reference material on U.S. history and government. 3. The USINFO website was rated by users as "above average" in customer satisfaction, slightly higher than what users gave commercial websites. 4. 10,153 subscribers to listservs targeted all of the geographic regions of the world in six languages.
	2002	N/A ¹
	2001	N/A

¹ This indicator was incorporated in FY 2003.

PERFORMANCE GOAL 2

INTERNATIONAL EXCHANGES INCREASE MUTUAL UNDERSTANDING AND BUILD TRUST BETWEEN AMERICANS AND PEOPLE AND INSTITUTIONS AROUND THE WORLD

I/P #2: ENGAGING AUDIENCES MORE DEEPLY

Further improve the exchange of U.S. objectives and ideals by involving program participants at more profound levels.

OUTCOME INDICATOR

Indicator #1: Percentage of Participants Who Increased Their Understanding of the Host Country Immediately After Their Program

FY 2004 PERFORMANCE	Target	92%
	Results	94%
	Rating	■ On Target
	Impact	Exchange programs have helped provide a more accurate and balanced understanding of the United States to international visitors. By increasing and improving understanding, it enhances dialogue and diminishes misperceptions that lead to hostility toward the United States. Increased understanding builds a foundation of trust that produces more cooperative relationships, thereby achieving a more secure, democratic and prosperous world.
DATA QUALITY	Data Source	Direct exchange participant responses to pre- and post-program surveying using online performance measurement system (E-GOALS) and independent program evaluations.
	Results Verification Confidence Level	High
	Indicator Validation Statement	This indicator reflects the fundamental goal of the Department's Bureau of Educational and Cultural Affairs (ECA) - to promote mutual understanding. The percentage of participants who increase their understanding demonstrates the effectiveness of ECA programs.
PAST RESULTS	2003	89%
	2002	91%
	2001	Baseline: 92%

I/P #2: ENGAGING AUDIENCES MORE DEEPLY (continued)

OUTCOME INDICATOR

Indicator #2: Percentage of Participants Who Remain in Contact with Host Country People Met on Their Program One Year or Longer After Their Program

FY 2004 PERFORMANCE	Target	75%
	Results	83.6%
	Rating	■ Above Target
	Impact	Continued communication and collaboration assist in maintaining relationships and partnerships, which further U.S. interests. Linkages between individuals and institutions in the U.S. and other countries often serve to keep dialog open between the U.S. and other countries.
DATA QUALITY	Data Source	Direct exchange participant responses to pre- and post-program surveying using online performance measurement system (E-GOALS) and independent program evaluations
	Results Verification Confidence Level	High
	Indicator Validation Statement	The indicator reflects the primary goal of these programs, which demonstrate an outcome of mutual understanding and continued dialogue. The percent of participants who remain in contact demonstrates that ECA programs foster personal and professional linkages that form a foundation of trust to engage other countries on short-term issues, as well as establishing long-term partnerships, thereby producing stronger international relations for the United States.
PAST RESULTS	2003	81%
	2002	81%
	2001	Baseline: 76%

OUTPUT INDICATOR

Indicator #3: Percentage of Participants Who Have Shared Information from Their Exchange Experience with Colleagues, Friends, and Family within One Year of Their Experience

FY 2004 PERFORMANCE	Target	Baseline: 85%
	Results	85%
	Rating	■ On Target
	Impact	By sharing substantive information about the exchange experiences, participants serve as interpreters of U.S. ideas, culture and actions. Sharing information helps dispel misperceptions and mistruths about the United States, thereby creating an international environment more conducive to dialog between people on critical issues affecting all of us.
DATA QUALITY	Data Source	Direct exchange participant responses to pre- and post-program surveying using online performance measurement system (E-GOALS) and independent program evaluations.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Achievement in this indicator incorporates participants' correction of misperceptions by others in their home communities about the U.S.
PAST RESULTS	2003	N/A ¹
	2002	N/A
	2001	N/A

¹ This indicator is new, so past results are not available.

I/P #2: ENGAGING AUDIENCES MORE DEEPLY (continued)

OUTCOME INDICATOR

Indicator #4: Percentage of Participants Who Initiate or Implement Change in Their Organization or Community Within Five Years of Their Program Experience

FY 2004 PERFORMANCE	Target	Baseline: 76%
	Results	93%
	Rating	 Significantly Above Target
	Impact	Application of knowledge or skills gained, or of changed perception and attitude by an individual to influence their immediate organization or local community multiplies the impact of the exchange experience. By changing institutions, it produces greater ability to work together in the international arena.
DATA QUALITY	Data Source	Direct exchange participant responses to pre- and post-program surveying using online performance measurement system (E-GOALS) and independent program evaluations.
	Results Verification Confidence Level	High
	Indicator Validation Statement	The indicator reflects a fundamental outcome of exchange programs, as well as an intermediary outcome from the Kirkpatrick learning and Phillips Return on Investment (ROI) methods for assessing results – application of knowledge gained or from changed perception/attitude.
PAST RESULTS	2003	N/A ¹
	2002	N/A
	2001	N/A

¹ This indicator is new, so past results are not available.

PERFORMANCE GOAL 3

BASIC HUMAN VALUES EMBRACED BY AMERICANS ARE RESPECTED AND UNDERSTOOD BY GLOBAL PUBLICS AND INSTITUTIONS

I/P #3: COMMUNICATE MORE EFFECTIVELY WITH GLOBAL PUBLICS

Enhance and build on current communications outreach strategies; educate global publics on American human values, policies and leadership in order to promote a positive image of the U.S. abroad.

OUTCOME INDICATOR

Indicator #1: Percentage of Exchange Program Participants Who Espouse Democratic Principles Three or More Years After Their Program Experience

FY 2004 PERFORMANCE	Target	Baseline: 65%
	Results	77%
	Rating	 Significantly Above Target
	Impact	Promoting democratic principles helps unite the nations of the world through common values such as human dignity, freedom, democracy, and opportunity. While American interests may not always coincide with the interests of other countries, maintaining an understanding that we hold basic principles and values in common can make it easier to work through differences.
DATA QUALITY	Data Source	Direct exchange participant responses to pre- and post-program surveying using online performance measurement system (E-GOALS) and independent program evaluations.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Indicator represents national interest in promoting freedom and democracy.
PAST RESULTS	2003	N/A ¹
	2002	N/A
	2001	N/A

¹ This indicator is new, so past results are not available.

I/P #3: COMMUNICATE MORE EFFECTIVELY WITH GLOBAL PUBLICS (continued)

OUTPUT INDICATOR

Indicator #2: Targeted Publics Receive Intended Message

FY 2004 PERFORMANCE	Target	Evidence shows that information provided has reached intended user.
	Results	Results are unclear since projections were to be determined by media trend analyses and program specific focus group surveys, none of which were funded.
	Rating	■ Below Target
	Impact	The Department's inability to evaluate the reach and accuracy of its intended message has consequences for the sound management of its programs and essential feedback on their effectiveness.
DATA QUALITY	Data Source	N/A
	Results Verification Confidence Level	Low
	Indicator Validation Statement	It is essential that the message that the U.S. intends to communicate is accurately understood by the recipient.
PAST RESULTS	2003	<p>Baseline:</p> <ol style="list-style-type: none"> 1. <i>hi</i> Magazine: The first three editions (totaling 150,000 copies) of "hi" magazine, in Arabic, were issued and distributed throughout the Middle East. Production deadlines met. 2. American Corners: Established 23 new American Corners. There were 79 American Corners distributed as follows: EUR/NIS: 56; AF: 18; EAP: 4; and SA: 1. 3. Persian Website: The U.S. has no official presence in Iran, so the USINFO Persian website served as a virtual Embassy and cultural center for thousands of Iranians who have access to the Internet, but do not read English.
	2002	N/A ¹
	2001	N/A

¹ This indicator was incorporated in FY 2003.

PERFORMANCE GOAL 4

AMERICAN UNDERSTANDING AND SUPPORT FOR U.S. FOREIGN POLICY, DEVELOPMENT PROGRAMS, THE DEPARTMENT OF STATE, AND THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

I/P #4: OUTREACH TO EXPANDED U.S. AUDIENCE

Reach beyond traditional audiences to a younger, broader, and deeper audience.

OUTPUT INDICATOR

Indicator #1: Number of Interviews and Contacts With U.S. Media

FY 2004 PERFORMANCE	Target	Evidence shows that information has reached intended user with a 5% increase based on the FY 2003 Performance Results (Baseline).
	Results	<ol style="list-style-type: none"> 1. Press Briefings: 227 Daily and Special Press Briefings, and 70 Foreign Press Briefing. 2. Media Contacts: 16,000 inquiries from the Press. 3. Print, Radio, and TV Interviews: 1,034 press Camera Sprays, facilitated by the Public Affairs Press Office; 58 Secretary Walkouts & Stakeouts; 7 Secretary press conferences; 63 Secretary Speeches/Remarks; and 9 Secretary Congressional Testimonies.
	Rating	■ On Target
	Impact	Daily press briefings and responses to journalists' policy questions give the press accurate, authoritative statements of U.S. policy. Transcripts of daily and special press briefings and the Secretary's remarks to the press are available on the State website, making those wide-ranging discussions of foreign policy available to enormous numbers of readers. Press events with Department officials are carefully planned and designed to explain U.S. foreign policy to the broadest possible audience.
DATA QUALITY	Data Source	Department of State Bureau of Public Affairs
	Results Verification Confidence Level	High
	Indicator Validation Statement	This indicator demonstrates the Bureau of Public Affairs' efforts to strategically facilitate and disseminate the information flow by making the Department principals accessible to the media to explain thoroughly U.S. policies and initiatives.
PAST RESULTS	2003	Baseline: <ol style="list-style-type: none"> 1. Press Briefings: 120 daily press briefings. 2. Media Contacts: 15,000 calls from the press. 3. 1,000 print, radio, and TV interviews, Opinion Editorials (Op Eds) and major press conferences with Department principals.
	2002	N/A ¹
	2001	N/A

¹ This indicator was incorporated in FY 2003.

I/P #4: OUTREACH TO EXPANDED U.S. AUDIENCE (continued)

OUTPUT INDICATOR

Indicator #2: Increase in the Number of Outreach Activities to Targeted U.S. Audiences

FY 2004 PERFORMANCE	Target	Evidence shows that information reached intended user with 3% increase based on the FY 2003 Performance Results (Baseline).
	Results	<ol style="list-style-type: none"> 1. Grassroot activities: <ul style="list-style-type: none"> ● Conducted over 1,600 outreach activities including the Secretary's Hometown Diplomat Program, monthly NGO briefings, educational digital-video conferences, and public speaking engagements. ● Conducted over 800 Washington and regional events for Department's speakers program. ● Conducted 20 town meetings across the U.S. 2. Outreach to colleges/universities: <ul style="list-style-type: none"> ● Reached over 17,000 students through in-house briefings and programs. 3. Weekly Radio Programs: <ul style="list-style-type: none"> ● Participated in over 100 radio programs. 4. Educational Curriculum Materials: <ul style="list-style-type: none"> ● Published supplement to Weekly Reader Magazine to 1,375,000 students. ● Initiated CD-ROM curriculum project to reach American college/university libraries and community organizations. 5. State and local government activities/events: <ul style="list-style-type: none"> ● Facilitated Embassy and Consulate assistance to overseas delegations for 140 state and local government officials. ● 45,000 contacts made with state and local government officials through presentations at conferences, courtesy meetings, push e-mails and distribution of Department publications. ● Responded to 360 requests for information about U.S. foreign policy from governors, mayors, and other state and local officials.
	Rating	■ On Target
	Impact	Through these programs, the Department reached beyond its traditional audience to include women, youth, NGOs, businesses, the artistic community, and the Arab and Muslim communities. These outreach programs helped Americans better understand U.S. foreign policy and its relevance, and the Department's role in shaping it.
DATA QUALITY	Data Source	Department of State Bureau of Public Affairs
	Results Verification Confidence Level	High
	Indicator Validation Statement	Public outreach programs provide state and local government officials, and the American public opportunities to exchange views with Department of State officials who formulate and implement policy. Conducted throughout the U.S., these programs encourage interest and involvement in foreign affairs and economic development opportunities among a broad cross-section of American society.
PAST RESULTS	2003	Baseline: <ol style="list-style-type: none"> 1. Distributed 14,000 curriculum video packages to U.S. educators. 2. Conducted over 1,500 outreach activities. 3. Reached over 12,000 students through in-house briefings and other programs. 4. Conducted 23 student town meetings at high schools and colleges. 5. Conducted over 600 Washington and regional events for Department's speakers program. 6. Delivered over 70 presentations at State and National Governmental conferences.
	2002	N/A ¹
	2001	N/A

¹ This indicator was incorporated in FY 2003.

I/P #4: OUTREACH TO EXPANDED U.S. AUDIENCE (continued)

OUTPUT INDICATOR

Indicator #3: Increase in "Hits" on the Department's Domestic Website

FY 2004 PERFORMANCE	Target	5 million hits per month.
	Results	5.9 million hits per month.
	Rating	■ Above Target
	Impact	The primary audience for the www.state.gov site is the American public, but it is available globally. A full thirty percent of the hits each month come from international sources. The Department has added a separate website (www.future.state.gov) to appeal to youth. The number of hits per month (6 million) suggests that the Department is reaching large numbers both here and abroad.
DATA QUALITY	Data Source	Web Trends – A widely use state-of-the-art government software program that interfaces with a dedicated server, which is hosted by CTC Incorporated.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Electronic dissemination of information is a proven successful means of communicating with the American public and in making inroads with foreign audiences.
PAST RESULTS	2003	5 million hits per month.
	2002	4 million hits per month.
	2001	4.8 million hits per month.

I/P #5: HISTORICAL RESEARCH AND PUBLICATIONS

Increase efforts to publish Foreign Relations volumes within the 30-year time period required by law, support the policy process with adequate research studies, and bring a historical context to “broader, deeper, and younger” outreach activities.

OUTPUT INDICATOR

Indicator #4: Compliance with Legislative Mandate for Completion of Foreign Relations of the United States Volumes

FY 2004 PERFORMANCE	Target	Make progress in meeting mandated compliance.
	Results	<p>Foreign Relations of the United States (FRUS):</p> <ul style="list-style-type: none"> ● Printed/released to date: 1964-68: Vol. XIX, Arab-Israeli Crisis and War, 1967 <p>In page proofs:</p> <ul style="list-style-type: none"> ● 1964-68: Vol. XXXI, South and Central America; Mexico ● 1964-68: Vol. XXXII, Dominican Republic; Cuba; Haiti; Guyana ● 1964-68: Vol. XXXIII, Organization and Management of Foreign Policy; United Nations ● 1969-76: Vol. V, United Nations, 1969-72 ● 1969-76: Vol. VI, Vietnam, 1969-70 ● 1969-76: Vol. XI, South Asia Crisis, 1971 <p>Doors to Diplomacy Educational Videos:</p> <ul style="list-style-type: none"> ● History of Diplomacy ● Sports and Diplomacy ● Media and Diplomacy
	Rating	■ On Target
	Impact	The most significant progress during FY 2004 is not in volumes published, but in reinvigorating the three main elements of production of Foreign Relations volumes: 1) research, selection, and annotation; 2) declassification; and 3) post-manuscript production. This new emphasis on all three required elements of the production process for the official documentary record of U.S. foreign policy, means that at least two more Nixon volumes will be published this calendar year, and that in FY 2005 the series should be back on track towards reaching its target of publishing volumes 30 years after the events covered, by the end of the decade.
	DATA QUALITY	Data Source
Results Verification Confidence Level		High
Indicator Validation Statement		The three volumes of Foreign Relations of the United States eliminate almost half of the outstanding backlog for the 1964-1968 sub-series, and also continue progress on presenting the historical record of the Nixon administration’s foreign policy.
PAST RESULTS	2003	Baseline: Published six Foreign Relations of the United States volumes.
	2002	N/A ¹
	2001	N/A

¹ This indicator was incorporated in FY 2003.

IX. Program Evaluations and PART Reviews

The Department has established a comprehensive Public Diplomacy program evaluation plan, including the use of in-house and private sector evaluations, covering a variety of programs. Eleven Program Evaluations and one OMB PART review were conducted in FY 2004 that pertain to this Strategic Goal. Additional ongoing measurement is conducted through the American Customer Satisfaction Index (ACSI) and internal evaluators.

- 1) State Department and the Broadcasting Board of Governors Expand Efforts in the Middle East but Face Significant Challenges (GAO-04-4435T)
- 2) Changing Minds, Winning Peace (U.S. Advisory Group on Public Diplomacy for the Arab and Muslim World)
- 3) Report of Inspection: Bureau of International Information Programs (ISP-I-04-31)
- 4) Report of Inspection: Bureau of Educational and Cultural Affairs (OIG) (ISP-1-04-07A)
- 5) Public Diplomacy Global Survey 2004 (Public Diplomacy Survey Team)
- 6) Partnerships for Learning Youth Exchange and Study Program Responses to Pre-Return Online Survey (InterMedia)
- 7) An Evaluation of the FREEDOM Support Act Educational Partnerships Program (Aguirre International)
- 8) An Evaluation of the Professional Exchanges and Training Program (Aguirre International)
- 9) Outcome Assessment of the Tibetan Scholarship Program (SRI International)
- 10) An Independent Evaluation of the Community Connections Program in Russia, Ukraine, Georgia, and Kazakhstan from 1994-2002. (Lehmann Surveys and Research)
- 11) Outcome Assessment of the Visiting Fulbright Scholar Program (SRI International)
- 12) Educational Exchanges in Near East Asia and South Asia (OMB PART) – The OMB ratings for this PART program are CY 2004: Effective; CY 2003: Effective; and CY 2002: Results not demonstrated.

Detailed information on major findings, recommendations, and actions to be taken can be found in the “OMB PART Summaries” and the “Completed Program Evaluations for FY 2004” Appendices.¹

¹ The findings for evaluations 7-11 were received in September 2004 and are under final review. Details of recommendations, actions taken, and expected results will be provided in the FY 2005 Performance and Accountability Report.

STRATEGIC OBJECTIVE #4: STRENGTHEN DIPLOMATIC AND PROGRAM CAPABILITIES

The fulfillment of the Department's mission and the achievement of our policy goals are inextricably linked to a foundation of sound management and organizational excellence required by the President's Management Agenda (PMA). This foundation is essential to support the work of America's Embassies and Consulates. The Department is committed to maintaining a well-qualified workforce, supported by modern infrastructure that provides the tools to achieve our diplomatic and development goals worldwide. Building this foundation will require significant investments in people, systems, and facilities.

STRATEGIC GOAL 12: MANAGEMENT AND ORGANIZATIONAL EXCELLENCE

Ensure a high quality workforce supported by modern and secure infrastructure and operational capacities

I. Public Benefit

HUMAN RESOURCES: The approximately 30,000 Foreign Service, Civil Service, and Foreign Service National employees posted in over 260 locations throughout the world are the Department's most significant resource. To maintain the U.S. role as a world leader in the twenty-first century, America's foreign policy representatives must be the best the nation has to offer. The Department must have sufficient resources to attract, train, promote, and retain the very best employees.

The Department continues to pursue human resource initiatives aimed at building, deploying, and sustaining a knowledgeable, diverse and high-performing workforce. The goal is to have a workforce whose composition, size and skills can adapt quickly to changes in mission, technology, and worldwide requirements of the foreign affairs environment. The Department continues to implement a comprehensive leadership and management training initiative to ensure that the competencies of its current and rising generation of leaders are commensurate with the importance of their mission.

INFORMATION TECHNOLOGY: The Department's ability to fulfill its mission effectively depends heavily on the collection, analysis, communication, and presentation of information in forms useful to its stakeholders - the public, businesses, other USG agencies, foreign governments, and its employees. In turn, these capabilities depend heavily on the presence of a secure, reliable and modern information technology infrastructure whose effectiveness is assured through a standard, repeatable, and measurable risk management methodology. The risk methodology emphasizes business and cost impact that fully incorporates the tenets of confidentiality, integrity, and availability so diplomats may access the information needed to perform their mission functions. The Department is making a concerted effort to use commercial best practices to deploy secure modern office automation platforms, secure global networks (unclassified, classified and the Internet), a centrally managed IT infrastructure, a modern messaging/archiving/knowledge management system, streamlined administrative systems, and a customer-focused portal. The Department has completed the effort to identify its domestic critical infrastructure and continues to rectify the vulnerabilities found. The focus now expands to identifying, categorizing, and rectifying weaknesses in the Department's critical infrastructure in the foreign missions along with identifying any interagency interdependencies that may exist.

Additionally, the Department continues to implement a comprehensive risk management program for IT systems. By using state-of-the-art tools, further improvements in the ability of users to securely access information and services, and virtually collaborate in such areas as foreign policy initiatives, passport and visa services, crisis management, grants management, and acquisition data and internal administrative functions have become a reality.

DIPLOMATIC SECURITY: Secure working and living environments are essential in ensuring that the Department can effectively implement its foreign policy goals. The Bureau of Diplomatic Security (DS) provides such environments through a broad scope of global responsibilities including the protection of the Secretary of State and other senior government officials, resident and visiting foreign dignitaries, foreign missions in the U.S., U.S. embassies/consulates overseas, and special events.

The Office of Foreign Missions prevents abuses of diplomatic privileges and immunities and improves conditions for U.S. personnel serving abroad. DS coordinates requests from U.S. law enforcement agencies for overseas investigations, including fugitive apprehensions, child abuse, counterfeit currency, and money laundering. Separate offices conduct investigations of passport and visa fraud. DS also serves as the operational manager for the USG Rewards for Justice Program for information that prevents or resolves terrorist acts. Through the Anti-terrorism Assistance Program, DS builds the capacity of foreign governments to engage in the war on terrorism. Finally, the Department funds the Overseas Security Advisory Council (OSAC), a public-private sector partnership that fosters the exchange of ideas on global security.

FACILITIES: The Department's worldwide network of facilities is a critical component of its diplomatic readiness to advance U.S. interests. The provision of secure, safe, and functional domestic and overseas facilities enables USG employees to pursue the vital interests of the American public more effectively.

Overseas, the Bureau of Overseas Buildings Operations (OBO) has 22 capital projects and 21 major rehabilitation projects under construction at the end of the fiscal year. Another 13 capital construction overseas projects were awarded toward the end of FY 2004, which will substantially move the Department towards its long-range overseas buildings plan performance targets. Domestically, under Bureau of Administration direction, the consolidation and renovation of the Department's office space in Foggy Bottom will both serve the conduct of diplomacy in Washington and provide a more secure and efficient workspace. Likewise, the completion of a modern office building for the U.S. Mission to the United Nations (USUN) at 799 UN Plaza in New York will provide a safe, secure and functional facility for our diplomatic mission to the United Nations.

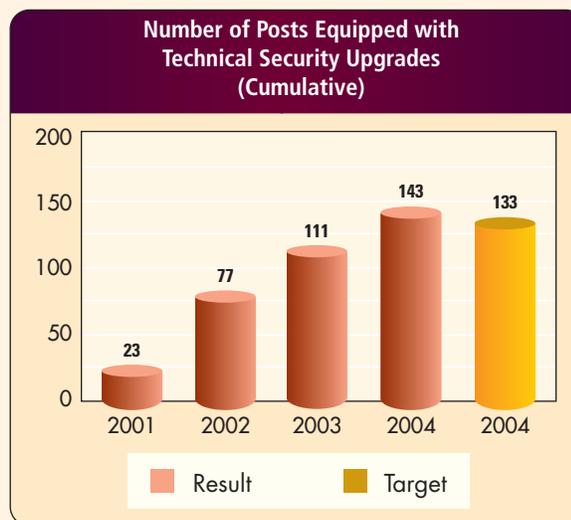
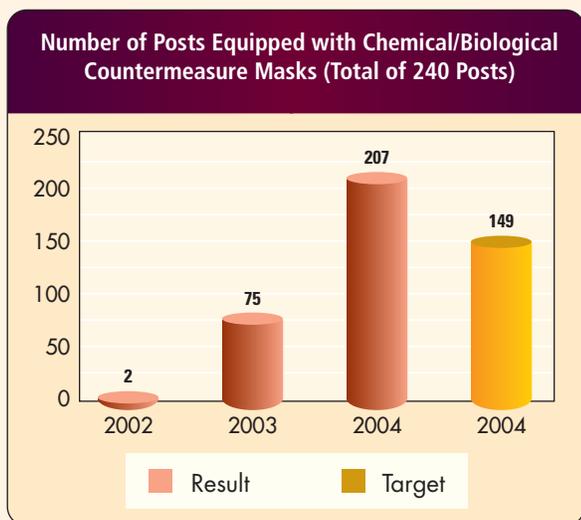
PLANNING, BUDGETING AND FINANCIAL MANAGEMENT: Integrated budgeting, planning and performance measurement processes, together with effective financial management and demonstrated financial accountability, will improve the management and performance of the Department. It will ensure that the resources entrusted to the Department are well managed and judiciously used. The American people will be able to see how well programs perform, and the costs they incur for that performance. This improved accountability for performance, together with unquestionable fiscal integrity, will deliver meaningful results to the American people.

ADMINISTRATIVE SERVICES: The Bureau of Administration provides support to diplomatic activities by ensuring timely delivery of products and services to U.S. embassies and consulates around the world. E-logistics processes enhance services by eliminating redundancies, increasing efficiencies, and providing secure real-time query tools. Electronic commerce offers American businesses expanded opportunities to compete for Department contracts. Performance-based contracting ensures more efficient and effective use of program dollars. The 85 percent reduction in the backlog of Freedom of Information Act (FOIA) requests achieved in FY 2004 will contribute significantly to the public's timely knowledge of foreign policy issues. A new information system being implemented

by the Office of Allowances will provide overseas posts with a faster, more accurate and reliable system for submitting allowances data electronically. U.S. accreditation of overseas schools ensures the availability of an appropriate, high quality American-style education for USG dependents overseas, and facilitates their transfer between overseas and U.S. schools.

Public-private competitions will generate taxpayer savings and noticeable performance improvements. Recent competitions under OMB Circular A-76 across federal agencies have resulted in savings between 20 and 30 percent regardless of who wins a competition. Public-private competitions will also promote innovation, efficiency, and greater effectiveness within the Department.

II. Selected Performance Trends



III. Strategic Context

This strategic goal is supported by six performance goals. Shown below are the performance goals, Initiatives/Programs, resources, bureaus, and partners that contribute to accomplishment of the strategic goal.

Strategic Goal	Performance Goal (Short Title)	Initiative/Program	Major Resources	Lead Bureau(s)	External Partners
Management and Organizational Excellence	Human Resources and Training	Recruit and Hire Talented & Diverse Employees	D&CP	Human Resources	HBCU, HACU, OPM, Partnership for Public Service
		Diplomatic Readiness and Other Priority Training	D&CP	Human Resources	HBCU, HACU, OPM, Partnership for Public Service, USAID, FCS, FAS, and other foreign affairs agencies
		Core Training Programs	D&CP	Foreign Service Institute	USAID, FCS, FAS and other foreign affairs agencies
		Quality of Life	D&CP	Foreign Service Institute	FasTrac consortium
		Americans Employed by UN Organizations	D&CP	International Organizations	International organizations, and other USG agencies
		Locally Engaged Staff	D&CP	Human Resources	USAID, FCS, FAS

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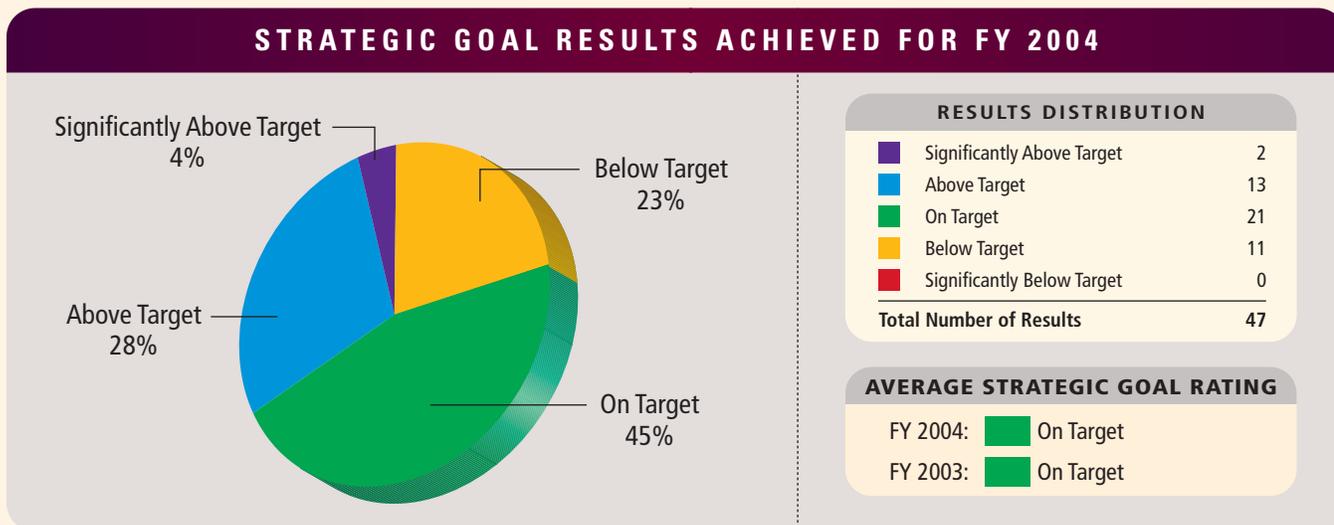
Strategic Goal	Performance Goal (Short Title)	Initiative/ Program	Major Resources	Lead Bureau(s)	External Partners
Management and Organizational Excellence (continued)	Information Technology	Ready Access to International Affairs Applications and Information	D&CP, CIF	Information Resource Management, International Information Programs, Consular Affairs, Political-Military Affairs	USAID and 30 other USG Agencies at overseas posts
		Secure Global Network & Infrastructure	D&CP, CIF and expedited passport fees	Information Resource Management	USAID and 30 other USG Agencies at overseas posts
		Modern, Worldwide Integrated Messaging (State Messaging and Archive Retrieval Toolset)	CIF	Information Resource Management	USAID and 30 other USG Agencies at overseas posts
	Diplomatic Security	Secure Employees	D&CP	Diplomatic Security	N/A
		Protect Critical Infrastructure	D&CP	Resource Management	FEMA and Homeland Security
	Overseas and Domestic Facilities	Capital Security Construction	ESC&M ¹	Overseas Buildings Operations	DS, regional bureaus, Other USG Agencies
		Foggy Bottom Renovation/ Consolidation	ESC&M	Administration	GSA
		New Office Building for USUN	D&CP	Administration	GSA, USUN, IO
	Resource Management	Integrate Budget & Performance	D&CP, CIF	Resource Management	OMB, Congressional committees & subcommittees, foreign affairs agencies, GAO
		Improve Financial Performance	D&CP, CIF	Resource Management	OMB, GAO, Treasury
	Administrative Services	Worldwide Logistics	D&CP	Administration	Various USG agencies
		Overseas Schools Accreditation	D&CP	Administration	USG agencies, international schools, diplomatic community, educational associations
		Records and Publishing Services	D&CP	Administration	NARA ² National Archives and Records Administration., GAO, GPO, OMB, various foreign affairs agencies
		Allowances	D&CP	Administration	Various USG agencies

¹ Embassy Security, Construction and Maintenance

² National Archives and Records Administration

IV. Performance Summary

The chart below shows the performance rating distribution of the FY 2004 results for the Management and Organizational Excellence strategic goal. Also shown is a comparison between FY 2004 and FY 2003 average strategic goal rating.



V. Performance Analysis

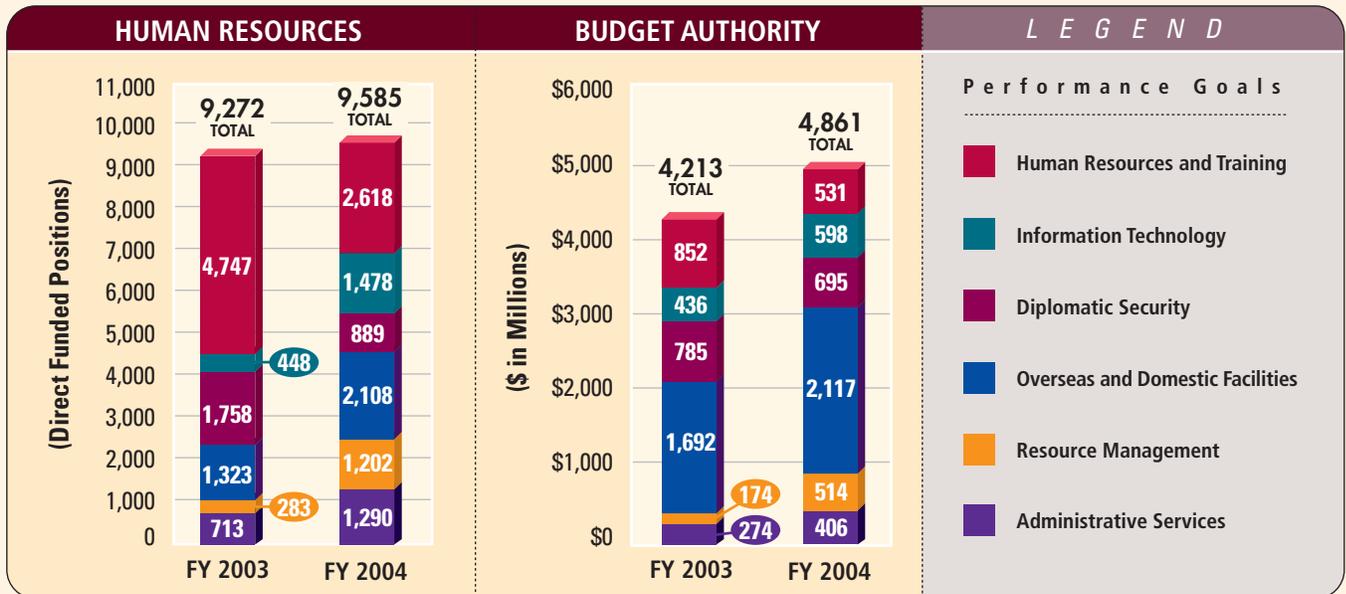
The pie chart above shows the performance rating distribution of the FY 2004 results for the Management and Organizational Excellence strategic goal. Also shown is a comparison between the FY 2004 and FY 2003 average strategic goal rating. FY 2004 results produced a rating of “On Target,” unchanged from last year’s “On Target” rating.

Of the 47 results, 77% or 36 of the results have been rated as “On Target” or above.

- **Fifteen Ratings Ranked “Significantly Above Target” or “Above Target”** – Some of these positive results pertain to the following:
 - Status of Commercial Networking Facilities Available for Unclassified and Classified Processing Completed (I/P #7, Indicator #1)
 - Installation of Technical Security Upgrades (TSUs) (I/P #10, Indicator #1)
 - Deployment of Chemical/Biological Countermeasure Masks to Posts Abroad (I/P #10, Indicator #2)
 - Number of New Sites Acquired for Capital Security Construction Projects (I/P #12, Indicator #1)
 - Financial Services Consolidation (FSC) (I/P #16, Indicator #5)

- **Eleven Ratings Ranked “Below Target”** – Some of these areas of concern pertain to the following:
 - Hiring Levels (I/P #1, Indicator #5)
 - Percentage of UN System Organizations’ Workforce Positions (Subject to Geographical Distribution) That Are American Citizens (I/P #5, Indicator #12)
 - Replacement of Armored Vehicles (AVs) (I/P #10, Indicator #3)
 - Installation of Access Control Systems (ACs) (I/P #10, Indicator #4)
 - U.S. Mission to the United Nations (USUN) New Construction (I/P #14, Indicator #4)

VI. Resources Invested



VII. Illustrative Example of a Significant Achievement

Mandatory Leadership Training

The Department met approximately 65% of its multi-year goal to implement mandatory leadership training requirements by training a target population of about 7,000 Foreign Service and Civil Service mid-level employees – 15% ahead of schedule, and well on track to complete this initial rollout of training by the end of CY 2006. The graduation of the 46th and final class of the Senior Seminar in June 2004 marked the end of the Senior Seminar division and the birth of the new Senior Policy Seminars (SPS) which offer advanced professional development, policy discussions, and networking opportunities to senior leaders in the Civil and Foreign Services. The Department also conducted a web-based survey of Crisis Management – which was characterized as “leadership in action” – to help determine the extent to which Department of State employees have faced crises while serving overseas. Surveying over 3,000 randomly selected personnel worldwide, the results offer hard data as to the effect of crisis experience on Foreign Service personnel, their attitudes toward the value of training, and the types and frequency of crises experienced. Nearly 2/3 of Foreign Service Generalists have experienced a crisis.



Secretary Powell speaks at one of the Foreign Service Institute's FY 2004 Executive Training Seminars.
Department of State Photo

VIII. Performance Results

PERFORMANCE GOAL 1

A HIGH PERFORMING, WELL-TRAINED, AND DIVERSE WORKFORCE ALIGNED WITH MISSION REQUIREMENTS

INITIATIVE/PROGRAM (I/P) #1: RECRUIT AND HIRE TALENTED, DIVERSE EMPLOYEES

Maintain a talented and diverse workforce in the Department.

OUTCOME INDICATOR

Indicator #1: Number of Individuals Taking the Foreign Service Written Exam (FSWE)

FY 2004 PERFORMANCE	Target	Maintain or increase FY 2003 level of 20,342.
	Results	19,101
	Rating	■ Below Target
	Impact	A smaller pool of FSWE exam takers, indicates a narrower talent pool, but is not an indicator of success in recruitment and hiring since our focus is quality not quantity. In addition, the results indicate a slight decline in general interest in the exam, which is not necessarily interest in employment in the Foreign Service.

DATA QUALITY	Data Source	Human Resources Office of Recruitment, Examination, and Employment.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Measures the general level of interest in employment as a Foreign Service Generalist. A greater pool of individuals taking the FSWE provides the Department with a broader and deeper talent pool for hiring purposes.

PAST RESULTS	2003	20,342
	2002	31,400
	2001	13,000

OUTCOME INDICATOR

Indicator #2: Number of Applicants to Foreign Service Specialist Positions

FY 2004 PERFORMANCE	Target	Maintain or increase FY 2003 level of 4,800.
	Results	4,117
	Rating	■ Below Target
	Impact	A smaller pool of applicants to Foreign Service Specialist positions indicates a narrower talent pool, but is not an indicator of success in recruitment and hiring. In addition, the results indicate a slight decline in the general interest in such positions.

DATA QUALITY	Data Source	Human Resources Office of Recruitment, Examination, and Employment.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Measures the general level of interest in employment as a Foreign Service Specialist. A greater pool of individuals pursuing specialist positions provides the Department with a broader and deeper talent pool for hiring purposes.

PAST RESULTS	2003	4,800
	2002	4,000
	2001	3,695

I/P #1: RECRUIT AND HIRE TALENTED, DIVERSE EMPLOYEES (continued)

OUTCOME INDICATOR

Indicator #3: Number of Applicants to the Student Programs

FY 2004 PERFORMANCE	Target	Maintain or increase FY 2003 level of 6,000.
	Results	7,100
	Rating	 Above Target
	Impact	Increased pool of young people with exposure to the Department and with possible future interest in employment with the Department.
DATA QUALITY	Data Source	Human Resources Office of Recruitment, Examination, and Employment.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Measures the number of young people introduced to the Department and its functions. A greater pool of individuals with exposure to the Department provides the Department with a broader and deeper talent pool for hiring purposes.
PAST RESULTS	2003	6,000
	2002	2,000
	2001	1,787

OUTCOME INDICATOR

Indicator #4: Number of Minority Individuals Taking the Foreign Service Written Exam (FSWE)

FY 2004 PERFORMANCE	Target	Maintain or increase FY 2003 level of 6,238.
	Results	5,995 – 31% of total exam takers.
	Rating	 Below Target
	Impact	A smaller pool of FSWE exam takers, indicates a narrower talent pool, but is not an indicator of success in recruitment and hiring since the Department's focus is quality not quantity. In addition the results indicate a slight decline in general interest in the exam, which is not necessarily interest in employment in the Foreign Service.
DATA QUALITY	Data Source	Human Resources Office of Recruitment, Examination, and Employment.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Measures the general level of interest among minority groups in employment as a Foreign Service Generalist. A greater pool of minority individuals taking the FSWE provides the Department with a broader and deeper talent pool for hiring purposes.
PAST RESULTS	2003	6,238 - 31% of total exam takers.
	2002	10,700 – 34% of total exam takers.
	2001	4,000 – 27% of total exam takers.

I/P #1: RECRUIT AND HIRE TALENTED, DIVERSE EMPLOYEES (continued)

OUTPUT INDICATOR

Indicator #5: Hiring Levels

FY 2004 PERFORMANCE	Target	Hire 400 above normal intake and for security and consular needs, as required.
	Results	Approximately 310 hires over attrition, plus 193 Border Security and 85 diplomatic security employees.
	Rating	■ Below Target
	Impact	Reduced progress toward mission goals.
DATA QUALITY	Data Source	Bureau of Human Resources, Office of Resource Management, and Organization Analysis.
	Results Verification Confidence Level	High
	Indicator Validation Statement	The number of Foreign Service (FS) hires, especially relative to other years, measures budget priorities, and the amount of progress made toward reducing staffing gaps.
PAST RESULTS	2003	Hired 399 above attrition plus 51 border security and 134 diplomatic security employees.
	2002	Hired 900 above attrition, thus beginning process of closing mission-critical overseas staffing gaps. Total hires included 470 junior FS officers, more than 700 FS specialists, over 300 security personnel, and about 150 IT professionals.
	2001	Hired to attrition (Approx 800).

OUTPUT INDICATOR

Indicator #6: Level of Civil Service Hiring

FY 2004 PERFORMANCE	Target	Achieve sustainable level of hiring to minimize staffing gaps.
	Results	This year's hiring level of 594 exceeds the planning target and represents another year in which hiring will outpace attrition.
	Rating	■ Above Target
	Impact	This hiring level exceeds the planning target set forth in the five-year workforce plan and represents another year in which hiring will outpace attrition.
DATA QUALITY	Data Source	Bureau of Human Resources, Office of Resource Management, and Organization Analysis.
	Results Verification Confidence Level	High
	Indicator Validation Statement	The number of Civil Service (CS) hires, especially relative to other years, measures budget priorities and the amount of progress made toward reducing staffing gaps.
PAST RESULTS	2003	Reduced CS vacancies by half.
	2002	Over 600 CS employees hired.
	2001	Baseline: Hired to attrition.

I/P #2: DIPLOMATIC READINESS AND OTHER PRIORITY TRAINING

Training to support the Diplomatic Readiness Initiative (DRI) and the Department’s Hiring Plan.

INPUT INDICATOR

Indicator #7: Number of Course Offerings Supporting DRI and Mandatory Leadership Training

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. Correct number of offerings based on Department’s hiring plan. 2. Mandatory Leadership/Management training for 1,725 employees.
	Results	<ol style="list-style-type: none"> 1. 4,741 course offerings provided (information as of September 2004). 2. Mandatory Leadership/Management training provided for 1,977 employees.
	Rating	<ol style="list-style-type: none"> 1. ■ On Target 2. ■ Above Target
	Impact	<ol style="list-style-type: none"> 1. Correct number of offerings helps meet the Department’s training requirements (against its hiring and assignments plans) and helps ensure diplomatic preparedness. 2. Leadership/Management training promotes a “leadership culture” designed to improve the Department’s management cadre and develop those who will eventually assume positions of leadership.
DATA QUALITY	Data Source	Student Training Management System
	Results Verification Confidence Level	High
	Indicator Validation Statement	Number of offerings track training capacity supporting new-hire and assignments related training requirements. Course enrollments best validate the number of employees completing mandatory Leadership/Management (L/M) training.
PAST RESULTS	2003	<ol style="list-style-type: none"> 1. 3,752 course offerings provided. 2. Mandatory Leadership/Management training provided for 1,754 employees. 3. Senior Executive Training Seminar course initiated.
	2002	<ol style="list-style-type: none"> 1. 3,329 course offerings. 2. Mandatory Leadership/Management requirements approved. 3. About 700 employees received mandatory Leadership/ Management training.
	2001	<p>Baseline:</p> <ol style="list-style-type: none"> 1. 3,118 course offerings. 2. Mandatory Leadership/Management courses did not exist.

I/P #2: DIPLOMATIC READINESS AND OTHER PRIORITY TRAINING (continued)

INPUT INDICATOR

Indicator #8: Enrollment in Foreign Language/Area Studies Relating to "Enduring Freedom," "Iraqi Freedom" and Post-9/11 Initiatives

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. Meet increased demand resulting from assignments to Language Designated Positions in target languages. 2. Promote greater fluency in Arabic by launching a "Beyond 3" training effort.
	Results	<ol style="list-style-type: none"> 1. 132,805 hours of training; 415 enrollments in Arabic, Dari/Persian/Afghan, Pashtu, Persian/Farsi/Iranian, Tajiki, Urdu, and Uzbek. The Department is seeking to provide cost-effective leveraging of the Critical Needs Languages recruitment initiative by developing conversion programs among Turkic languages and Slavic languages, in both classroom and distance learning modalities and providing targeted specialized training in Foreign Service relevant language usage for Critical Needs Languages bonus hires with good, but general proficiency. 2. The first pilot Beyond-3 program at Foreign Service Institute (FSI) Tunis, for two officers, began in August 2004, scheduled to end in June 2005. The Department plans to explore more media training in Arabic at FSI Tunis and in the region.
	Rating	<ol style="list-style-type: none"> 1. ■ On Target 2. ■ On Target
	Impact	More staff with proficiency in critical National Security languages will improve the Department's ability to conduct diplomatic relations through improved communications, negotiations, screening documents such as visa applications, and promoting U.S. interests to host country nationals.
DATA QUALITY	Data Source	Student Training Management System
	Results Verification Confidence Level	High
	Indicator Validation Statement	Course enrollments best validate the number of employees completing foreign language training.
PAST RESULTS	2003	<ol style="list-style-type: none"> 1. 81,864 hours of training. 2. 228 enrollments in Arabic, Dari/Persian/Afghan, Pashtu, Persian/Farsi/Iranian, Tajiki, Urdu, and Uzbek. 3. In Dari, Farsi and Pashtu, Foreign Service Institute developed a range of updated course materials including short-term survival/familiarization modules, and consular and/or military professional modules in addition to basic course materials. 4. Developed a capacity to deliver Kurdish training, including development of some materials, in the expectation of future State assignments.
	2002	109,921 hours of training; 231 enrollments.
	2001	Baseline: 57,320 hours of training; 106 enrollments.

I/P #3: CORE TRAINING PROGRAMS

Provide base level training in tradecraft, foreign languages, leadership/management, and information technology.

OUTPUT INDICATOR

Indicator #9: Percentage of Employees Assigned to Language Designated Positions (LDPs) Who Meet the Requirement of the Position

FY 2004 PERFORMANCE	Target	Maintain or improve FY 2003 percentage of 63%
	Results	83.2% of employees in LDPs fully meet the language requirements of the position and another 12.1% partially meet the language requirements.
	Rating	■ On Target
	Impact	The assignment process is working, but due to constraints of immediate demand for human resources and the lack of a training complement the Department is not improving the number of people who have the language skills they need for their positions. This indicator measures only the level of language proficiency for positions that were filled during FY 2003, not the language proficiency for all LDPs worldwide. As such, the results will vary from year to year regardless of performance.
DATA QUALITY	Data Source	Paneling and assignments data from the Office of Career Development and Assignments.
	Results Verification Confidence Level	Medium
	Indicator Validation Statement	This is a good indicator of how well the assignments process works to get the people with needed skills in place, as it only measures filled positions (not vacancies).
PAST RESULTS	2003	In CY 2003, 83% fully met and 12% partially met LDP requirement.
	2002	In CY 2002, 88% fully met LDP requirement.
	2001	Baseline: In CY 2001, 80% fully met and 13% partially met LDP requirement.

OUTPUT INDICATOR

Indicator #10: Percent of Language Students Attaining Skill Objectives When Enrolled for at Least the Recommended Amount of Training

FY 2004 PERFORMANCE	Target	Maintain or improve current percentage from FY 2003 level of 78%.
	Results	FY 2004 test results not fully rectified (as of 10/14/04) but, consistent with experience and expectations, training success rate is above 75%. Final data available at the end of calendar year 2004.
	Rating	■ On Target
	Impact	Having more staff proficient in languages improves the Department's ability to conduct diplomatic relations.
DATA QUALITY	Data Source	Student Training Management System
	Results Verification Confidence Level	High
	Indicator Validation Statement	The data is screened and provides the most accurate measure for tracking performance as it tracks time spent in language training and resulting end-of-training test results.
PAST RESULTS	2003	78%
	2002	75%
	2001	Baseline: 74%

I/P #4: QUALITY OF LIFE

Provide work/life and family programs that meet the changing needs and expectations of a diverse workforce and their families, while furthering Department interests and objectives.

OUTPUT INDICATOR

Indicator #11: Results of Employee Satisfaction Survey

FY 2004 PERFORMANCE	Target	Administer survey again.
	Results	4,040 Department of State Employees responded to the 2004 survey.
	Rating	■ On Target
	Impact	Improved information regarding employee opinions about quality of life issues.
DATA QUALITY	Data Source	Bureau of Human Resources, Office of Resource Management, and Organization Analysis.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Survey data best illustrates employee opinions about quality of life issues.
PAST RESULTS	2003	Survey was not conducted in FY 2003.
	2002	Baseline: 3,960 American direct-hire employees responded to survey. Department morale was high, with a significant majority of employees categorizing morale as either outstanding (12.8%) or good (47.6%). Seven out of ten surveyed employees plan to stay with the Department for the long term, at least until eligible to retire.
	2001	N/A ¹



Secretary of State Colin Powell, right, leads employees and relatives of U.S. Foreign Service officers in a moment of silence, at the lobby of the State Department during the American Foreign Service Association's Memorial Plaque ceremony, to honor the fallen foreign service employees on Foreign Service Day 2004. ©AP/Wide World Photos

¹ This indicator was incorporated in FY 2002.

I/P #5: AMERICANS EMPLOYED BY UN SYSTEM ORGANIZATIONS

Increase the percentage of Americans working in UN System organizations, especially where they are currently not employed in equitable numbers.

OUTPUT INDICATOR

Indicator #12: Percentage of UN System Organizations' Workforce Positions (Subject to Geographical Distribution) That Are American Citizens¹

FY 2004 PERFORMANCE	Target	CY 2003 Target: 11.9%
	Results	CY 2003 Results: 11.5%
	Rating	■ Below Target
	Impact	The lack of progress made in CY 2003 may necessitate a downward adjustment in the out-year targets which build on each other. The number of Americans matters because they bring values, ideals, skills, and experience to the job that can help improve the efficiency and effectiveness of International Organizations (IO).
DATA QUALITY	Data Source	IO Missions accredited to international organizations gather and report to the Department the data needed to monitor the employment of Americans.
	Results Verification Confidence Level	Medium
	Indicator Validation Statement	By tracking the average percent over a number of years, the Department will know whether it is making progress in increasing American representation in professional positions in certain UN system organizations (footnote 1), which is our goal.
PAST RESULTS	2003	11.6% (CY 2002)
	2002	11.8% (CY 2001)
	2001	12.0% (CY 2000)

The Civil Service supports the Foreign Policy mission from offices in Washington, D.C., and across the nation. More information on Civil Service careers can be found at www.careers.state.gov/civil/.



¹ UN System organizations gather their information on a Calendar Year basis. Given the delay in gathering and reporting the data, each fiscal year's targets correspond to the previous calendar year. The annual targets listed herein are averages among those international organizations that attract a high level of U.S. interest (i.e., for CY 2000-CY 2003, the UN, ILO, ITU, ICAO, FAO, UNHCR, and WHO; IAEA for CY 2003 only).



I/P #6: LOCALLY ENGAGED STAFF

Overseas employment: outreach and training.

OUTPUT INDICATOR

Indicator #13: Percent of Eligible Family Members Employed in Local Economies Overseas Through Spouse Networking Assistance Program (SNAP)

FY 2004 PERFORMANCE	Target	6%
	Results	24% ¹
	Rating	■ Significantly Above Target
	Impact	Improved opportunities for employment for spouses located at posts with the SNAP program.
DATA QUALITY	Data Source	SNAP Monthly Reports submitted to the Family Liaison Office.
	Results Verification Confidence Level	High
	Indicator Validation Statement	An annual increase in the percentage of family members employed overseas contributes to increased retention rates of Foreign Service and Civil Service employees.
PAST RESULTS	2003	4%
	2002	Baseline: 2%
	2001	N/A ²

U.S. Ambassador to China Clark Randt, center, shovels dirt at the ground breaking ceremony for the new U.S. embassy in Beijing. With him are Chinese Vice Foreign Minister Zhou Wenzhong, right, and General Charles Williams, the U.S. State Department's Director of Overseas Buildings Operations. The embassy is scheduled for completion in 2008. With 50,000 square meters of floor space, the embassy, built on a 10-acre site, will have space for 700 U.S. and local staff.
©AP/Wide World Photos



¹ The figure is based on the number of Eligible Family Members (EFMs) employed through SNAP as compared to the number of EFMs participating in the SNAP program at 18 posts. The initial Target of 6% was based on a calculation of EFMs employed worldwide on the local economy relative to the entire EFM population overseas. Since many posts do not yet offer SNAP and since a significant portion of EFMs do not choose to seek employment, measuring positions secured through SNAP as a percentage of SNAP participants is a more accurate measure of SNAP success.

² This indicator was incorporated in FY 2002.

PERFORMANCE GOAL 2

MODERNIZED, SECURE, AND HIGH QUALITY INFORMATION TECHNOLOGY MANAGEMENT AND INFRASTRUCTURE THAT MEET CRITICAL BUSINESS REQUIREMENTS

I/P #7: READY ACCESS TO INTERNATIONAL AFFAIRS APPLICATIONS AND INFORMATION

Ensure effective means of electronic communication and connectivity.

OUTCOME INDICATOR

Indicator #1: Status of Commercial Networking Facilities Available for Unclassified and Classified Processing Completed

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> OpenNet Plus (ON+) Internet project completed including Open Source Information System (OSIS) connectivity. A cumulative total of 200 Virtual Private Networks (VPNs) installed, thus providing over 75% of all posts with this capability. PDNet users converted to OpenNet.
	Results	<ol style="list-style-type: none"> OpenNetPlus pilot period completed; employees now have desktop access to the unclassified intranet, the Internet, the OSIS inter-agency network, and lessons learned documented. The Department has installed more than 200 VPNs at embassies and consulates abroad. Converted all PDNet users to OpenNet.
	Rating	<ol style="list-style-type: none"> ■ Above Target ■ Above Target ■ On Target
	Impact	<ol style="list-style-type: none"> OpenNet Plus: Department employees now have desktop access to the unclassified intranet, the Internet, the OSIS inter-agency network, and greatly expanding access to information data and research capability. VPNs: There is now reliable and efficient backup for 76% of the Department's posts should primary network connections fail. PDNet Convergence: Former PDNet users now have connectivity to all the resources of OpenNet and the Department has eliminated an entire network.
DATA QUALITY	Data Source	ENM computes network availability using its real-time, interactive Integrated Enterprise Management System on OpenNet, and ClassNet.
	Results Verification Confidence Level	High
	Indicator Validation Statement	In order to have maximum access to foreign affairs applications and information, it is essential to have good communications. This indicator is appropriate because state-of-the-art commercial networking facilities are essential for the Department and its E-gov partners (citizens, businesses, other government agencies, NGOs and other governments) to access unclassified and classified foreign affairs applications and information as authorized. This indicator is measured by the success in deploying, over several years, OpenNet Plus and Virtual Private Networks projects and the conversion of PDNet users to OpenNet.
PAST RESULTS	2003	<p>ON+: Department employees worldwide now have desktop Internet access and a consolidated program office was established to refresh, maintain, and enhance the Department's unclassified infrastructure on a continuing basis.</p> <p>VPN: A cumulative total of 125 VPNs installed, thus providing a reliable and efficient backup for 48% of the Department's posts should primary network connections fail. The remaining 135 posts are scheduled for VPN installation in FY 2004 and FY 2005 under this multi-year project.</p>
	2002	<p>ON+: Pilot period completed; lessons learned documented. Substantial progress made on deployment to domestic and overseas posts.</p> <p>VPN: A cumulative total of fifty-four installed.</p>
	2001	<p>ON+: (Internet) pilot completed.</p> <p>VPN: Twelve installed.</p>

I/P #7: READY ACCESS TO INTERNATIONAL AFFAIRS APPLICATIONS AND INFORMATION (continued)

OUTCOME INDICATOR

Indicator #2: Progress Toward Replacing Classified and Unclassified Desktop Computers More Than Four Years Old

FY 2004 PERFORMANCE	Target	Continue consolidated program to refresh and maintain classified and unclassified computers.
	Results	Began aggressive consolidated life-cycle modernization program, centrally managed by the Global Information Technology Modernization Program Management Office, to modernize and maintain classified and unclassified computers. Expanded Classified Connectivity Program (CCP) to all 224 (vice 221) eligible posts which included Secret Internet Protocol Router Network (SIPRNET) connectivity.
	Rating	■ On Target
	Impact	A permanent program was established to monitor and conduct the modernization of the Department's classified and unclassified infrastructure on a four-year cycle. During FY 2004, the program completed the CCP initiative to provide all eligible posts with modernized classified equipment (224 sites) and maintained the four-year life-cycle standard by modernizing 178 OpenNet and ClassNet LAN segments both overseas and domestically.
DATA QUALITY	Data Source	<ol style="list-style-type: none"> 1. Capital Planning and Investment Control – indicates cost, schedule and performance. 2. E-GOV Monthly Cost Workbook – indicates schedule and cost variance. 3. Monthly Priority Projects Briefing Book for U/S Management – indicates completed vs. planned GITM installations. 4. GITM Schedule – based on 4-year life cycle modernization requirement. 5. Weekly Program Management and Analysis Production Control Meetings – that address GITM cost and schedule performance.
	Results Verification Confidence Level	High
	Indicator Validation Statement	In order to process foreign affairs information, it is essential to have a modern equipment base. This indicator is appropriate because it measure the progress of the Department's project to supply employees with classified and unclassified modernized IT equipment that is within the parameters of industry standards (four years).
PAST RESULTS	2003	<ol style="list-style-type: none"> 1. CCP installed at 224 scheduled posts. With this accomplishment and the completion of OpenNet Plus, no significant number of Department desktops were more than four years old. 2. In addition, a consolidated program office was established to modernize the Department's entire infrastructure (classified and unclassified) on a four-year cycle.
	2002	<ol style="list-style-type: none"> 1. CCP installed at 135 posts. 2. Six percent of overseas-classified desktop computers were slower than the 450MHz standard. 3. Thirty-five percent of unclassified desktop computers were over four years old.
	2001	<ol style="list-style-type: none"> 1. CCP installed at seventy-four posts. 2. Began replacing 1,875 desktops and 90 servers.

I/P #8: SECURE GLOBAL NETWORK AND INFRASTRUCTURE

Establish a reliable and secure global telecommunications and processing infrastructure.

EFFICIENCY INDICATOR

Indicator #3: Global Network Availability

FY 2004 PERFORMANCE	Target	Improve network availability to 99%.
	Results	The Department has exceeded 99% reliability.
	Rating	■ Above Target
	Impact	The Department achieved 99% availability of its networks in FY 2004 thus providing users and customers with virtually uninterrupted service.
DATA QUALITY	Data Source	Enterprise Network Management computes reliability using its real-time, interactive Integrated Enterprise Management System (IEMS) on OpenNet and ClassNet. IEMS consists of industry standard network management tools that continually ping each bridgehead router in the DoS enterprise network to determine status and automatically compute network statistics such as global reliability.
	Results Verification Confidence Level	High
	Indicator Validation Statement	In order to have maximum access to foreign affairs applications and information, it is essential to have reliable and available networks and infrastructure. This indicator is appropriate because it measures the amount of uptime at our commercial networking facilities. Uninterrupted connectivity is critical for the Department and its E-gov partners (citizens, businesses, other government agencies, NGOs and other governments) in accessing unclassified and classified foreign affairs applications and information.
PAST RESULTS	2003	Network availability was 98%.
	2002	Network availability was 97%.
	2001	Baseline: Network availability was 85%.



Foreign Service Officers help to formulate and implement the foreign policy of the United States. They serve in Washington, D.C., and at nearly 260 U.S. diplomatic posts around the world. They are part of the frontline personnel of all U.S. embassies, consulates and other diplomatic missions. More information on career options in the Foreign Service can be found at www.careers.state.gov/officer/.

I/P #8: SECURE GLOBAL NETWORK AND INFRASTRUCTURE (continued)

OUTPUT INDICATOR

Indicator #4: Certification and Accreditation (C&A) of Major Applications

FY 2004 PERFORMANCE	Target	All major applications and general support systems will have undergone the C&A process.
	Results	Over 90% of the Department's inventory of Minor Applications, Major Applications and General Support Systems have received Full Authorization, meeting the PMA goal for the 18 month project to authorize the Department's existing and emerging systems. This objective for FY 2004 was accomplished several months in advance of the project's planned date. Over 4,500 system vulnerabilities were identified in a sample of 110 systems during this process, of which more than 3,700 were remediated, including all high-level risks and most of the mid-level risks. Additionally, 81 overseas and domestic sites were visited to validate compliance and remediate weaknesses. Approximately 5,000 users were provided formal Federal Information Security Management Act (FISMA) compliant role based training during these visits.
	Rating	■ On Target
	Impact	Ensured the integrity, confidentiality, and availability of the Department's IT systems. During FY 2004, the Department detected no IT security breaches.
DATA QUALITY	Data Source	<ol style="list-style-type: none"> 1. Capital Planning and Investment Control Process – Number of systems scoring "4" on security in exhibit 300. 2. Policy – Publication of enterprise Department policies on: Cyber security policy waivers, exceptions and deviations from standards requests; Personal Digital Assistants (PDAs); and Patch Management. 3. Training – FSI data on number of employees trained in specific categories, e.g. users, ISSOs, and SYSADMINs. 4. Reporting – Number of bureaus using automated FISMA reporting tool; number of bureaus, systems, programs performing security self-assessments and participating in POA&M process. Office of Information Assurance in the Bureau of Information Resource Management. 5. Systems Authorization percentage against total systems on C&A master inventory list. 6. Critical Infrastructure Protection– Publication of the Department's IT Critical Infrastructure Plan.
	Results Verification Confidence Level	High
	Indicator Validation Statement	The Department submits an agency-wide information security plan and quarterly corrective action plan updates to OMB on the Department's progress on implementing the security plan.
PAST RESULTS	2003	Thirty-three percent of the identified major applications and general support systems received C&A.
	2002	Baseline: Four percent of Department systems and networks certified and accredited in accordance with National standards.
	2001	N/A ¹

¹ This indicator was incorporated in FY 2002.

I/P #9: MODERN, WORLDWIDE, INTEGRATED MESSAGING (SMART)

Provide the Department with a simple, secure, and user-driven system to support the conduct of diplomacy through modern messaging, dynamic archiving, and information sharing.

OUTPUT INDICATOR

Indicator #5: Progress Toward Elimination of the Current Cable System and Processes

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. Completed design demonstration. 2. Develop and test Beta solution. 3. Install secure processing facility.
	Results	<ol style="list-style-type: none"> 1. Completed design demonstration. 2. Developed and tested an operational Beta solution. 3. Installed a secure processing facility.
	Rating	■ On Target
	Impact	When fully implemented, State Messaging And Retrieval Toolset (SMART) will reengineer, consolidate, centralize, and modernize the Department's formal and informal messaging processes and archive systems. SMART will have the ability to manage the information contained in the more than 72 million messages that are sent each year through Diplomatic channels.
DATA QUALITY	Data Source	<ol style="list-style-type: none"> 1. CPIC - indicates cost, schedule and performance. 2. E-GOV Monthly Cost Workbook - indicates schedule and cost variance. 3. Monthly Priority Projects Briefing Book for U/S Management - indicates completed vs. planned Deployment schedule. 4. SMART Schedule – based on performance milestones and control gates associated with each phase of the Department's firm-fixed price contract with the system integrator.
	Results Verification Confidence Level	High
	Indicator Validation Statement	This indicator is appropriate for assessing the Department's overall performance on the SMART project and will be actively and closely tracked as it develops. This project reflects the long-term vision described in the IT Strategic Plan. When completed, SMART will help implement a fully modernized, secure, and advantageous IT infrastructure and information systems that rely largely on commercial services and approaches to support the mission of the Department and international affairs community.
PAST RESULTS	2003	Prototype evaluated. Request For Quote for SMART design demonstration, deployment, and operations drafted and released.
	2002	Comprehensive requirements analysis completed, steering committee formed, users consulted to determine requirements, business process review completed, and prototype developed.
	2001	Significant progress made in preparing groundwork for upgrade. No actual work completed.

PERFORMANCE GOAL 3

PERSONNEL ARE SAFE FROM PHYSICAL HARM AND NATIONAL SECURITY INFORMATION IS SAFE FROM COMPROMISE

I/P #10: SECURE EMPLOYEES

Ensure global security provided to the Department of State and foreign affairs agencies is adequate and appropriate for protection of personnel under Chief of Mission authority.

OUTPUT INDICATOR

Indicator #1: Installation of Technical Security Upgrades (TSUs)

FY 2004 PERFORMANCE	Target	TSUs completed at 133 posts. (An additional forty-four posts are deemed to meet the standard or cannot be completed because they require substantial renovations).
	Results	TSUs have been completed at 143 posts exceeding our initial target of 133. The number of TSUs has increased to 159 since some projects formerly designated for the Integrated Contractor or OBO are now tasked to DS.
	Rating	■ Above Target
	Impact	Completion of the targeted projects helps to ensure the Department achieves its goal of responding successfully to challenges that threaten U.S. interests.
DATA QUALITY	Data Source	Data are verified and compiled on a quarterly basis through both DS/C/ST/FSE project database and through telegrams with receiving posts to ensure deliverables and installation are done.
	Results Verification Confidence Level	High
	Indicator Validation Statement	The replacement of outdated technical security equipment at the Department's diplomatic missions has contributed to the greater protection of the Department's employees who are on the frontlines of our nation's diplomatic effort. TSUs have lessened our vulnerability and provided the capability to take a proactive stance against global terrorist threats.
PAST RESULTS	2003	TSUs completed at 111 posts.
	2002	TSUs completed at seventy-seven posts.
	2001	Baseline: Technical Security Upgrades (TSUs) completed at twenty-three posts.

I/P # 10: SECURE EMPLOYEES (continued)

OUTPUT INDICATOR

Indicator #2: Deployment of Chemical/Biological Countermeasure Masks to Posts Abroad

FY 2004 PERFORMANCE	Target	149 of 240 posts have employee countermeasure masks.
	Results	The Department has completed an aggregate total of 207 posts out of 240. The overseas training covered approximately 33,155 employees.
	Rating	■ Above Target
	Impact	Accelerating the training and deployment of countermeasure escape masks helps to ensure that our personnel at post have the necessary equipment and training that will save lives in the event of a chemical/biological attack.
DATA QUALITY	Data Source	Data are verified and compiled through both DS/IP/SPC/WMD project database and through notifications from post to ensure deliverables and training are done.
	Results Verification Confidence Level	High
	Indicator Validation Statement	CW/BW training and equipment serve to minimize casualties resulting from a Chem/Bio attack among our overseas personnel. By equipping and training all personnel, the Department's employees will be better protected against these types of attacks.
PAST RESULTS	2003	Seventy-five of 240 posts provided with and trained in the use of countermeasure equipment; this includes: <ul style="list-style-type: none"> ● 25,528 overseas personnel trained ● 95 courses provided for security professionals being trained overseas
	2002	Two of 240 posts provided employee countermeasure masks.
	2001	Baseline: First Responder masks and equipment deployed to all posts.

OUTPUT INDICATOR

Indicator #3: Replacement of Armored Vehicles (AVs)

FY 2004 PERFORMANCE	Target	177 armored vehicles replaced.
	Results	197 vehicles deployed: 28 Chief of Mission replacement vehicles and 95 vehicles have been shipped to Iraq. Other armored vehicle replacements include: Office of Procurement-8, ICASS-24, and Marine Security Guards-11.
	Rating	■ Below Target
	Impact	As necessitated by the occurrence of unanticipated exigencies, vehicles originally designated for replacement have been placed on hold to accommodate the priority needs in high threat environments. At this point, the impact is minimal given that this is first year that the Department has had to divert resources to a critical need. However, a serious impact could occur if those outdated vehicles are not replaced.
DATA QUALITY	Data Source	Data collected and compiled by the Defensive Equipment and Armored Vehicle Program on the lifecycle replacement of vehicles worldwide as well as verification from Posts that newly armored vehicles have been received.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Armored vehicles provide protection of personnel from terrorist attack thereby improving the safety of employees while they carry out the Department's mission.
PAST RESULTS	2003	Baseline: Forty-eight armored vehicles replaced
	2002	N/A ¹
	2001	N/A

¹ This indicator was incorporated in FY 2003.

I/P #10: SECURE EMPLOYEES (continued)

OUTPUT INDICATOR

Indicator #4: Installation of Access Control Systems (ACS)

FY 2004 PERFORMANCE	Target	Access Control Systems installed in 50% of the Department's annexes in the Washington, D.C. area.
	Results	The perimeter of the Harry S Truman (HST) building has been completed and 10% of facilities in the Washington, D.C. area have access control systems.
	Rating	■ Below Target
	Impact	The overall impact is that the "smart card" technology for nine of our annexes in the Washington Capital Area will slip from FY 2005-2006. The services of the initial management group engaged for ACS were terminated in December 2003 requiring the contract to be re-competed. As result, the project responsibility has been moved in-house and the Department has taken steps to accelerate the project in order to finish in FY 2006.
DATA QUALITY	Data Source	Data is verified and compiled through the Facility Security Equipment Division and interaction with National Capital Area facilities to ensure deliverables and installation. This indicator also follows Homeland Security Directive 12 that deals with antiterrorism elements on access.
	Results Verification Confidence Level	High
	Indicator Validation Statement	The Department's ACS program is a replacement of a 15-year old system with a "Smart ID Card" system fully compliant with GSA standards for interoperability, physical access, and logical access. The system will also support Public Key Infrastructure and Biometrics.
PAST RESULTS	2003	Completed: <ul style="list-style-type: none"> ● 100% of HST Perimeter ACS ● 100% of HST Visitor ACS ● 95% of HST Network required to support ACS ● 25% of HST Infrastructure required to support ACS ● 20% of HST ACS readers installation
	2002	Phase 2 was 85 percent complete: <ul style="list-style-type: none"> ● 75 percent of personnel data has been gathered and entered into the computer database. Phase 2 completed for HST; half of personnel in the Washington National Capital area received new badges.
	2001	Baseline: Phase 1 completed for the HST and 150 new Smart Card badges issued.

I/P #10: SECURE EMPLOYEES (continued)

OUTPUT INDICATOR

Indicator #5: Periodic Security Reinvestigations of State Employees Every Five Years by Attaining a Rate of 300 per Month

FY 2004 PERFORMANCE	Target	300 reinvestigations per month.
	Results	300 reinvestigations per month. Reinvestigations are at a rate to complete the 5-year Executive Order. The initiation of an automated notification system and e-QIP (electronic Questionnaire for Investigation Processing), an OPM website, have sped the process.
	Rating	■ On Target
	Impact	The Department is now virtually up-to-date initiating reinvestigations on a five-year cycle in compliance with E.O. 12968.
DATA QUALITY	Data Source	Data is based on numbers of investigations required and the information is compiled and verified in the Bureau of Diplomatic Security's background investigation database as well as with the Bureau of Human Resources.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Periodic security reinvestigations help ensure that the Department's employees do not pose security risks that could compromise the safety and security of the United States.
PAST RESULTS	2003	364 reinvestigations per month.
	2002	189 reinvestigations per month.
	2001	Baseline: 100 reinvestigations per month.

I/P #11: PROTECT CRITICAL INFRASTRUCTURE

Develop a CIP program plan to identify our worldwide critical infrastructure assets and protect them.

OUTPUT INDICATOR

Indicator #6: Remediation of Identified Critical Infrastructure Protection (CIP) Vulnerabilities

FY 2004 PERFORMANCE	Target	1. Olney Alternate Communications site reaches Full Operational Capability (FOC), with all BIMC circuits installed. 2. All Tier 2 and 3 vulnerabilities progress to green.
	Results	The Department now has a functioning redundant communications capability in emergency situations. The Department's security posture is enhanced with regards to contingency plans developed for continuing operations under various circumstances.
	Rating	■ On Target
	Impact	The Department's communications capabilities have been strengthened and/or enhanced. If the ACS had not been established, it would have been detrimental to Department operations domestically and worldwide, if an unforeseen emergency became reality.
DATA QUALITY	Data Source	A, CA, DS, George P. Schultz Center, IRM, INR, OBO, RM, and S/ES bureaus; Dept. of Defense entities.
	Results Verification Confidence Level	High
	Indicator Validation Statement	The Department now has a functioning redundant communications capability and Critical Infrastructure Protection plans in accordance with Presidential Decision Directive-63, which requires each Agency to develop a plan and a program to identify and protect its critical infrastructure.
PAST RESULTS	2003	Alternate Communications Site reached Initial Operating Capability (IOC) with 50% of BIMC redundant circuits installed and operational. <ul style="list-style-type: none"> ● Tier 1 vulnerabilities progressed to green. ● All Tier 2 and 50% of tier 3 vulnerabilities progressed to yellow.
	2002	Status of remediation for all Tier 1 vulnerabilities progressed to yellow. All other tiers remained at red.
	2001	Baseline: Beltsville Information Management Center (BIMC) information assurance vulnerability review conducted.

PERFORMANCE GOAL 4

SECURE, SAFE, AND FUNCTIONAL FACILITIES SERVING DOMESTIC AND OVERSEAS STAFF

I/P #12: CAPITAL SECURITY CONSTRUCTION

Award capital security construction projects as scheduled in the Long-Range Overseas Buildings Plan (LROBP).

OUTPUT INDICATOR

Indicator #1: Number of New Sites Acquired for Capital Security Construction Projects

FY 2004 PERFORMANCE	Target	Acquire seven sites for New Embassy Compound (NEC) projects.
	Results	Eight NEC sites were acquired (closed/settled).
	Rating	■ Above Target
	Impact	Acquisition of New Embassy Compound (NEC) sites will ensure sufficient security setback for the construction of new secure, safe, and functional embassy and consulate compounds that allow employees to carry out the vital interests of the U.S.
DATA QUALITY	Data Source	Official records of closing/settlement proceedings.
	Results Verification Confidence Level	High
	Indicator Validation Statement	The indicator was chosen as the most comprehensive in determining the actual acquisition (closing/settlement) of a new embassy compound (NEC) site that is essential before constructing a NEC.
PAST RESULTS	2003	7
	2002	10
	2001	6



The new U.S. Embassy in Abu Dhabi, United Arab Emirates (UAE) officially opened in FY 2004. U.S. Ambassador Marcelle M. Wahba noted at the dedication, "I know I speak for the President of the United States and all of my predecessors who have had the privilege of representing our country here, when I say that this magnificent new structure reflects the depth and breadth of our relationship with the people and government of the UAE." Department of State Photo

I/P #12: CAPITAL SECURITY CONSTRUCTION (continued)

OUTPUT INDICATOR

Indicator #2: Number of Capital Projects Awarded In Accordance With LROBP

FY 2004 PERFORMANCE	Target	11 Capital Security Construction projects awarded.	
	Results	13 capital construction projects were awarded in the fiscal year.	
	Rating	 Above Target	
	Impact	The new capital construction projects will result in secure, safe, and functional embassies and consulates in which overseas employees can best perform their work to advance U.S. national interests.	
DATA QUALITY	Data Source	Capital construction contracts awarded by the Department.	
	Results Verification Confidence Level	High	
	Indicator Validation Statement	The indicator was chosen because it represents an essential step in getting new capital projects (new embassy compounds) into construction. Once in construction other indicators are used to track performance until completion.	
PAST RESULTS	2003	7	
	2002	13	
	2001	N/A ¹	

Construction of the new U.S. Embassy in Yerevan, Armenia is scheduled for completion in early FY 2005. The need for a new embassy resulted from the tremendous expansion of the U.S. relationship with Armenia in recent years. The new embassy complex will house U.S. embassy employees and visitors, both American and Armenian, in safe, secure, and attractive surroundings. The new embassy compound also represents a substantial U.S. investment in Armenia's construction industry in terms of specialist training and skills development.
Department of State Photo



¹ This indicator was incorporated in FY 2002.

I/P #13: FOGGY BOTTOM RENOVATION/CONSOLIDATION

Consolidate essential staff in Foggy Bottom.

OUTPUT INDICATOR

Indicator #3: Renovation of the Harry S Truman Building (HST)

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. Complete Phase 1A Old State construction. 2. Complete Pre-Concept Design for U.S. Diplomacy Center. 3. Begin planning for New State Phase 1B.
	Results	<ol style="list-style-type: none"> 1. Old State construction will be completed by December 2004. 2. U.S. Diplomacy Center Pre-Concept design was completed in August 2004. 3. Space Planning for New State Phase 1B started in July 2004.
	Rating	<ol style="list-style-type: none"> 1. ■ On Target 2. ■ On Target 3. ■ On Target
	Impact	<ol style="list-style-type: none"> 1. Completion of Old State construction will enable offices to relocate to newly renovated space on schedule in Spring 2005. 2. Completion of Pre-Concept Design provides specific design and construction direction and basis for budgets and marketing for private funding. 3. Start of space planning keeps pace with planning for starting Phase 1B renovation in 2005.
DATA QUALITY	Data Source	Data was determined based on GSA schedules and actual completion reports, product presentations, and transmittals.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Renovation of the HST headquarters building is the primary component of the Foggy Bottom Renovation/Consolidation.
PAST RESULTS	2003	<p>Old State Renovations – Key Achievements</p> <ul style="list-style-type: none"> ● Old State 8th floor vacated and demolition 100% complete ● Infrastructure construction 95% complete ● Space planning complete; office and special space design complete ● Interiors construction contract bids received ● Blast-resistant windows replacement started ● Perimeter Security Improvements Concept Design approved by the Secretary ● Network Control Center construction complete ● U.S. Diplomacy Center Pre-concept design 50% complete ● Phase 2 New State Cafeteria dining area upgrades complete, with North server upgrades 90% complete. ● 6th floor corridor improvements 75% complete ● Delegates Lounge upgrades complete ● Jefferson Information Center concept design complete
	2002	<ul style="list-style-type: none"> ● Phase 1A of Old State demolition completed. ● Infrastructure construction started.
	2001	<ul style="list-style-type: none"> ● Phase 1A of Old State demolition begun.

I/P #14: NEW OFFICE BUILDING FOR U.S. MISSION TO UNITED NATIONS

A new office building for the U.S. Mission to the United Nations will provide secure, safe, and functional workspace for the USUN staff as well as other Department of State activities located in New York City.

OUTPUT INDICATOR

Indicator #4: U.S. Mission to the United Nations (USUN) New Construction

FY 2004 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. Relocate staff. 2. Complete existing office building demolition. 3. Obtain Department portion of NOB funding. 4. Complete New Office Building (NOB) design.
	Results	<ol style="list-style-type: none"> 1. The U.S. Mission relocated to the Interim Office Building (IOB) and opened for business June 14, 2004. 2. The demolition contract for the Existing Office Building (EOB) was awarded and notice to proceed was issued July 17, 2004. Completion of the demolition effort is scheduled for January 2005. 3. Of the \$14.0 million provided in FY 2004 to support efforts associated with the IOB and NOB, \$10.8 million was obligated for NOB construction effort, specialty contractors, and construction support activities. 4. With the exception of back check corrections, the NOB design was completed in September 2004.
	Rating	<ol style="list-style-type: none"> 1. ■ On Target 2. ■ Below Target 3. ■ On Target 4. ■ On Target
	Impact	<ol style="list-style-type: none"> 1. The timely relocation of the U.S. Mission to the IOB made possible issuance of notice to proceed on the EOB demolition. 2. Although the EOB demolition is not scheduled for completion until January 2005, impact on the start of the NOB construction effort is not anticipated, as the contract award is not scheduled until the end of January 2005. A period of time is necessary following contract award for the contractor to obtain necessary bonding, permits, etc., prior to issuance of notice to proceed. 3. Obligation of necessary DOS funding to GSA makes possible the scheduled NOB construction contract award in January 2005 and the solicitation/award of specialty follow-on contracts associated with telecommunications and security. 4. Completion of the NOB construction documents allows the second step of the two-step construction solicitation process to proceed as scheduled.
DATA QUALITY	Data Source	Bureau of Administration, Office of Real Property Management
	Results Verification Confidence Level	High
	Indicator Validation Statement	Award of the construction contract, initiation of the construction effort and completion of that construction effort makes the NOB available for occupancy. This represents a fundamental portion of the effort to provide a secure, safe and functional workspace for the USUN staff as well as other Department of State activities located in New York City.
PAST RESULTS	2003	<ul style="list-style-type: none"> • \$14 million Interim Office Building (IOB) funding obtained. • GSA not able to finalize IOB lease in FY 2003. As a result, lease signing and IOB build-out were delayed to FY 2004.
	2002	<ul style="list-style-type: none"> • NOB design was 98% completed. • IOB space sought.
	2001	<ul style="list-style-type: none"> • NOB design was 90% completed; interim office building space was sought.

PERFORMANCE GOAL 5

INTEGRATED BUDGETING, PLANNING, AND PERFORMANCE MANAGEMENT; EFFECTIVE FINANCIAL MANAGEMENT; AND DEMONSTRATED FINANCIAL ACCOUNTABILITY

I/P #15: INTEGRATE BUDGET AND PERFORMANCE

Use sound planning to integrate the Department’s policy formulation, execution, and resource management functions.

OUTPUT INDICATOR

Indicator #1: Budget and Performance Integration (President’s Management Agenda, OMB Scoring)

FY 2004 PERFORMANCE	Target	Status: Green Progress: Green
	Results	Status: Green Progress: Green
	Rating	■ On Target
	Impact	Achieving Green status in OMB’s PMA rating indicates better linkage between performance and budget, and improved decision-making support.
DATA QUALITY	Data Source	President’s Management Agenda Scorecard
	Results Verification Confidence Level	High
	Indicator Validation Statement	The indicator is an unbiased measure of success toward achieving the goal of Integrating Budget and Performance, as OMB’s “Proud to Be” criteria tracks agencies progress on integrating budget and performance information. The OMB scoring outlines specific criteria to track the Department’s progress on OMB’s scorecard.
PAST RESULTS	2003	Status: Red Progress: Green
	2002	Status: Red Progress: Green
	2001	Baseline: Status: Red Progress: Red

I/P #15: INTEGRATE BUDGET AND PERFORMANCE (continued)

OUTPUT INDICATOR

Indicator #2: Implementation of Central Financial Planning System (CFPS) Modules

FY 2004 PERFORMANCE	Target	Complete the development and deployment of Bureau Resource Management System (BRMS) (Version 1) and prototyping of a Financial Performance and Reporting Module.
	Results	Version 1 of the Bureau Resource Management System will be completed early in FY 2005, and the prototype of the Planning and Performance Reporting Module has been completed.
	Rating	Below Target
	Impact	When completed, the CFPS modules will significantly enhance the Department's financial management capabilities. The Bureau Resource Management System schedule will be on track in FY 2005. There is no operational impact due to the slightly delayed BRMS schedule.
DATA QUALITY	Data Source	Bureau of Resource Management project plans.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Implementation of the CFPS modules is a valid indicator of increased functionality of the Department's financial management systems.
PAST RESULTS	2003	Mission Performance Plan, Bureau Performance Plan, and Statement of Net Cost modules completed and implemented.
	2002	Baseline: The initial design, funding, and preparations with pilot bureau completed.
	2001	N/A ¹



State Magazine is published monthly by the Department to facilitate communication between management and employees at home and abroad and to acquaint employees with developments that may affect operations or personnel. State Magazine is available online at www.state.gov/m/dghr/statemag/.

¹ This indicator was incorporated in FY 2002.

I/P #15: INTEGRATE BUDGET AND PERFORMANCE (continued)

OUTPUT INDICATOR

Indicator #3: Status of Annual Performance and Accountability Report

FY 2004 PERFORMANCE	Target	1. Submit the FY 2003 Performance and Accountability Report on time. 2. Report receives the "Certificate of Excellence in Accountability Reporting" (CEAR) award.
	Results	1. PAR submitted timely. 2. PAR received CEAR award.
	Rating	■ On Target
	Impact	High quality of the PAR enables Program Managers department-wide to better use performance information to manage programs.
DATA QUALITY	Data Source	Official notification of CEAR Award.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Recognition by Association of Government Accountants (AGA) by awarding CEAR indicates quality of PAR.
PAST RESULTS	2003	FY 2002 Performance and Accountability Report issued on time.
	2002	1. FY 2001 Accountability Report issued on time. 2. Report received the AGA CEAR award.
	2001	1. FY 2000 Accountability Report issued on time. 2. FY 2000 Performance Report issued on time.



Secretary Powell, with Deputy Secretary Armitage, Under Secretary for Management Green, Assistant Secretary Burnham and Bureau of Resource Management employees, accepts the FY 2003 Certificate of Excellence in Accountability Reporting. The Department received the award from the Association of Government Accountants for the third consecutive year in recognition of the high quality of the FY 2003 Performance and Accountability Report. Department of State Photo

I/P #16: IMPROVE FINANCIAL PERFORMANCE

Provide world-class financial services that support strategic decision-making, mission performance, the President’s Management Agenda, and improved accountability to the American people.

OUTPUT INDICATOR

Indicator #4: Improved Financial Performance (President’s Management Agenda, OMB Scoring)

FY 2004 PERFORMANCE	Target	Status: Green Progress: Green
	Results	Status: Yellow Progress: Green
	Rating	 Below Target
	Impact	Meeting all requirements to progress to “green” status will allow for high quality financial management in accordance with USG-wide standards.
DATA QUALITY	Data Source	President’s Management Agenda Scorecard
	Results Verification Confidence Level	High
	Indicator Validation Statement	OMB Scorecard based upon established criteria, which is applied across all major Departments. Results against criteria are reviewed quarterly.
PAST RESULTS	2003	Status: Red. Progress: Green
	2002	Status: Red. Progress: Green
	2001	Baseline: Status: Red. Progress: Red

OUTCOME INDICATOR

Indicator #5: Financial Services Consolidation (FSC)

FY 2004 PERFORMANCE	Target	The Department takes occupancy of the third and last building in Charleston complex.
	Results	The building was delivered ready for occupancy ahead of schedule and within budget. Domestic financial services were consolidated in the new building in Charleston.
	Rating	 Above Target
	Impact	The building was ready for consolidation of financial services ahead of schedule.
DATA QUALITY	Data Source	Bureau of Resource Management, Office of Global Financial Services.
	Results Verification Confidence Level	High
	Indicator Validation Statement	Consolidation of the Department’s financial services will improve operations of its financial management systems.
PAST RESULTS	2003	1. Domestic processing for American payroll and Foreign Service Pension was operating in FSC Charleston. 2. All overseas posts serviced by former FSC Paris were serviced by FSC Charleston and FSC Bangkok.
	2002	1. Implementation plan submitted to OMB. Initial implementation of Regional Financial Management System (RFMS) in FSC Charleston. 2. The Department took occupancy of the second building in Charleston complex in April 2002.
	2001	1. The Department approved the transfer of certain financial management functions to FSC Charleston. 2. The Department approved the transfer of posts serviced by FSC Paris to FSC Charleston and FSC Bangkok, and the closure of FSC Paris.

PERFORMANCE GOAL 6

CUSTOMER-ORIENTED, INNOVATIVE DELIVERY OF ADMINISTRATIVE AND INFORMATION SERVICES, ACQUISITIONS, AND ASSISTANCE

I/P #17: WORLDWIDE LOGISTICS

Improve customer support and increase the efficiency of the Department's worldwide logistics support system. Implement Quality Sourcing to provide the necessary technical support for competitive sourcing and performance-based service contracting.

EFFICIENCY INDICATOR

Indicator #1: Percentage of Service Contract Dollars That Are Performance Based

FY 2004 PERFORMANCE	Target	20%
	Results	16% ¹
	Rating	■ Below Target
	Impact	Performance-Based Service Acquisition (PBSA) improves quality of contractor performance, increases customer satisfaction, and enables innovation. The Department can maximize the opportunities to increase contractor performance quality, customer satisfaction and innovation through PBSAs.
DATA QUALITY	Data Source	Federal Procurement Data System-Next Generation
	Results Verification Confidence Level	Medium
	Indicator Validation Statement	In Memorandum M-01-11 and M-01-15, the Office of Management and Budget (OMB) established annual goals for all agencies to award performance based service contracts. OMB goals are expressed as a percent of eligible services contract dollars awarded.
PAST RESULTS	2003	8% of the Department's service contract dollars are performance-based, against a total of 30%.
	2002	Baseline: 16% of service contract dollars are performance-based, against a total of 20%.
	2001	N/A ²

¹ The statistical information provided in this report is based upon manual evaluation and manipulation of raw data from GSA's Federal Procurement Data System-Next Generation (FPDS-NG) which is the Government-wide automated repository for procurement related information. Final data will not be available until early 2005.

² This indicator was incorporated in FY 2002.

I/P #17: WORLDWIDE LOGISTICS (continued)

INPUT INDICATOR

Indicator #2: Logistics in the Areas of Acquisition, Distribution, Transportation, Travel, and Diplomatic Pouch and Mail

FY 2004 PERFORMANCE	Target	Achieve seventy-five percent "perfect order fulfillment."
	Results	86%
	Rating	■ Significantly Above Target
	Impact	During FY 2004, the Bureau of Administration's Office of Logistics Management (A/LM) used the Integrated Logistics Management System (ILMS) to automate and collect data on the internal processing of pouch materials and on freight forwarder performance related to the shipment of unclassified diplomatic pouches to overseas posts. This automation effort provided performance indicators and metrics that enabled A/LM to adjust processes and to work with freight forwarders on their delivery times. Besides meeting the goal of 75% for the majority of the pouch supply chain, this also enabled A/LM to achieve an overall reduction in cycle time for materials moving through the pouch system to overseas posts.
DATA QUALITY	Data Source	Integrated Logistics Management System
	Results Verification Confidence Level	High
	Indicator Validation Statement	Perfect Order Fulfillment (POF) was chosen as the most meaningful measurement of the Office of Logistics Management supply chain. POF is a standard logistics term that represents the percentage of orders delivered to the customer on time, accurately, and complete.
PAST RESULTS	2003	<ol style="list-style-type: none"> 1. Integrated Logistics Management System (ILMS) <ul style="list-style-type: none"> ● Operational in four domestic bureaus and one overseas regional procurement facility. ● Asset Management module piloted at one overseas post. ● Diplomatic Pouch and Mail module fully deployed and operational in both the unclassified and classified pouch facilities. 2. Logistics Management (A/LM) Balanced Score Card (BSC) <ul style="list-style-type: none"> ● Conducting a "bottom up" review and developing scorecard initiatives and performance indicators within each Directorate, Division and Branch. These scorecards and initiatives will then be incorporated into the A/LM BSC.
	2002	ILMS implementation delayed until FY 2003.
	2001	Seventy-two percent customer satisfaction.
	2000	Seventy-two percent customer satisfaction.

I/P #18: OVERSEAS SCHOOLS ACCREDITATION

Support posts abroad by ensuring to the fullest extent possible the availability of elementary and secondary educational opportunities to prepare USG dependents for reentry into the U.S. educational system.

OUTPUT INDICATOR

Indicator #3: Overseas Schools Accreditation

FY 2004 PERFORMANCE	Target	A total of 170 accredited schools.	
	Results	A total of 172 accredited schools.	
	Rating	 Above Target	
	Impact	The increase in accredited schools means that more USG dependents are able to avail themselves of a quality education which is an important factor in mission morale and quality of life.	
DATA QUALITY	Data Source	U.S. Accrediting Agencies	
	Results Verification Confidence Level	High	
	Indicator Validation Statement	The increase of accredited schools is an indication that our promotion of accreditation through grants to accrediting agencies and direct assistance to the schools is having a positive effect.	
PAST RESULTS	2003	A total of 165 accredited schools.	
	2002	A total of 150 accredited schools.	
	2001	Baseline: A total of 148 accredited schools.	

I/P #19: RECORDS AND PUBLISHING SERVICES

Leverage information resources and institutional knowledge in support of goals for information availability and objectives regarding protection of and access to critical information.

EFFICIENCY INDICATOR

Indicator #4: FOIA Backlog Reduction (Cases Closed)

FY 2004 PERFORMANCE	Target	Eighty percent reduction in the FY 2001 level by July 2004.	
	Results	More than 11,500 requests have been completed, representing a closure rate of 85% of all FOIA and Privacy Act requests. The Department has reduced the overall backlog from 6,214 to fewer than 2,000 cases, and reduced the median processing time by 65%.	
	Rating	 Above Target	
	Impact	Those requesting information will receive it much sooner.	
DATA QUALITY	Data Source	FREEDOMS (Freedom of Information Document Management System)	
	Results Verification Confidence Level	High	
	Indicator Validation Statement	"Cases closed" is universally recognized throughout the Government, by the GAO, the Congress, the lead agency (DOJ), and the courts as the appropriate measurement for the FOIA program.	
PAST RESULTS	2003	Achieved a fifty percent reduction as of the end of FY 2003.	
	2002	Baseline: Achieved a twenty-percent reduction in the FY 2001 backlog of 6,214 FOIA requests.	
	2001	Zero percent.	

I/P #20: ALLOWANCES

Maintain timely review and processing of overseas submissions for allowance and differential rates in order to compensate employees properly for current costs and conditions, and to ensure that the U.S. Government is paying appropriate rates.

OUTPUT INDICATOR

Indicator #5: E-Allowances System for Reporting from Posts to Washington

FY 2004 PERFORMANCE	Target	Phase I development/initial deployment.
	Results	On September 30, 2004, the project successfully completed the milestone to provide the Critical Design Review for the per diem module (Phase I) of the eAllowances Project. The system is being coded, with Phase I on schedule for May 2005 completion and deployment.
	Rating	■ On Target
	Impact	Phase I (development of the per diem module) is underway with the assistance of two contract vehicles: one for project management and independent verification and validation testing, and one for systems development. To date, the project plan is on target and within budget for the initial design, as well as the critical design review. The next milestone for the project will be development and testing of the prototype, scheduled for early 2005.
DATA QUALITY	Data Source	Monthly Earned Value calculation and report to the eGov Program Management Office (eGovPMO) in the Bureau of Information Resource Management. Although the total cost of eAllowances is relatively low (about \$10 million over 5 fiscal years), it is considered a major project because the calculation of allowances affects some 40 federal agencies with 55,000 civilian employees overseas. E-Allowances must, therefore, submit an OMB 300 report and track earned value.
	Results Verification Confidence Level	High
	Indicator Validation Statement	This indicator is intended to replace paper submissions to Washington with an automated process, workload, and timeliness benefits. The current Allowances system requires that Posts abroad provide data manually (paper copies) to the Office of Allowances in Washington for processing. The information is entered into the Department's computer system and calculations of the appropriate allowance are made for use by USG civilian agencies with employees posted or on temporary duty abroad. This is a very time consuming, labor-intensive process that can add several days to the processing of a complicated allowances questionnaire.
PAST RESULTS	2003	<ol style="list-style-type: none"> 1. Customer Focus Team Meeting held and Alternative Analysis completed. 2. Systems Requirements Specifications and Per Diem Business Processing Re-engineering (BPR) completed; User requirements completed. 3. OMB Exhibit 300 developed. 4. Statement of Work in draft.
	2002	Baseline: User requirements Identified.
	2001	N/A ¹

¹ This indicator was incorporated in FY 2002.

IX. Program Evaluations and PART Reviews

Eight Program Evaluations and two OMB PART reviews were conducted in FY 2004 that pertain to this Strategic Goal.

- 1) Phase I of Department of State's Approach to Establishing a New Messaging System (IT-A-04-05)
- 2) Review of the Bureau of Overseas Buildings Operations' New Embassy Construction (NEC) Program Planning and Design (AUD/PPS-04-07)
- 3) Review of Management of Compound Physical Security Upgrades (AUD/PPA-04-37)
- 4) Strengthening Leadership and Staffing at African Hardship Posts (ISP-04-54)
- 5) Achieving Concurrent Construction Would Help Reduce Costs and Meet Security Goals (GAO-04-952)
- 6) Protection of Classified Documents at Overseas Posts (SIO-A-04-08)
- 7) Actions Are Needed to Increase Efficiency and Improve Delivery of Administrative Support Services (GAO-04-511)
- 8) Targets for Hiring, Filling Vacancies Overseas Being Met, But Gaps Remain in Hard-to-Learn Languages (GAO-04-139)
- 9) Worldwide Security Upgrades (OMB PART) – The OMB ratings for this PART program are CY 2004: Effective; and CY 2003: Moderately Effective.
- 10) Capital Security Construction (OMB PART) – The OMB ratings for this PART program are CY 2004: Effective; CY 2003: Effective; and CY 2002: Moderately Effective.

Detailed information on major findings, recommendations, and actions to be taken can be found in the "OMB PART Summaries" and the "Completed Program Evaluations for FY 2004" Appendices.

MILESTONES OF AMERICAN DIPLOMACY

1778: Treaty of Alliance with France, engineered by Benjamin Franklin, enabled the fledgling republic to continue its struggle for independence.

1783: Treaty of Paris-Great Britain recognized American independence and control over western lands as far as the Mississippi.

1795: Jay's Treaty required Great Britain to remove troops from north-western frontier; Pinckney's Treaty with Spain opened mouth of Mississippi River to U.S. navigation.

1803: Louisiana Purchase removed foreign control of Mississippi's mouth and doubled U.S. territory.

1819: Adams-Onis Treaty with Spain, transferring Florida, extended the U.S. to present boundaries in southeast.

1823: Monroe Doctrine established U.S. policy of opposing European intervention or new colonization in Western Hemisphere.

1842: Webster-Ashburton Treaty with Great Britain delimited north-eastern U.S. (Maine) boundary.

1846: Oregon Treaty with Great Britain extended U.S. sole dominion to the Pacific.

1848: Treaty of Guadalupe-Hidalgo, ending 1846-48 war with Mexico, confirmed U.S. claim to Texas and completed U.S. expansion to Pacific.

1867: Alaska purchase ended Russian territorial presence and completed U.S. expansion on North American mainland.

1898: Treaty of Paris, at end of Spanish-American War, transferred to the United States Puerto Rico, Guam, and the Philippines, expanding U.S. power into the Pacific.

1918: Allies and Germany accepted Wilson's 14 points as basis for just and lasting peace ending World War I.

1945: U.S. and 50 other countries founded the United Nations.

1947: Truman Doctrine asserted U.S. policy of containing Soviet expansion through economic and military aid to threatened countries.

1947: Marshall plan of aid to Europe set foundation for economic cooperation among industrial democracies.

1948: Ninth International Conference of American States created the Organization of American States (OAS) to intensify U.S. and Latin American collaboration in all fields.

1948: NATO, first U.S. alliance concluded in peacetime, provided integrated force for defense of Western Europe and North America.

1963: Limited Nuclear Test Ban Treaty, first major-power agreement regulating atomic weapons testing, banned explosions in the atmosphere, in outer space and under water.

1967: Nonproliferation Treaty, now signed by 110 governments, banned the spread of atomic weapons.

1972: Strategic Arms Limitation Talks (SALT) agreements with U.S.S.R. prescribed mutual limitations on defensive and offensive weapons and established SALT as a continuing process.

1972: President Nixon's February visit to China followed Secretary Kissinger's earlier negotiations in Peking, marking first important step in the process of normalizing relations with the People's Republic of China.

1979: U.S. established diplomatic relations with the People's Republic of China ending 30 years of nonrecognition.

1979: Israel-Egypt Peace Treaty (Camp David Accords) ended 30 years of conflict between the two countries and provided possible framework for comprehensive peace in the Middle East.

1986: The U.S. Congress implemented strong economic sanctions against South Africa, which helped to bring an end to apartheid in 1991.

1989-1991: As President George H.W. Bush stated a desire to integrate the Soviet Union into the community of nations, the Cold War ended when communist regimes collapsed across Eastern Europe and the Soviet Union disintegrated.

1990-1991: In response to the Iraqi invasion of Kuwait, the United States built an international coalition to defend Saudi Arabia and, after United Nations approval, to eject Iraq from Kuwait through Operation Desert Storm.

1992: Representatives of more than 175 nations, including the United States, met at the Earth Summit in Rio de Janeiro, which produced a treaty on climate change and was the largest international meeting on the environment ever convened.

1994: The North American Free Trade Agreement (NAFTA) between the United States, Canada, and Mexico took effect and the United States joined another structure that promoted global free trade, the World Trade Organization.

1995: The General Framework Agreement for Peace in Bosnia and Herzegovina ended the Bosnian civil war by providing for NATO troops to serve as peacekeepers.

2001: The United States led a global coalition that fought a war against terrorism in the wake of the September 11 terrorist attacks in New York and Washington D.C.

2003: After Iraq's repeated refusals to comply with UN resolutions, the United States led a coalition to depose the regime of Saddam Hussein.



RESOURCE
SUMMARY BY
STRATEGIC GOAL



RESOURCE SUMMARY

U.S. DEPARTMENT OF STATE
 APPROPRIATIONS ACT RESOURCES

(\$ in thousands)

STRATEGIC OBJECTIVE Strategic Goal		FY 2003 Actual		FY 2004 Actual	
		Positions	Funds	Positions	Funds
ACHIEVE PEACE AND SECURITY					
RS	Regional Stability	1,140	\$ 938,354	1,270	\$ 1,711,798
CT	Counterterrorism	815	117,273	898	210,002
HS	Homeland Security	597	86,768	562	234,148
WD	Weapons of Mass Destruction	488	156,270	514	182,367
IC	International Crime and Drugs	668	88,128	695	98,527
AC	American Citizens	537	51,756	551	59,853
ADVANCE SUSTAINABLE DEVELOPMENT AND GLOBAL INTERESTS					
DE	Democracy & Human Rights	818	518,966	822	317,860
EP	Economic Prosperity and Security	1,536	424,185	1,539	412,917
SE	Social & Environmental Issues	312	290,065	281	300,892
HR	Humanitarian Response	524	69,425	547	43,079
PROMOTE INTERNATIONAL UNDERSTANDING					
PD	Public Diplomacy and Public Affairs	2,261	444,782	2,230	514,276
STRENGTHEN DIPLOMATIC AND PROGRAM CAPABILITIES					
MG	Management and Organizational Excellence	9,272	4,212,730	9,585	4,855,124
Strategic Goal Sub Total		18,968	7,398,702	19,494	8,940,843
Office of Inspector General		314	29,074	314	31,369
International Commissions		345	57,730	345	57,187
Foreign Service Retirement & Disability Fund			138,200		134,979
GRAND TOTAL		19,627	\$7,623,706	20,153	\$ 9,164,378

RESOURCE SUMMARY

U.S. DEPARTMENT OF STATE AND OTHER
FOREIGN AFFAIRS AGENCIES
FOREIGN OPERATIONS AND FOOD AID RESOURCES

(\$ in thousands)

STRATEGIC OBJECTIVE Strategic Goal	FY 2003 Actual Funds	FY 2004 Actual Funds
ACHIEVE PEACE AND SECURITY		
RS Regional Stability	\$ 7,242,880	\$ 4,928,932
CT Countering Terrorism	1,187,645	950,470
HS Homeland Security	338	2,893
WD Weapons of Mass Destruction	211,260	249,188
IC International Crime and Drugs	1,132,316	1,383,752
AC American Citizens	—	—
ADVANCE SUSTAINABLE DEVELOPMENT AND GLOBAL INTERESTS		
DE Democracy & Human Rights	769,664	781,893
EP Economic Prosperity and Security	2,810,357	2,856,626
SE Social & Environmental Issues	1,956,541	2,066,084
HR Humanitarian Response	1,290,206	1,082,475
PROMOTE INTERNATIONAL UNDERSTANDING		
PD Public Diplomacy and Public Affairs	123,264	24,151
STRENGTHEN DIPLOMATIC AND PROGRAM CAPABILITIES		
MG Management and Organizational Excellence	481	5,712
Strategic Goal Sub Total 1/	16,724,952	14,332,176
OTHER FOREIGN OPERATIONS 2/	6,948,410	23,767,039
Total - Foreign Operations	23,673,362	38,099,215
AGRICULTURE - P.L. 480 Title II	1,441,000	1,184,967
GRAND TOTAL	\$ 25,114,362	\$ 39,284,182

1 The Department administered in FY 2003 a total of \$2,578,429,000 and in FY 2004 a total of \$2,824,168,000 in the INCLE, ACI, IO&P, MRA, ERMA, NADR and PKO accounts. The balance of funds are implemented by other foreign affairs agencies.

2 Includes international affairs resources (Function 150) for other USG agencies to which the Department provides foreign policy guidance (e.g., EXIM, OPIC, TDA, Peace Corps), international financial institutions and the Iraq Relief and Reconstruction Fund.

INTERESTING HISTORICAL NOTES

SEWARD'S ABORTIVE INITIATIVE

At the beginning of President Lincoln's Administration in April 1861, the new Secretary of State, William H. Seward of New York, proposed to end domestic political strife over the all-consuming question of slavery by pursuing an active foreign policy, one that might lead to declarations of war against France or Spain, thus uniting domestic factions against a foreign threat. Seward even volunteered himself as the principal prosecutor of such a policy. The President tactfully rebuffed this extraordinary proposal. Thereafter, Seward subordinated himself to the President and served him loyally and effectively.

THE HULSEMANN-WEBSTER EXCHANGE

In 1850 the Austrian charge in Washington, the Chevalier Hulsemann, who strenuously objected to supposed American interference in the domestic affairs of Hungary, communicated an insulting message to the Department of State. His Government, he stated, had "deemed it proper to preserve a conciliatory deportment making ample allowance for the ignorance of the Cabinet of Washington on the subject of Hungarian affairs and its disposition to give credence to the mendacious rumors which are propagated by the American press."

To this statement Secretary of State Daniel Webster replied in kind: "Nothing will deter either the Government or the people of the United States from . . . forming and expressing their own opinions freely and at all times upon the great political events which may transpire among the civilized nations of the earth. Their own institutions stand upon the broadest principles of civil liberty; and believing those principles . . . to be . . . in fact the only principles of government which meet the demands of the present enlightened age, the President has perceived with great satisfaction that in the constitution recently introduced into the Austrian Empire many of these great principles are recognized and applied."

