Strategic Goal 8: Economic Prosperity and Security

Enhance Economic Prosperity and Security by Promoting Global Economic Growth, Development, And Stability, While Expanding Opportunities For U.S. Businesses

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 advancing prosperity, freedom, and economic opportunity worldwide. Economic growth creates new jobs and higher incomes for Americans and for other nations. The Department and USAID work closely with other agencies, NGOs, and the public and private sector in the U.S. and abroad to build a strong and dynamic international economic system based on free trade with new opportunities for American businesses, workers, and farmers; and to ensure the economic security of the United States. The Department has a direct impact on U.S. economic security, working to ensure the stability of the international financial system, disrupt terrorist financial networks, support front-line states grappling with difficult economic conditions, develop diversified and reliable sources of energy, and secure international transportation of people and goods.

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 the Department faces. Regional instability, international crime and illicit drugs, social and environmental destabilization, food insecurity, and humanitarian crises all feed on, and further marginalize, vulnerable populations. The Department's and USAID'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 U.S. 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. Creating new economic opportunities in the U.S. and around the world will also reduce the suffering from poverty and hunger that currently plagues 1.2 billion people worldwide, and improve natural resource management and environmental quality, while creating institutional and human capacity to build equitable and sustainable economies. 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.

II. Resource Summary ($ in Thousands)

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Change from FY 2005	
				Amount	%
Staff [1]	1,525	1,556	1,561	5	0.3%
Funds [2]	$5,825,044	$5,672,187	$7,913,068	$2,240,881	39.5%

[1] Department of State direct-funded positions.
[2] Funds include both Department of State Appropriations Act Resources and Foreign Operations Resources, where applicable.

III. Strategic Goal Context

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

Strategic Goal	Performance Goal (Short Title)	Initiative/ Program	Major Resources	Lead Bureau(s)[1]	Partners
Economic Prosperity and Security	Economic Growth and Development	Growth and Development Strategies	CIO, DA, D&CP, ESF, FSA, IO&P, MCA, SEED	EB, EUR, IO, *PPC/P*	Treasury, DOC, MCC, USDA, EXIM, OPIC, TDA, USTR, IMF, World Bank, Reg'l Devl Banks, UNDP, ILO, WTO, OECD, UNCTAD, UNICEF, FAO, G-8
		Science-Based Decision-Making and Standards Development	CIO, D&CP, ESF	EB, OES, STAS, *PPC/P*	EPA, NIH, NIST, UNESCO, APHIS, FDA
		International Organizations and Economic Development Policy and Operational Activities	CIO, D&CP, IO&P	EB, IO	Treasury, DOC, USDA, EXIM, OPIC, TDA, USTR, IMF, World Bank, Regional Devl Banks, UNDP, ILO, WTO, OECD, UNCTAD, UNICEF, FAO, G-8
		United Nations Development Program	D&CP, IO&P	IO	EPA, DOL, DOJ, Treasury, DOC, USDA, TDA, United Nations Funds and Programs, Multilateral Development Banks
		Private Sector Capacity	DA, ESF, FSA, SEED	*PPC/P*	UNDP, ILO, WTO, UNCTAD, UNICEF, FAO, G8, EU
	Trade and Investment	Create Open and Dynamic World, Regional, and National Markets	DA, D&CP, ESF	EB, *PPC/P, EGAT*	USTR, Treasury, DOC, DOT, USDA, TDA, WTO, OECD, international institutions, private sector and NGOs
		Support for U.S. Businesses	D&CP	EB, *PPC/P, AFR*	USTR, Treasury, DOC, DOT, USDA, TDA, WTO, OECD, international institutions, private sector and NGOs
		Integrating Environmental Protection and Trade	DA, D&CP, ESF	OES, *EGAT/ESP*	USTR, Treasury, DOC, USDA, TDA, EPA, DOI, DOJ, WTO, OECD, international institutions, private sector and NGOs
		Genetic Resources Initiative	ESF, CIO	OES, IO	CBD, USDA, FAO, WIPO
	Secure and Stable Markets	Secure Energy Supplies	D&CP	EB, *EGAT/ESP*	DOE, IEA, foreign governments, NSC
		Stable Financial Markets	D&CP	EB	Treasury, IMF, World Bank, OECD, Regional Devl Banks
	Enhanced Food Security and Agricultural Development	Agriculture-led Income Opportunities Expanded	DA, PL480, CIO	*EGAT/ESP, AFR*	USDA, NGOs, FAO, WB
		Food Security	DA, PL480, CIO	*EGAT/ESP, AFR*	USDA, NGOs, FAO, WB

[1] USAID components are shown in blue italicized fonts.

IV. Performance Summary

For each Initiative/Program that supports accomplishment of this strategic goal, the most critical FY 2006 performance indicators and targets are shown below.

Annual Performance Goal #1
INSTITUTIONS, LAWS, AND POLICIES FOSTER PRIVATE SECTOR GROWTH, MACROECONOMIC STABILITY, AND POVERTY REDUCTION.

I/P #1: Growth and Development Strategies		
Spur economic development and enhance investment climates through the Millennium Challenge Account (MCA) and other initiatives.		
Output Indicator		
Indicator #1: Monitoring Country Progress Index for Economic Reform		
TARGETS	FY 2006	1. SEED – MCP Economic Reform Index score 3.2 out of 5. 2. FSA – MCP Economic Reform Index score 2.85 out of 5.
	FY 2005	1. SEED – MCP Economic Reform Index score 3.1 out of 5. 2. FSA – MCP Economic Reform Index score 2.75 out of 5.
RESULTS	2004	1. SEED - MCP Economic Reform Index 3.0 out of 5. 2. FSA - MCP Economic 2.6 out of 5. (Data changes annually by calendar year. This represents changes for CY 2003 as a whole.)
	2003-2001	N/A
DATA QUALITY	Indicator Validation	Organization for Economic Co-operation and Development and World Bank publications. USAID reviews alternative sources annually.
	Data Source	The MCP Economic Reform Index is constructed by USAID using EBRD's annual Transition Report and covers events through the preceding year. SEED includes the graduated countries of Eastern Europe.

I/P #2: Science-Based Decision-Making and Standards Development

Strengthen ties with neighbors and key allies, and facilitate access to international markets for new technologies.

Outcome Indicator

Indicator #2: Effectiveness of Contacts Between Science & Technology (S&T) Communities and Policymakers

TARGETS	FY 2006	1. Number of S&T agreements will increase to 40 with increased collaboration of USAID, other U.S. government (USG), NGO, private sector and academic institutions leading to capacity building, job creation and trade. Provisions for marine research vessel access and non-taxation of U.S. assistance will be included in all new and renewed agreements. 2. USG agency participation in Embassy Science Fellows program remains steady. Fellowship placement remains steady at about 50. 3. 2-4 workshops on science trade and development issues will be conducted and preparations for 3 additional workshops will be initiated. 4. Conduct policy review of S&T activities under the U.S.-China S&T agreement. 5. Based on the NRC panel conclusions, USAID reforms and strengthens its S&T capacity and programs with and through the State/USAID SPF. 6. The UN and InterAcademy Panel (including the U.S. National Academies of Science) expand their work on S&T and sustainable development to food security, energy, the digital divide and other areas of concern. U.S. S&T within our foreign policy is carefully aligned to exploit these initiatives. 7. U.S. S&T agrobiotech initiatives are reinforced by the NAS/IAP/IAC and UN organizations and substantial progress is made to build indigenous agrobiotech capacity in developing countries. 8. The U.S. UN Educational, Scientific and Cultural Organization (UNESCO) model for engineering, education, and sustainable development is adopted by the Organization of American States (OAS) for its regional S&T initiative. 9. Better metrics are established to evaluate U.S. exports of space imagery and satellite services, as well as low emission energy technology sales that can be attributable to the Department's efforts. 10. ITER construction continues on schedule. 11. U.S. and EU progress with activities and mechanisms to achieve satellite navigation interoperability, and additional countries adopt GPS augmentation systems.
	FY 2005	1. Number of S&T agreements will increase to 38 with increased collaboration of USAID, other USG, NGO, private sector and academic institutions. 2. Complete Agreements and implement new science partnerships with Algeria, Morocco and Tunisia, including engagement of academic and private sector partnerships. 3. Initiate science and environment dialogue with Libya and encourage engagement (as appropriate) with other Maghreb nations, as well as U.S. academic and private sector partners. 4. Initiate bilateral and regional S&T dialogue with Central Asia, South East Asia and select African nations. 5. USG agency participation in Embassy Science Fellows program remains steady. Fellowship placement remains steady at about 50. 6. 2 workshops on science trade and development issues will be initiated. 7. S&T agreements will be pursued in support of USG agency S&T interests, including marine research vessel access, strengthened IPR regimes, and non-taxation of U.S. assistance. 8. EU barriers to ag-biotech field tests and commodities trade are eliminated; field test and commodities trade in biotech products increased in other parts of the world. 9. Post-WSSD activities in water and energy are fully ingrained in UNESCO program of work; implement Presidential Bilateral Initiative in water and energy. 10. Exports of space imagery and satellite services continue to increase. 11. Low emission energy technology sales continue to rise. 12. ITER begins construction.

RESULTS	2004	1. Initiated S&T dialogue, with bilateral and regional focus, with Algeria, Morocco and Tunisia; sign agreements, where possible, and examine potential for similar interaction with Libya. 2. Conducted policy review of S&T activities under the U.S.-China S&T agreement. 3. Implemented new S&T partnerships with Pakistan with $2million from USAID, and examine possible additional activities with Bangladesh. 4. Initiated S&T partnerships with Uruguay and Cape Verde. 5. Completed OES/STC database of ESTH Officers at U.S. posts overseas. 6. Updated list of U.S. S&T Agreements will be placed on the OES/STC website. 7. ITER procurement/legal issues nearly resolved, but partners remained split on two site options. 8. Participated in six bilateral initiatives to involve developing country partners in climate change science and technology cooperation. 9. The U.S. signed a letter of intent to collaborate in agricultural biotechnology with India. India is poised to be a leader on agricultural biotechnology among developing countries and thus can play an influential role in demonstrating the benefits of biotechnology. 10. Organized a meeting of West African ministers to discuss agricultural science and technology as a tool for economic development and food security. An outcome of that conference has been increased interest in biotechnology and further discussions with the U.S. on collaboration in this area. 11. USAID and USDA jointly sponsored a meeting held at the University of California at Davis to strengthen research cooperation between the U.S. research community and the international agricultural and natural research centers. 12. The long-term agricultural and natural resource management research funded by USAID and other donors continued to provide important benefits for both producers and consumers in developing countries. 13. USAID convened a U.S.-India Joint Working Group on Agricultural Biotechnology, engaging USDA, State, NSF and leading U.S. scientists with a counterpart team drawn from the Government of India leadership and leading Indian biotechnology research organizations.

	2003	1. 31 bilateral S&T agreements in place with signature of a new agreement with Bangladesh. Intellectual property provisions of S&T agreements become critical component FTA-related environment talks with Chile. 2. 7 USG agencies participate in Embassy Science Fellows program. Over 50 requests for USG science representatives received from U.S. posts within first half of FY 2003. Total number of fellowship placements exceeded 50. 3. OES/STC prepares to receive $2 million from USAID to support science collaboration with Pakistan. STC initiates C-175 process to support U.S.-Pakistan S&T collaboration. 4. OES/STC negotiation of S&T agreements with the Philippines and Poland near completion and will bring total number of agreements to 33. Science partnerships with the Philippine to include exchange of genetic resources. 5. Standard S&T agreements with Maghreb, Central American and Central and South Asian countries being drafted by OES/STC to support science exchanges, FTA, and sustainable development. 6. OES/STC initiated development of database of ESTH Officers at U.S. posts overseas to facilitate communications with USG and publicly funded private S&T research communities. 7. U.S. rejoined ITER; negotiations began on procurement, personnel, legal structure, siting. 8. To promote developing country access to and management of new scientific tools such as biotechnology for improving agriculture productivity, environmental sustainability and nutrition, USAID launched a comprehensive set of activities under the Collaborative Agricultural Biotechnology Initiative (CABIO).These activities include research and technology development to better address developing country crop and animal production needs, as well as development of policy and regulatory frameworks. 9. Promoted development of science-based biosafety systems by bringing scientists and policymakers together to provide the basis for sound decision-making on biotechnology in agricultural development. 10. USAID sponsored a global meeting of researchers to consider the relevance and importance of social sciences to agricultural and natural resources research aimed at alleviating poverty and enhancing environmental sustainability. The outcome strengthened the support for economics and social sciences in the $400 million CGAIR global research program. 11. USAID sponsored an Asia regional agricultural biotechnology priority setting meeting in New Delhi, India, bringing scientists and policy makers from the U.S. and from across the region to discuss key objectives and steps needed to bring the benefit of new science to increasing productivity among smallholder farmers. Key objectives identified included nutritional enhancement and tolerance of abiotic stress (e.g., drought, salinity). 12. In conjunction with the Rockefeller Foundation and DFID (UK), USAID established the African Agricultural Technology Foundation to sponsor the sharing of research technologies between the public and private sectors in ways that bring the latest science to bear on solving problems affecting the livelihood of millions of African farmers. 13. USAID joined with the International Rice Research Institute to implement the International Rice Functional Genomics Consortium and the Cereals Comparative Genomics Initiative. 14. USAID worked with CGAIR partners and leading U.S. researchers to establish the Harvest Plus Challenge Program aimed at developing nutritionally enhanced strains of rice, wheat, maize, beans, cassava and sweet potato. The program has since attracted $25 million in support from the Gales Foundation, as well as the World Bank and USAID.
	2002	1. USG organized and sponsored four roundtables on biotechnology and nanotechnology issues. 2. Reforms were completed and published for International Trade in Armaments (ITAR) regulations governing scientific and environmental satellites. 3. USG launched a Task Force for International Energy Technology Cooperation supporting the President's climate change initiative. 4. USG (USAID) launched an ag-biotech initiative, Collaborative Agricultural Biotechnology Initiative; mobilizing new science and technology to reduce poverty and hunger. 5. U.S. government organized and sponsored four roundtables on biotechnology and nanotechnology issues.
	2001	N/A
DATA QUALITY	Indicator Validation	This indicator was chosen because the language in UN economic development resolutions reflects prevailing policy norms. UN development organizations are major players in economic development. The types of programs and the nature of recipients' requests for assistance will demonstrate the degree of acceptance of MCA principles.
	Data Source	UN reports and publications.

I/P #3: International Organizations and Economic Development Policy and Operational Activities

Advance U.S. interests on development policy and related operational activities at international organizations.

Outcome Indicator

Indicator #3: Extent of Incorporation of the Central Principles of Millennium Challenge Account (MCA) into the International Development Norm-Setting Process and UN Agency Activities

TARGETS	FY 2006	1. High Level Plenary Session of the UN General Assembly on Development reaffirms principles of national responsibility, good governance, and economic freedom. 2. Active Economic Freedom Caucus in UN fosters consultation and cooperation on economic and development issues in the UN General Assembly (GA) and Economic and Social Council (ECOSOC) advancing the principles of economic freedom.
	FY 2005	Shift in focus of UN policy debate toward principles of economic freedom leads to policy changes at national levels.
RESULTS	2004	The High Level segment of ECOSOC (July) adopted a Ministerial Declaration on Least Developed Countries that laid the foundation for economic freedom language in other UN resolutions, including language on improving the enabling environment for the private sector; promoting the efficiency of markets; and developing financial sectors within transparent regulatory and legal systems.
	2003	1. Discussions on UN economic development resources and Monterrey follow-up focused less on developed country obligations towards developing countries and more on developing country responsibilities for their own development, highlighting good governance, economic freedom, and investing in people as means to maximize effective use of resources. 2. UN funds and programs introduced new programs, within their mandates, focused on improving governance, economic policy formulations, sustainable development, public-private partnerships, making health and education systems more accessible, all within framework of enhanced climate to attract private investment and development assistance, including MCA.
	2002	1. Monterrey Consensus placed domestic resource mobilization at the heart of development financing, with emphasis on good governance and sound economic policy. The World Summit on Sustainable Development (WSSD) maintained the Monterrey view. ECOSOC and UNGA resolutions adopted Monterrey language and discussed follow-up. 2. Monterrey linked resources to principles. World Food Summit: 5 years later incorporated USG objectives for reducing hunger. WSSD provided consistent mandates for UN development activities, including effective partnerships between recipients and donors. Efforts undertaken to link traditional sector-specific activities to developing country central policy/regulatory frameworks.
	2001	Baselines: 1. U.S. prodded the UN Financing for Development preparatory process into exploring the total resource package for development, with domestic resources as the major component and national policy as the crucial determinant of success. 2. UN development agency programming focuses on progress toward the international development goals in the Millennium Declaration and begins to reflect results-based programming and budgeting.
DATA QUALITY	Indicator Validation	This indicator was chosen because the language in UN economic development resolutions reflects prevailing policy norms. UN development organizations are major players in economic development. The types of programs and the nature of recipients' request for assistance will demonstrate the degree of acceptance of MCA principles.
	Data Source	United Nations reports and publications.

I/P #4: United Nations Development Program (UNDP)
(PART Program)

The five core goals of UNDP are to reduce poverty, foster democracy, combat HIV/AIDS, respond to crisis and post-conflict situations, and produce a sustainable environment.

Efficiency Indicator

Indicator #4: Operational Support Costs as a Percentage of Total Costs

TARGETS	FY 2006	11%
	FY 2005	11%
RESULTS	2004	Target: 11.50%. Data not available until the UN Development Program (UNDP) ends collection at end of Calendar Year and processes data.
	2003	12%
	2002	Baseline: 12.7%
	2001	N/A
DATA QUALITY	Indicator Validation	The ratio provides a good measure of UNDP's overall management efficiency.
	Data Source	UNDP data shared with the State Department.

Outcome Indicator		
Indicator #5: Percentage of Countries Receiving UN Development Program (UNDP) Support Where Annual Targets Were Fully Achieved		
TARGETS	FY 2006	1. Public Administration and Anti-Corruption: 68% 2. Conflict Prevention and Peace Building: 67%
	FY 2005	1. Public Administration and Anti-Corruption: 65% 2. Conflict Prevention and Peace Building: 66%
RESULTS	2004	Data not available until UNDP ends collection at end of calendar year and processes data.
	2003	N/A
	2002	Baselines: 1. Public Administration and Anti-Corruption: 62% 2. Conflict Prevention and Peace Building: 63%
	2001	N/A
DATA QUALITY	Indicator Validation	This indicator was chosen because tracking the percentage of countries receiving UNDP support where annual targets were fully achieved can provide a measure of progress toward achieving goals related to public administration, anti-corruption, conflict prevention, and peace building.
	Data Source	UNDP data shared with State Department.

I/P #5: Private Sector Capacity

Improve private sector capacity/growth, including rural competitiveness and micro- and small-enterprise development.

Output Indicator

Indicator #6: Enterprise Level Competitiveness

TARGETS	FY 2006	1. 2,243,214 loans provided as a result of USAID assistance (disaggregated by type of recipient, including historically disadvantaged groups). 2. $963,548,947 in loans provided as a result of USAID assistance (disaggregated by type of recipient, including historically disadvantaged groups). 3. 74,339 firms directly participating in USAID sponsored activities to strengthen their competitiveness/productivity (annually).
	FY 2005	1. 2,181,507 loans provided as a result of USAID assistance (disaggregated by type of recipient, including historically disadvantaged groups). 2. $857,446,583 in loans provided as a result of USAID assistance (disaggregated by type of recipient, including historically disadvantaged groups). 3. 68,868 firms directly participating in USAID sponsored activities to strengthen their competitiveness/productivity (annually).
RESULTS	2004	1. 2,247,926 loans provided as a result of USAID assistance (disaggregated by type of recipient, including historically disadvantaged groups). 2. $809,037,380 in loans provided as a result of USAID assistance (disaggregated by type of recipient, including historically disadvantaged groups). 3. 63,715 firms directly participating in USAID sponsored activities to strengthen their competitiveness/productivity (annually).
	2003	Baselines: 1. 1,338,864 loans provided as a result of USAID assistance (disaggregated by type of recipient, including historically disadvantaged groups). 2. $363,054,541 in loans provided as a result of USAID assistance (disaggregated by type of recipient, including historically disadvantaged groups). 3. 89,913 firms directly participating in USAID sponsored activities to strengthen their competitiveness/ productivity (annually).
	2002-2001	N/A
DATA QUALITY	Indicator Validation	Providing loans and other types of assistance to strengthen firms' competitiveness and productivity and promote private sector growth fuels economic expansion and poverty reduction.
	Data Source	USAID annual reports from operating units.

Annual 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 #6: Create Open and Dynamic World, Regional and National Markets

Increase capacity of countries to participate in global, regional, and national trade, and increase market access for U.S. goods, services, and enhance protection of intellectual property.

Outcome Indicator

Indicator #1: Level of Trade Capacity of USAID-Assisted Countries

TARGETS	FY 2006	$714,755,997 increase in exports of countries where USAID provides trade development assistance.
	FY 2005	$585,165,379 increase in exports of countries where USAID provides trade development assistance.
RESULTS	2004	$439,467,194 increase in exports of countries where USAID provides trade development assistance.
	2003	Baseline: $161,979,374 increase in exports of countries where USAID provides trade development assistance.
	2002-2001	N/A
DATA QUALITY	Indicator Validation	This indicator measures USAID-assisted firms' participation in markets at various levels and the income they gain as a result of more open trade. In turn, increases in exports generate income and revenue for development and investment.
	Data Source	USAID annual reports from operating units.

Outcome Indicator

Indicator #2: Status of Negotiations on Open Markets for Services, Trade, and Investment

TARGETS	FY 2006	1. World Trade Organization (WTO) Doha round and Free Trade of the Americas (FTAA) negotiations completed. 2. Andean Countries Free Trade Agreement (FTA) and SACU implemented. 3. Two FTAs concluded. CAFTA, Dominican Republic, Morocco and Australia FTAs enter into force. 4. Three new BITs concluded.
	FY 2005	1. WTO Doha negotiations completed January 1, 2005. 2. Two new BITs concluded. One FTA concluded.
RESULTS	2004	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 continued. 5. Launched FTA negations with Thailand, Andeans, and Panama.
	2003	1. Two FTAs (Chile, Singapore) concluded. 2. WTO and FTAA negotiations continued. 3. FTA negotiations began with CAFTA, Morocco, SACU, and Australia. 4. Notified Congress of intent to initiate FTA talks with Dominican Republic and Bahrain.
	2002	1. WTO launched new round in Doha. China and Taiwan joined WTO. Jordan FTA entered into force. Chile and Singapore FTA negotiations concluded. 2. 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.
	2001	1. Preparations for launch of new WTO round underway. 2. Chile and Singapore FTA negotiations began. 3. Congress approved Jordan FTA. 4. Five BITs entered into force. 5. APEC leaders agreed in Shanghai to liberalize trade and investment.
DATA QUALITY	Indicator Validation	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.
	Data Source	Information from State and U.S. Trade Representative negotiators.

Output Indicator

Indicator #3: Number of Market Opening Transportation Agreements in Place

TARGETS	FY 2006	1. Two bilateral Open Skies agreements (or multilateral accessions) concluded. 2. Three liberalizing (non-Open Skies) agreements concluded.
	FY 2005	1. Conclude two bilateral Open Skies agreements (or multilateral accessions). 2. Conclude three liberalizing (non-Open Skies) agreements.
RESULTS	2004	1. Open Skies agreements concluded with Indonesia, Tonga, Madagascar, and Gabon. 2. Liberalized agreements concluded with China and Vietnam; Indonesia had proposed further liberalization to their original agreement, prior to concluding a full Open Skies agreement. 3. Concluded shipping agreement with China.
	2003	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	1. Five bilateral Open Skies agreements concluded. 2. Multilateral Open Skies agreement with four countries concluded.
DATA QUALITY	Indicator Validation	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 Air Transport Agreements. Maritime agreements help open restricted foreign markets.
	Data Source	Agreements signed.

Output Indicator

Indicator #4: Number of Countries Allowing Commercial Use of Agricultural Biotechnology and Global Acreage of Biotech Crops under Cultivation

TARGETS	FY 2006	1. Three more countries commercialize agricultural biotechnology. 2. Acreage of agricultural biotechnology crops increases 12 percent.
	FY 2005	Three more countries begin to commercialize agricultural biotechnology.
RESULTS	2004	1. Australia approved commercialization of transgenic canola, Malaysia and Thailand took initial steps toward commercializing agricultural biotechnology. 2. Figures on acreage planted in 2004 not available until second quarter, FY 2005.
	2003	1. The Philippines commercialized ag-biotech, and Brazil approved the sale of ag-biotech. 2. Biotech acreage continued to expand.
	2002	1. India commercialized transgenic cotton. 2. Philippines and Brazil took initial steps toward commercializing agricultural biotechnology.
	2001	1. Seven additional countries allowed commercial use of agricultural biotechnology products. 2. Acreage under cultivation increased.
DATA QUALITY	Indicator Validation	Countries that commercialize biotechnology-derived crops are most likely to permit entry of biotechnology-derived products from other countries.
	Data Source	Statistics gathered by the International Service for the Acquisition of Ag-biotech Applications (ISAAA), the internationally recognized source for information on the commercialization of crops derived through modern biotechnology.

Output Indicator

Indicator #5: Number of USAID-assisted Countries in Some Stage of WTO Accession

TARGETS	FY 2006	31
	FY 2005	30
RESULTS	2004	29 (5 in ANE Region: Nepal, Cambodia, Lebanon, Vietnam, and Yemen. Iraq has observer status, and Afghanistan put in application for observer status.) 16 of 16 LAC presence countries are WTO members.
	2003	Baseline: 28
	2002-2001	N/A
DATA QUALITY	Indicator Validation	Participation and membership in the WTO indicates a commitment to trade and its economic benefits and an active engagement with other countries regarding trade agreements and integration.
	Data Source	USAID annual reports from operating units.

Output Indicator

Indicator #6: Number of Countries with Laws and Regulations Inconsistent with the WTO Trade-Related Aspects of Intellectual Property Rights (TRIPs) Agreement

TARGETS	FY 2006	28 or less.
	FY 2005	30 or less.
RESULTS	2004	31
	2003	33
	2002	34
	2001	Baseline: 44
DATA QUALITY	Indicator Validation	Economies adopting TRIPs-consistent laws and regulations benefit from increased foreign investment and provide enhanced protection of U.S. companies' intellectual property.
	Data Source	U.S. Trade Representative Special 301 Reports.

Output Indicator

Indicator #7: Adoption of U.S. Telecom, Information Technology (IT), and Radio Communication Proposals/Positions and Standards/Recommendations Favorable to U.S. Businesses in International Telecommunications Agreements and Declarations

TARGETS	FY 2006	1. One additional key country adopts U.S. Digital Television (DTV) standard. 2. Completion of a DTV implementation guide, to be adopted by Inter-American Telecommunications Commission (CITEL). 3. Continue to prepare for World Radio Communication (WRC) conference in 2007.
	FY 2005	1. Prepare for WRC in 2007. 2. U.S. proposals on convergence technologies for cable, telephony, and broadband adopted in ITU. 3. Western Hemisphere countries adopt U.S. Wireless Local Network standards. 4. CITEL endorses the U.S. DTV standard and key countries, including Brazil, adopt it.
RESULTS	2004	Mexico adopted the U.S. DTV standard in July, and CITEL adopted an outline of an implementation guide for countries to use when implementing DTV, with a technical attachment on the U.S. DTV standard.
	2003	Colombia took leadership on CITEL working group on DTV, promising faster progress. 3G-spectrum allocation. USG joint e-government summit promotes U.S. e-gov services and equipment. Adoption of the majority of U.S. proposals at the World Radiocommunication Conference (WRC).
	2002	1. USG promoted the U.S. DTV standard bilaterally with key countries Argentina and Brazil. ITU Agreement reached on standards for next generation interactive cable and interim ENUM. 2. Most U.S. proposed reforms to make ITU more efficient.
	2001	USG worked through CITEL for the adoption of the U.S. DTV standard and the allocation of 3G spectrum. Discussions on convergence standards begin.
DATA QUALITY	Indicator Validation	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.
	Data Source	News releases from individual countries plus resolutions and recommendations adopted by CITEL.

I/P #7: Support for U.S. Businesses

Advocate for U.S. companies to ensure transparency and fair play, and assist with regulatory and investment problems.

Output Indicator

Indicator #8: Number of Companies for Whom Advocacy Services Were Provided; Number of Commercial Advocacy Successes in Helping U.S. Companies Win Foreign Tenders; Enforce Contract Agreements; Gain Fair Treatment; and/or Enter New Foreign Markets.

TARGETS	FY 2006	1. Advocacy services provided for 195 companies. 2. 95 advocacy success stories.
	FY 2005	1. Advocacy services provided for 185 companies. 2. 80 advocacy success stories.
RESULTS	2004	1. Advocacy services provided for 152 companies. 2. 48 advocacy success stories.
	2003	1. Advocacy services provided for 125 companies. 2. 45 advocacy success stories.
	2002	1. Advocacy services provided for 110 companies. 2. 35 advocacy success stories.
	2001	Baseline: Advocacy services provided for 75 companies.
DATA QUALITY	Indicator Validation	This indicator measures the direct support EB provides to U.S. business in exporting goods and services as well as managing overseas investments.
	Data Source	Information from U.S. businesses, the Bureau of Economic and Business Affairs Advocacy Databases, and Department of Commerce Advocacy Center Databases.

I/P #8: Integrating Environmental Protection and Trade

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

Outcome Indicator

Indicator #9: Progress of Establishment of Trade Agreements and Environmental Cooperation Mechanisms That Enhance International Protection and Preservation of the Environment While Avoiding Disguised Barriers to Trade

TARGETS	FY 2006	1. Central America and Dominican Republic: Demonstrate assessable progress in executing projects under Program of Work, assuming free trade and environmental cooperation agreements have entered into force. 2. Andean (Colombia, Ecuador, Peru): Approve work plan and commence activities under cooperation mechanism. 3. Chile: Cooperation Commission revises and updates work plan based on achieved progress. 4. Jordan: Working Group revises and updates work plan based achieved progress. 5. Morocco: Assessable progress in executing projects under plan of action. 6. Singapore: Demonstrate assessable progress in achieving objectives set out in work plan. 7. Thailand: Approve plan of action for activities under cooperation mechanism. 8. The World Trade Organization (WTO)-Committee on Trade and Environment reports to trade ministers on progress made in negotiations and discussions on topics mandated by the DOHA Development Agenda. 9. FAO guidelines on ecolabeling begin to influence ecolabeling schemes around the world. 10. Negotiations to open additional waters to U.S. vessels under the South Pacific Tuna Access Treaty completed. 11. New countries implement legislation making TEDs use mandatory.
	FY 2005	1. Assistant Secretary (A/S)-level interagency working group coordinates resources dedicated to environmental cooperation associated with free trade agreements, submits unified budget request for FY 2006 to OMB. 2. Central America and Dominican Republic: Sign Environmental Cooperation Agreement. Obtain agreement with Central America Free Trade Agreement (FTA) parties on program of work under Environmental Cooperation Agreement, pending entry into force of both agreements. 3. Chile: Approve work plan under Environmental Cooperation Agreement. 4. Andean (Colombia, Ecuador, Peru): Conclude negotiations on FTA Environment Chapter and cooperation mechanism. 5. Thailand: Conclude negotiations of trade agreement Environment Chapter and cooperation mechanism. 6. Singapore: Finalize plan of action and demonstrate assessable progress in achieving plan's goals. 7. Morocco: Establish Working Group, hold first meeting, approve plan of action. 8. Jordan: Hold first Joint Environmental Forum meeting; approve work plan under Joint Statement. 9. Bahrain: Hold first meeting of body environmental cooperation mechanism and establish a plan of action for environmental cooperation. 10. Progress continues in the WTO on how to reduce harmful fish subsidies. 11. FAO Committee on Fisheries endorses ecolabeling guidelines for fisheries, implementation work begins. 12. U.S. begins discussions to open additional waters to U.S. vessels under the South Pacific Tuna Access Treaty. 13. Foreign governments successfully implement expanded TEDs rule; U.S. provides technical assistance to new countries to be certified under shrimp/turtle import law.

RESULTS	2004	1. Council on Environmental Quality and U.S. Trade Representative issued memo to Cabinet on importance of environmental cooperation associated with FTAs; Deputies-Level Committee met and established A/S-level interagency working group chaired by the Department. 2. Central America and Dominican Republic: FTA Environment Chapter and Environmental Cooperation Agreement negotiations concluded; FTA signed. 3. Chile: FTA and Environmental Cooperation Agreement (ECA) entered into force. First U.S.-Chile Environmental Affairs Council and Cooperation Commission meetings held, established under U.S.-Chile FTA and ECA respectively. First international FTA-related environmental meetings held by U.S. since the North American Free Trade Agreement. 4. Andean (Colombia, Ecuador, Peru): Commenced negotiations on trade agreement Environment Chapter and initiated discussions toward cooperation mechanism. 5. Singapore: FTA Environment Chapter and Memorandum of Intent (MOI) on Cooperation negotiated and entered into force. 6. Thailand: FTA Environment Chapter negotiations commenced. 7. Morocco: FTA Environment Chapter and Joint Statement on Cooperation negotiated and signed; U.S. Congress approved FTA implementing legislation. 8. Jordan: Joint Commission on Environmental Technical Cooperation met and agreed on Plan of Action. 9. Bahrain: FTA Environment Chapter and Memorandum of Understanding on Cooperation negotiations concluded. 10. Australia: FTA Environment Chapter and Joint Statement on Cooperation negotiated and signed; U.S. Congress approved FTA implementing legislation. 11. South Pacific Tuna Access Treaty was ratified and implemented covering the period to 2013. 12. U.S. worked with foreign governments toward expansion of TEDs rules.
	2003	1. Fisheries subsidies negotiations in WTO continued. 2. FAO adopted work plan on eco-labeling and other non-tariff trade measures. 3. The amended South Pacific Tuna Access Treaty was submitted to the Senate and advice and consent to ratification was provided. 4. U.S. expanded technical domestic fisheries rules relating to sea turtles; advised foreign governments to adopt comparable changes in order to export shrimp to the U.S. 5. Northwest Atlantic Fisheries Organization made limited progress toward establishing a fair process for access to stocks. 6. Singapore and Chile FTAs were concluded with satisfactory environmental provisions. 7. Environmental Cooperation Agreement with Chile and an MOI on Environmental Cooperation with Singapore were signed.
	2002	1. An environmental review of proposed Singapore and Chile FTAs was conducted. 2. World Summit on Sustainable Development Joint Plan of Implementation concluded with satisfactory trade and finance provisions. 3. Most Organization for Economic Co-operation and Development (OECD) Export Credit Agencies (ECAs) agreed to voluntarily adopt environmental standards for ECA-supported projects. 4. OECD, FAO, and Asia-Pacific Economic Cooperation discussed non-tariff trade measures (e.g., food safety, rules of origin and eco-labeling). 5. Several countries de-certified pursuant to shrimp/turtle import law provided credible evidence of an enhanced program and were re-certified. 6. U.S. access to fisheries stocks regulated by Northwest Atlantic Fisheries Organization was limited.
	2001	1. The WTO agreed to negotiate trade and environment issues within the DOHA Round. 2. First round of negotiations held to extend U.S. South Pacific tuna access treaty. 3. Effort began to examine issue of fishing capacity in south pacific tuna fisheries.
DATA QUALITY	Indicator Validation	International legal instruments are an effective means of promoting action to support U.S. interests. Implementation of environmental cooperation mechanisms accompanying FTAs, trade and environment cooperation in the WTO, and agreements to protect fisheries, are key to building capacity for environmental protection to ensure a level playing field for free trade.
	Data Source	Bureau of Oceans and International Environmental and Scientific Affairs will track progress in implementing FTAs and Environmental Cooperation Agreements, fisheries agreements, WTO trade and environment efforts, and other mechanisms, relying on direct observation and reporting from USG technical agencies and governments involved in cooperative work.

I/P #9: Genetic Resources Initiative

Set the appropriate balance in international trade and environmental interests with respect to genetic resources and biotechnology.

Output Indicator

Indicator #10: Extent to Which International Environmental Regulations Concerning Agricultural, Medicinal, and Other Biotechnology Products Do Not Create Unreasonable Restrictions to Markets

TARGETS	FY 2006	1. Convention on Biological Diversity (CBD) 8th Conference of the Parties (COP8) instructs access and benefit-sharing working group to continue its negotiations. 2. Work continues at the World Intellectual Property Organization (WIPO) in the area of access and benefit sharing and traditional knowledge with the goal of producing recommendations that promote equitable benefit sharing without undermining existing patent and other property rights systems. 3. U.S. participates in open-ended technical working group for liability and redress to represent U.S. interests as Parties to the Cartegena Protocol on Biosafety work toward development of a liability regime.
	FY 2005	1. International Treaty - Plant Genetic Resources for Food and Agriculture (IT-PGRFA) negotiations conclude in a manner that preserves U.S. interests. CBD negotiations of international regime on access and benefit sharing include a focus on promoting access to plant and animal genetic resources. 2. Parties to Biosafety Protocol adopt 18.2 (a) documentation standards at Meeting of Parties (MOP-2) in May that are sufficiently flexible to allow U.S. to continue to ship bulk commodities and deliver food aid.
RESULTS	2004	1. IT-PGRFA entered into force: negotiations began on Material Transfer Agreement. 2. CBD COP 7 decided to negotiate an international regime on access and benefit sharing of genetic resources and the question of legally binding nature was left open. 3. The U.S., in cooperation with key trading partners, developed practical means to meet new documentation requirements for LMO bulk commodity shipments under Article 18.2 (a) of the Biosafety Protocol. International Plant Protection Convention adopted U.S. backed standards for Living Modified Organisms (LMOs)
	2003	U.S. signed the IT-PGRFA and fully participates in development of treaty's implementation rules Biosafety Protocol entered into force and the Biosafety Clearing-House (BCH) was fully operational; U.S. government (USG) agencies developed functioning interface with the BCH.
	2002	1. CBD COP 6 adopted Bonn Guidelines that reflected U.S. interests in maintaining open access to genetic resources. FAO adopted the International Treaty on Plant Genetic Resources for Food and Agriculture (IT-PGRFA). 2. U.S. and Canada sponsored intercessional workshop to promote development of practicable rules for bulk grain shipments of Living Modified Organisms (LMOs). 3. Access to genetic resources remained difficult and ability to export LMOs becomes more challenging, especially in Europe.
	2001	1. CBD expert group developed draft principles on access to and sharing of benefits from plant and animal genetic resources. FAO negotiated a draft international agreement on international exchange of key plant genetic resources. 2. Intergovernmental Committee on the Cartagena Protocol met to develop implementation rules for the CBD's Cartagena Biosafety Protocol.
DATA QUALITY	Indicator Validation	USG agencies and U.S. firms can provide a fairly accurate assessment about their ability to access plant and animal genetic resources outside the U.S. U.S. agricultural, medicinal and other biotechnology firms follow closely their ability to export their products and would notify the USG of any restrictions in their market access due to regulations.
	Data Source	U.S. Industry; academic and public institutions.

Annual Performance Goal #3
SECURE AND STABLE FINANCIAL AND ENERGY MARKETS

I/P #10: Secure Energy Supplies

Ensure U.S. and global security by encouraging energy-sector investment in key countries, increasing international emergency oil reserves, and promoting development of advanced energy technologies.

Output Indicator

Indicator #1: Level of Support for Energy Sector Policy Reform

TARGETS	FY 2006	IEA emergency oil stocks are at/above FY 2005 levels.
	FY 2005	IEA emergency oil stocks are at/above FY 2004 levels.
RESULTS	2004	IEA members held stocks of 113 days of imports (10/01/04).
	2003	IEA members held stocks of 116 days of net imports (9/30/03).
	2002	IEA members held stocks of 114 days of net imports.
	2001	IEA members held stocks of 112 days of net imports.
DATA QUALITY	Indicator Validation	Reliable supplies of energy at reasonable prices foster economic growth and prosperity; aftershocks from global oil supply disruptions can ripple through the global economy because Europe and Japan, like the U.S., rely on imports to meet a growing portion of their oil needs.
	Data Source	International Energy Agency data.

Output Indicator		
Indicator #2: World Emergency Oil Stocks		
TARGETS	FY 2006	International Energy Agency (IEA) and non-IEA Emergency oil stocks at or above FY 2005 stock levels.
	FY 2005	IEA and non-IEA emergency oil stocks are at or above FY 2004 levels.
RESULTS	2004	IEA members held stocks of 113 days of imports.
	2003	IEA stocks were 116 days of imports. 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.
	2002	Higher stock levels in the United States, Japan, and South Korea (a new IEA member). Increased overall IEA stocks to 114 days of net oil imports as of 12/21/02. 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.
DATA QUALITY	Indicator Validation	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.
	Data Source	International Energy Agency data.

Output Indicator		
Indicator #3: Level of Energy Efficiency		
TARGETS	FY 2006	271 energy institutions with improved capacity to reform and manage their sector 166 energy policy interventions accomplished as a result of USAID programs
	FY 2005	255 energy institutions with improved capacity to reform and manage their sector 152 energy policy interventions accomplished as a result of USAID programs
RESULTS	2004	216 energy institutions with improved capacity to reform and manage their sector. FY 2004 will serve as baseline. 183 new energy policy interventions accomplished as a result of USAID programs.
	2003-2001	N/A
DATA QUALITY	Indicator Validation	Secure, stable energy markets and efficient, capable energy institutions – crucial structural elements for development – must be rooted in strong policies and reforms, and this indicator will examine whether countries are achieving energy efficiency.
	Data Source	USAID annual reports from operating units.

I/P #11: Stable Financial Markets

Enable countries to avert or recover from financial crises and to access private capital.

Outcome Indicator

Indicator #4: Percentage of Debt Crisis Countries on IMF Programs Successfully Reforming

TARGETS	FY 2006	60% of countries have an active Paris Club agreement.
	FY 2005	60% of countries have an active Paris Club agreement.
RESULTS	2004	78% of 69 countries had an active Paris Club agreement.
	2003	74% of 73 countries had an active Paris Club agreement.
	2002	63% of 70 countries had an active Paris Club agreement.
	2001	57% of 70 countries had an active Paris Club agreement.
DATA QUALITY	Indicator Validation	Successful completion of reform programs is key to nations achieving long-term financial stability.
	Data Source	International Monetary Fund and Paris Club.

Annual Performance Goal #4

ENHANCED FOOD SECURITY AND AGRICULTURAL DEVELOPMENT

I/P #12: Agriculture-led Income Opportunities Expanded

Capacity of organizations and individuals to support the production and distribution of food and marketable agricultural goods.

Output Indicator

Indicator #1: Level of Agricultural Sector Growth

TARGETS	FY 2006	1. 505 agricultural technologies made available for transfer through USAID programs. 2. 12,814 producer organizations, trade and business associations, and CBOs assisted by USAID.
	FY 2005	1. 511 agricultural technologies made available for transfer through USAID programs. 2. 10,759 producer organization, trade and business associations, and CBOs assisted by USAID.
RESULTS	2004	1. 547 agricultural technologies made available for transfer through USAID programs. 2. 15,717 producer organizations, trade and business associations, and CBOs assisted by USAID.
	2003-2001	N/A
DATA QUALITY	Indicator Validation	As arable land becomes scarcer and more strained, increasing agricultural productivity through a variety of technologies and efficiencies measures is crucial for ensuring a stable and adequate food supply and sufficient earning potential from agricultural activities.
	Data Source	USAID annual reports from operating units.

I/P #13: Food Security

Ensure that vulnerable populations have access to food.

Output Indicator

Indicator #2: Number of People Receiving Title II Food Assistance

TARGETS	FY 2006	101,000,000 people receiving Title II Food Assistance.
	FY 2005	100,000,000 people receiving Title II Food Assistance.
RESULTS	2004	96,387,000 people received Title II Food Assistance.
	2003	124,019,000 people received Title II Food Assistance.
	2002-2001	86,499,000 people received Title II Food Assistance.
DATA QUALITY	Indicator Validation	The broadest measure of USG impact on food insecure populations is the number of people receiving food assistance.
	Data Source	Data collected and reported by various USAID implementers (Varies on a mission-by-mission basis).

V. Illustrative Examples of FY 2004 Achievements

Economic Prosperity and Security	
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.
Recovering Iraqi Assets	The Department worked with Treasury to recover from non-U.S. sources more than $800 million in assets of Saddam Hussein and the former Government of Iraq, which will be used to fund Iraq's reconstruction. The successful effort built on the unique asset recovery provisions of UN Security Council Resolution 1483 previously negotiated by the Department, which required all UN Member States to freeze and transfer these assets to the Development Fund for Iraq (DFI). Iraqi ministries used DFI funds for purposes that directly benefited the people of Iraq, such as Iraqi government operations, including salaries for teachers, health workers, security, etc. The DFI also funded the repair of electrical infrastructure and the refurbishing of water plants, as well as for Iraqi defense and police forces that are today taking on more of the fight against insurgents.
Open Skies Agreement with China	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 $200 billion in 2004. It permits a nearly five-fold increase – from 54 to nearly 250 – in weekly flights between the two countries over the next six years for each country. It also increases from four to nine in the number of U.S. airlines that may serve China, allows each country's carriers to serve any city in the other country and permits unlimited code sharing between U.S. and Chinese airlines. Furthermore, the agreement provides that when carriers establish cargo hubs in the other country, they will be afforded a high degree of operating flexibility.
Terrorism Financing	State, Treasury, Justice, FBI, the Department of Homeland Security and other agencies work together to undermine the flow of funds to terrorist organizations. In all, 460 designations have been made under Executive Order 13224 aimed at denying resources to terrorist groups, 65 of them in FY 2004. In addition, the Department led the effort to build an international alliance against terrorism, provide training and technical assistance, develop international standards, and exploit intelligence. The Department's efforts in these areas protect the United States and our allies from the scourge of terrorism today as well as tomorrow.

VI. Resource Detail

Table 1: State Appropriations by Bureau ($ Thousands)

Bureau	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
International Organization Affairs	$209,095	$303,105	$329,243
Western Hemisphere Affairs	73,609	75,594	79,684
East Asian and Pacific Affairs	35,401	36,287	37,407
European and Eurasian Affairs	35,853	36,030	35,980
Other Bureaus	90,523	99,142	109,648
Total State Appropriations	**$444,481**	**$550,158**	**$591,962**

Table 2: Foreign Operations by Account ($ Thousands)

Title/Accounts	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
Title I – Export and Investment Assistance			
Export-Import Bank	30,467	76,936	209,700
Overseas Private Investment Corporation	(224,000)	(213,000)	(160,450)
Trade and Development Agency	31,812	32,697	31,296
Title II – Bilateral Economic Assistance			
USAID	749,206	805,145	521,390
Global HIV/AIDS Initiative			
Other Bilateral Economic Assistance	1,980,636	1,257,754	1,941,974
Independent Agencies	92,816	96,027	102,351
Department of State	0	0	1,000
Department of Treasury	113,328	118,048	119,750
Conflict Response Fund			
Millennium Challenge Account	994,100	1,488,000	3,000,000
Title III – Military Assistance			
International Military Education and Training			
Foreign Military Financing			
Peacekeeping Operations			
Title IV – Multilateral Economic Assistance			
International Development Association	907,812	843,200	950,000
International Financial Institutions	475,230	375,999	385,330
International Organizations and Programs	229,156	241,223	218,765
Total Foreign Operations	**$5,380,563**	**$5,122,029**	**$7,321,106**
Grand Total	**$5,825,044**	**$5,672,187**	**$7,913,068**