

DEPARTMENT OF STATE

International Narcotics Control and Law Enforcement
International Narcotics Control and Law Enforcement Detail
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 Migration and Refugee Assistance
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International Narcotics Control and Law Enforcement

(\$ in thousands)

Account	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
INCLE	327,389	472,428	795,490
INCLE-SUP	620,000	-	-

International Narcotics Control and Law Enforcement (INCLE) funding is critical for advancing the U.S. national objective of blunting the impact of international crime, illegal drugs and terrorism on Americans and American society. The United States faces serious continuing threats to its security from international terrorist networks and their allies in the illegal drug trade and international criminal enterprises. Terrorism, international drug trafficking and transnational organized crime simultaneously target Americans and American interests both at home and abroad. All three groups thrive in gaps between law enforcement jurisdictions and where law enforcement institutions are weak or corrupt. They threaten not only U.S. security but also that of our close friends, neighbors, and allies. International drugs and crime jeopardize the global trend toward peace and freedom, undermine the rule of law, and menace local and regional stability, whether in Colombia, the Balkans, or Afghanistan.

To help meet these challenges, INCLE funds support a robust and comprehensive range of bilateral, regional, and global initiatives to help foreign governments build strong law enforcement and related institutions that can stop such threats before they reach U.S. soil. Together with Andean Counterdrug Initiative (ACI) funds, INCLE funding will strengthen the ability of key drug source and transit states to destroy drug crops on the ground; to disrupt and dismantle drug production and trafficking operations and organizations, arrest their leaders, and seize their assets; and to tighten border security against drug traffickers and human smugglers and traffickers, terrorists, and other criminal groups. Internationally, the Department of State (DOS) will work closely with other countries to set anti-drug and anticrime standards, agree on collective actions, close off safe havens for drug, crime, and terrorist groups, fight corruption, and provide training as well as technical assistance to foreign law enforcement partners. DOS will partner in these activities with other USG agencies and with both international organizations and non-governmental organizations (NGOs).

Recent program successes include:

Combating Money-laundering and Terrorist Financing - INCLE funds have helped produce needs assessments or provided technical assistance to 19 of the 25 priority terrorist financing countries. INCLE assistance programs have also helped “graduate” 20 of the 23 countries on the Financial Action Task Force (FATF) list of non-cooperative countries and territories by improving their anti-money laundering performance. The Tri-Border anti-terrorist initiative has resulted in the drafting of new legislation, the establishment and enhancement of financial intelligence units (FIUs), and dramatically improved cooperation between the three affected countries. In 2005, INCLE funds enabled the establishment of Trade Transparency Units (TTUs) in the three Tri-Border countries (Paraguay, Argentina and Brazil). TTUs, analogous to financial intelligence units, uncover major disparities in trade data that enable law enforcement to investigate and prosecute for fraud, tax evasion and money laundering. Because the use of fraudulent trade documents is a primary method of the underground banking business system (hawaladars) settling their debts, TTUs will also play a key role in assisting the United States and its partner countries in thwarting the use of hawala to fund terrorist organizations. INCLE funds also provided for establishment of the Pacific Anti-Money Laundering Program (PALP) - a four year program modeled after the successful Caribbean Anti-Money Program. The PALP employs a team of resident expert mentors that provides regional and bi-lateral assistance to the 14 non-FATF member states of the Pacific Island Forum. In

addition, the Department-funded UN Global Program on Money Laundering Computer-Based Program has been widely acclaimed and is currently being translated into Spanish, French, Russian and Chinese.

- **Promoting U.S. and International Security Afghanistan** - As part of U.S. and international efforts to strengthen Afghan security and stability by rebuilding the national police, FY 2005 and 2006 assistance enabled the USG to continue to enhance and expand the curriculum included in the training program and complete training of more than 55,000 police by the end of 2006. In addition, DOS deployed 100 mentors to the field to support two new critical initiatives—the Field Training Officer and Mentoring program. Finally, 2005 and 2006 assistance enabled us to expand our work on the Ministry of Interior reform program to include a major pay, rank reform and anti-corruption initiative. The area of opium poppy cultivation in Afghanistan dropped 48 percent in 2005, although the potential opium derived only dropped 10 percent due to favorable weather conditions.
- **Undertaking Critical work with Pakistan to Strengthen Institutions and Security** - As part of the global war on terrorism and designation as a Major Non-NATO ally, Pakistan demonstrated its commitment to combat transnational threats, such as terrorism, organized crime, and narcotics trafficking. Pakistan is making noteworthy progress toward sealing a porous 1,500-mile border with Afghanistan against infiltration by drug traffickers, terrorists, and other illegal armed groups, through the use of helicopters and fixed-wing aircraft. Moreover, Pakistan border guard units have been steadily expanding their surveillance of border areas and have increased both the number and effectiveness of their counter-drug and counter-insurgency operations.
- **Protecting our Border and Working with Mexico to Partner against International Threats** - We continued the focus on breaking up major drug trafficking organizations and established new mechanisms to increase security along our common border. Programs continue to support Mexico's steps to modernize its justice sector while significantly improving our ability to coordinate at the operational level. We have purchased 20 state-of-the-art Non-Intrusive Inspection Equipment (NIIE) machines for the Mexican Customs Department which, within months of installation, have aided in the seizure of millions of drug dollars in cash. The \$1 million machine at the Mexico City Airport, for example, seized over \$20 million in CY 2005. We also installed the Advanced Passenger Information System (APIS) in Mexico, a \$4 million communications system to screen passengers on flights between Mexico and the United States; within one week of operation, a "hit" led to the arrest of a fugitive by the U.S. Marshals Service. In the first 16 months of operation, APIS resulted in over 1,200 hits---203 represented fugitives sought in the U.S. for homicide, robbery, kidnapping, drugs, money laundering, assault, and extortion. Other cases of interest included possible terrorists, missing juveniles, fugitives wanted by international law enforcement agencies, and fraudulent passport holders.
- **Combating Trafficking in Persons** - As a part of the fight against trafficking in persons, INCLE funds supported training and technical assistance to foreign governments, civil society and non-governmental organizations to increase arrests and prosecutions of traffickers as well as improve legal advocacy for victims. Between FY 2002-2005 in approximately 58 countries, police, prosecutors, border officials, and judges received training and technical assistance to recognize trafficking, improve interview techniques, and build and manage trafficking cases. In addition, INCLE funds supported 18 projects promoting regional law enforcement cooperation on trafficking in persons and 16 global projects related to research and prevention awareness programs targeted at government officials and non-governmental organizations.
- **Fighting Corruption that Undermines U.S. Economic Interests and Security** - The Department led successful negotiations in 2002 and 2003 to develop the UN Convention against Corruption, the first global treaty against corruption and the new international standard for building an effective

anticorruption regime, and is beginning to provide technical and diplomatic support to promote its acceptance and implementation. Recent efforts include supporting regional anticorruption mechanisms that complement our efforts with the UN Convention. The Department is also supporting programs in Asia, Africa and Latin America that promote acceptance and action relating to the recently-developed “No Safe Haven” policy, and is funding efforts to increase transparency in procurement and public finances and strengthen anticorruption investigative capacity in four G-8 Anticorruption and Transparency Compact countries: Georgia, Nicaragua, Nigeria and Peru.

Fighting the Multi-Billion Dollar Theft from U.S. Companies by International Intellectual Property Rights Piracy - The State Department designed and implemented the first global comprehensive training and technical assistance program to combat violations of intellectual property rights in foreign nations. In collaboration with other USG agencies, these programs are providing nations/regions with the law enforcement training necessary to enforce intellectual property laws. Additionally, the programs are building capacity for foreign law enforcement officers, prosecutors, and members of the judiciary to arrest and prosecute criminals who violated intellectual property laws.

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

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
Africa			
Liberia	5,000	990	800
Nigeria	2,232	990	400
South Africa	1,756	594	500
Africa Regional	1,512	594	500
Sudan	-	-	9,800
Women's Justice Empowerment Initiative	1,200	-	9,500
Subtotal - Africa	11,700	3,168	21,500
East Asia and the Pacific			
East Timor	-	1,485	-
Indonesia	-	4,950	4,700
Laos	1,984	990	900
Philippines	3,968	1,980	1,900
Thailand	1,608	990	900
Subtotal - East Asia and the Pacific	7,560	10,395	8,400
Europe and Eurasia			
Malta	2,976	-	-
Subtotal - Europe and Eurasia	2,976	-	-
Near East			
Iraq	-	-	254,600
Morocco	2,992	990	1,000
Subtotal - Near East	2,992	990	255,600
South and Central Asia			
Afghanistan	89,280	232,650	297,390
Afghanistan SUP	620,000	-	-
Pakistan	32,150	37,620	25,500
Subtotal - South and Central Asia	741,430	270,270	322,890
Western Hemisphere			
Bahamas	992	495	500
Guatemala	2,820	2,475	2,200
Haiti	-	14,850	10,000
Jamaica	1,488	990	900
Mexico	39,680	39,600	39,000
Caribbean and Central America Regional	-	-	1,700
Latin America Regional	3,224	2,475	-
Southern Cone Regional	-	-	500
Subtotal - Western Hemisphere	48,204	60,885	54,800

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

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
Global			
Anticorruption	6,746	-	-
Anticrime Programs	8,333	10,395	14,500
Asia Regional	496	-	-
Civilian Police Program	2,678	1,980	2,000
Demand Reduction	9,920	9,900	1,900
International Law Enforcement Academies	12,734	15,840	17,000
International Organizations	5,000	3,960	5,400
Interregional Aviation Support	66,620	62,865	65,500
Program Development and Support	13,850	16,830	19,000
Systems Support and Upgrades	694	-	-
Trafficking in Persons	4,960	4,950	7,000
United Nations Crime Center	496	-	-
Subtotal - Global	132,527	126,720	132,300
Total	947,389	472,428	795,490

Africa
(\$ in thousands)

Account	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
INCLE	11,700	3,168	21,500

Liberia (\$.8 million) – Continuing to strengthen Liberia’s law enforcement capacity is a key U.S. priority. INCLE funds will continue to assist Liberia to develop a credible and competent police force. These funds will support police advisers to provide technical assistance for the Liberian National Police, specializing in community policing techniques, trafficking in persons cases, and domestic violence investigations. Funds will also provide essential equipment for training purposes.

Nigeria (\$.4 million) -Sophisticated and entrenched, Nigerian criminal organizations are transnational in scope and have a direct impact on the United States. INCLE programs in Nigeria are designed to achieve key U.S. foreign policy objectives of improving the performance of the criminal justice sector, strengthening democratic institutions, and protecting the United States against international crime. Requested funding will be for salaries, benefits, and allowances for a Section Chief and office staff, who will be responsible for overseeing programs that provide assistance in counternarcotics, police modernization, and financial crime. Several programs, previously funded, are in the early stages of execution and require supervision to oversee their successful implementation.

South Africa (\$.5 million) - South Africa is an anchor for stability and prosperity in the Southern African region and is a catalyst for encouraging other African countries to address crime, terrorism and immigration threats. Assisting South Africa on law enforcement and judicial issues addresses U.S. priority goals of supporting a stable and prosperous South Africa, fighting transnational security threats and creating a favorable climate for investment in the region. FY 2007 funding will be used for salaries, benefits, and allowances for a Section Chief and office staff. The section chief is responsible for overseeing INCLE programs in South Africa, which provide assistance to the Johannesburg Police, immigration and border control, and financial crimes. Several programs, previously funded, are in the early stages of execution and require the supervision of a senior officer to oversee their successful implementation.

Sudan (\$9.8 million) - The USG will support the implementation of the Comprehensive Peace Agreement (CPA) by assisting the Government of Southern Sudan (GOSS) to establish, train, and develop the institutional capacity of the police and criminal justice system, including corrections, in Southern Sudan. Lack of continued peace and increased capacity to provide public and personal security will seriously impede the international humanitarian response and long-term development goals in Sudan. Creation of a credible, competent, and democratic police force in Southern Sudan is essential to public order and public confidence in the GOSS. Establishment of a criminal justice system in Southern Sudan that is transparent, accessible, respectful of human rights and due process, is critically important to a stable future throughout Sudan.

- Crime Control - Requested funds will support up to 20 U.S. police for deployment to the UN Mission in Sudan (UNMIS) and assist with the development of the new GOSS police service in the South among other duties. U.S. police will advise, mentor and train the police in Southern Sudan and provide assistance with curriculum preparation and development of police training facilities in the South.
- Police Development - These funds will allow a program manager (PM) to be placed in Juba or at the Embassy in Khartoum to oversee the FY 2007 program, coordinate with other partners in the South (USAID, UN, UK, etc.) and act as liaison between the Embassy in Khartoum and DOS/INL in Washington. Funds will enable the PM to provide specialized technical assistance, procure essential equipment, and develop/improve infrastructure through contractor support for the police in Southern Sudan. A police advisor/expert will provide technical assistance for the GOSS in Juba on managing

command and control of the police in Southern Sudan and amalgamating the police in garrison towns with the Sudan People's Liberation Movement (SPLM) police in the South.

- Justice Reform - Coordinating closely with USAID and the United Nations, requested funds will support criminal justice reform in Southern Sudan and ensure that legal development takes place along with police reform. Such support may include legal advisors and technical experts; training for attorneys, judges, or other justice personnel; and infrastructure and equipment support. Assistance will focus on assisting Sudanese criminal justice officials with development of specific laws, policies and procedures to improve the effectiveness of all components of the criminal justice system (police, courts, corrections). Targeted courts and/or training centers will receive equipment, as needed.
- Correctional Development - One correctional expert from the U.S. will work closely with Sudanese and UN officials to develop a strategy for correctional reform. The U.S. correctional expert will advise and train correctional personnel at all levels, including those engaged in management, supervision and facility operation; and assist with the development and administration of Sudanese facilities that meet international standards for human rights. Funds will provide essential equipment for correctional staff and infrastructure development for select correctional facilities in Southern Sudan.
- Program Development and Support - Program development and support funds are used for the salaries, benefits, allowances and travel of direct hired and contract U.S. and foreign national personnel, residential leasing, ICASS costs and other general administrative and operating expenses for counter narcotics and anti-crime program planning, design, implementation, monitoring and evaluation.

Africa Regional (\$5 million) - Criminal activities throughout Africa corrupt and weaken governments, sap precious resources, and undermine democratic reform, economic growth and foreign investment. INCLE-funded crime and drug programs in West, Southern and Eastern Africa (Ghana, Mozambique, Tanzania, and Uganda) support the development of professional and sustainable law enforcement and criminal justice institutions. By making Africa less attractive to criminal elements, INCLE programs foster the rule of law, forming the bedrock upon which the USG's broader goals of democracy and prosperity rest. Requested funds will provide training, technical assistance and equipment to combat illegal migration and trafficking in people, narcotics and other contraband; and to develop democratic policing with an emphasis on human rights and ethics.

Sustainable and institutional reform of law enforcement and criminal justice sectors will be supported through modernizing teaching curricula and teaching methodologies at law enforcement academies and through organizational change management. Law enforcement development in Mozambique will utilize the train-the-trainer approach, in-service professional development and community policing. Forensic laboratory programs in Tanzania and Uganda will continue to receive training, technical assistance and resource upgrades. In Ghana, funds will provide training in advanced investigative techniques, and airport and seaport interdiction to the Narcotics Control Board.

Women's Justice & Empowerment Initiative (WJEI) (\$9.5 million) - The WJEI is a \$55 million, 3 year Presidential initiative to promote women's justice and empowerment in four African nations- Benin, Kenya, South Africa and Zambia. This initiative will work to advance the initial efforts of these countries to combat sexual violence and abuse against women and empower them in society. DOS/INL is responsible for the criminal justice development aspect of the initiative. We are requesting \$9.5 million in FY 2007 to provide training, technical assistance and equipment needed to achieve the goals of strengthening: the capacity of the police to investigate reports of abuse and arrest; the court system's capacity to prosecute offenders; and laws supporting women's justice and empowerment. DOS staff in Pretoria will oversee and evaluate the criminal justice system elements of the Women's Justice and Empowerment Initiative (WJEI) in South Africa and possibly Zambia.

East Asia and the Pacific

(\$ in thousands)

Account	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
INCLE	7,560	10,395	8,400

Indonesia (\$4.7 million) - Indonesia, the largest Muslim country in the world, is a center of transnational criminal activity and home base for international terrorist groups that threaten the region, U.S. allies, and the United States. Indonesia recognizes the need for and has requested assistance with police recruitment and training, marine police reform, environmental crimes, cybercrime and financial crimes, drug law enforcement and criminal justice reform. Funding will focus on training, technical assistance and equipment that will support the development of the Indonesian Marine Police into modern and effective civilian forces respectful of the rule of law and human rights. Requested funding will support the Indonesian National Police's efforts to build organizational capacity and sustainability, improve and expand their entry level and in-service training for maritime law enforcement officials, and establish protocols for sharing of intelligence and cooperation between the Marine Police and other Indonesian and regional law enforcement agencies. Funding will also support a precursor chemical control program that will develop a unified automated system for the tracking of precursor chemicals that have a potential for diversion to illicit purposes.

Laos (\$.9 million) - Despite tremendous success in reducing poppy cultivation, Laos is still a major producer of illicit opium and has the potential to easily regain its position as the world's third largest grower of crop control programs falter. INCLE funds will support the successful alternative development programs that are bringing opium under control. These will include addict detoxification, crop substitution, education outreach, vocational training, ecotourism development, and small infrastructure projects in select areas where cultivation is still a problem. Amphetamine Type Stimulant (ATS) abuse is exploding throughout Laos. INCLE funds will also support a modest demand reduction program to promote ATS awareness and provide limited support to addict treatment centers.

The Philippines (\$1.9 million) - As a strategic ally, the Philippines lie at the crossroads of the global wars on terror and drugs. Weaknesses in the Philippines law enforcement and judicial sectors hamper its ability to combat terrorism and other transnational crimes. Building on a successful Law Enforcement Assessment, FY 2007 funds will address fundamental institutional weakness by continuing to develop long-term and sustainable civilian law enforcement capacity, improving police-prosecutorial cooperation, and supporting Government of the Republic of the Philippines (GRP) efforts to strengthen respect for the rule of law. Funds will be used to provide resident technical advisors and training programs for target groups of law enforcement officers, prosecutors and jurists. Programs to improve the quality and transparency of civilian rule of law in Mindanao through assisting the Philippine National Police (PNP) with strategic planning, competency-building and sustainable training programs of PNP personnel will continue.

Thailand (\$.9 million) - Thailand is a key partner with the U.S. and a leader in efforts against drugs and crime, though it remains a hub of transnational criminal activity. Despite demonstrated long-term success against narcotics production and trafficking, its criminal justice, regulatory and investigative capabilities are inadequate for the challenges of 21st century transnational and organized crime. Funding will support the establishment and initial operation of a new criminal investigative institution responsible for investigating most non-drug serious transnational and organized crime. Support will include training courses and technical assistance with organizational development by U.S. federal law enforcement agencies, including the FBI. The development of this institution will allow the U.S. Government counterparts to better able to work with the Thai law enforcement to solve crimes affecting USG interests, business and otherwise.

Near East Asia

(\$ in thousands)

Account	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
INCLE	2,992	990	255,600

Iraq (\$254.6 million) - Eight components advance ongoing rule of law programs in Iraq. These components will collectively develop and harmonize both an effective and efficient means for sustaining an integrated process of justice within civil law and based on human rights for the Government of Iraq. The INCLE programs will:

- strengthen human rights enforcement in the Iraqi criminal justice system
- promote the integration of police, courts and prisons
- continue development of public integrity codes of conduct and anti-corruption laws
- develop legal assistance centers and increase public understanding of the justice system
- initiate a public prosecutor development program
- provide courthouse infrastructure and security enhancements
- provide corrections advisors to the Iraq criminal justice system
- fund INL administration and oversight costs for Iraq

Human Rights within the Criminal Justice System (\$15 million) - Funding will be used to build capacity within the Iraqi justice system to protect and promote human rights. This will include strengthening internal monitoring, reporting and enforcement systems within the Ministry of Interior (MOI) and Ministry of Defense (MOD). Programs are planned to include human rights education and training for legal professionals, police and personnel under authority of MOI, MOD, MOJ and the Higher Juridical Council (HJC). Plans also call for inclusion of anti-torture campaigns and education for human rights NGOs on monitoring and reporting on human rights abuses in the justice system. This initiative will enhance our previous efforts to support the Ministry of Human Rights (MHR) in the promotion of public consultation on related human rights issues. The USG would fund salaries for implementing personnel (\$9M) and support costs (\$6M) in the form of international and in-country secured transportation (fully and up-armored vehicles), maintenance and fuel, lodging, food and personal security protection services.

Criminal Justice Integration (\$25 million) - Funding will be used to build upon existing efforts to strengthen Iraqi capacity to integrate police, courts and prisons. Funding will expand implementation of the pilot criminal justice information system in the Central Criminal Court of Iraq (CCCI) to other key USG priority locations. We will hold national and regional training sessions for police, judges and prisons officials on integration, information sharing and improved methods for coordination. This initiative will enhance the previously established inter-ministerial commission comprised of the Minister of Interior (MOI), the Minister of Justice (MOJ), the President of the Higher Juridical Council (HJC), Minister of Labor and Social Affairs (MOLSA) and the Minister of Human Rights (MHR), and its efforts to develop and harmonize criminal justice policy and procedures within the judicial process, thus underscoring judicial independence, transparency, and accountability. The USG would fund salaries for implementing personnel (\$10M), preparation and printing of materials as well as training equipment (\$9M), and support costs (\$6M) in the form of international and in-country secured transportation (fully and up-armored vehicles), maintenance and fuel, lodging, food and personal security protection services.

Public Integrity Program (\$18 million) - Funding will be used to build an environment within which public accountability is the rule and public corruption becomes anathema to Iraqi society. Funds will also assist the Government of Iraq to implement and, where needed, draft anti-corruption laws, regulations and codes of conduct consistent with its new Constitution and applicable on a mandatory basis to all civil servants. In

turn, this will serve as a guide for the private sector for selected positions, periodic financial disclosure, and security clearances, to include polygraph examinations. Requested funds will continue development of the Commission on Public Integrity in receiving and investigating complaints of public corruption and, as appropriate, criminally prosecuting those cases, as well as to develop civic education programs to promote integrity in public administration and private transactions, including available mechanisms for enforcing Iraq's public integrity laws. Training and technical assistance will be given to all Iraqi ministries in ethical public administration practices, anti-corruption laws and enforcement mechanisms, and the benefits of adherence to the rule of law to promote effectiveness, transparency and integrity in governance. This initiative underpins the democratic belief that public officials are not above the law and, in fact, have the direct responsibility to set the proper example for the people of Iraq. The USG would fund salaries for implementing personnel (\$8M), preparation and printing of materials as well as training equipment (\$5M), and support costs (\$5M) in the form of international and in-country secured transportation (fully and up-armored vehicles), maintenance and fuel, lodging, food and personal security protection services.

Rule of Law Outreach Program (\$50 million) - Funding will be used to strengthen Iraqi capacity to provide legal assistance through the court system and community-based organizations (NGOs). This project will develop legal aid centers, and train Iraqis to educate citizens on their rights in the justice system. Iraqis will also be trained on how to navigate the court system, the proper roles of judges, police and prisons officials, and other aspects that increase the public's understanding of their rights and the justice system. This improved capacity will provide for the fair representation of all those exposed to the judicial prosecution process. It supports the democratic notion that one is presumed innocent and has the inherent right to a defense when accused of criminal misconduct. The USG will pay for the salaries of the personnel developing and implementing training programs (\$25M), for preparation and printing of materials and purchase of training supplies and equipment (\$8M), for purchase of public media time and acquisition of public informational materials (\$7M) and for support costs in the form of international and in-country secured transportation (fully and up-armored vehicles), maintenance and fuel, lodging, food and personal security protection services (\$10M).

Provincial Public Prosecutor Development Program (\$14 million) - Ten additional legal advisors will work in key USG priority locations throughout Iraq to strengthen provincial justice systems. The legal advisors will identify and address problems that interfere with proper functioning of the justice system. They will train, mentor and advise Iraqi judges, judicial investigators, police investigators and others working within the justice system to enhance criminal case processing. They will provide advice and guidance to military and civilian personnel working on rule of law in Iraqi provinces. This initiative takes the accomplishments to date within Baghdad and extends its success to the governing provinces. The USG will pay the salaries of the personnel developing and implementing training programs (\$6M), for preparation and printing of materials and purchase of training supplies and equipment (\$3M), and for support costs in the form of international and in-country secured transportation (fully and up-armored vehicles), maintenance and fuel, lodging, food and personal security protection services (\$5M).

Courthouse Infrastructure/Security (\$93.6 million) - Funding will be used to bolster court and judicial security through court building improvements, security equipment, and training of judges and judicial protection personnel throughout Iraq. Current Iraq Court administration capacity is a significant inhibitor to our targeted integration of Rule of Law. The USG will pay the salaries of the personnel developing and implementing training programs (\$12M), for preparation and printing of materials and purchase of training supplies and equipment (\$5M), and for support costs in the form of international and in-country secured transportation (fully and up-armored vehicles), maintenance and fuel, lodging, food and personal security protection services (\$6M). Additionally, as assessed by construction engineers on a case by case basis, \$70.6M will be used to pay for security enhancements in the form of detention cells, judicial protection systems and others security features to improve and secure court facilities.

Fund Corrections Program (\$31 million) - Funds will be used to continue building capacity of the Iraq Criminal Justice System to properly and securely detain arrested persons awaiting trial and sentencing, as well as those who have been properly sanctioned by an Iraqi Court in a manner consistent with commonly accepted human rights principles. Funds will also add additional U.S. corrections advisors and interpreters to continue institutional development of Iraq Correctional Service (ICS) through selection, training and mentoring of ICS personnel at all levels, and educate correctional officials regarding the necessity for close cooperation with civilian police, prosecutors/investigative judges, trial and appellate judges, and court administrators. The USG will pay the salaries of the personnel developing and implementing training programs (\$21M), for preparation and printing of materials and purchase of training supplies and equipment (\$1M), and for support costs in the form of international and in-country secured transportation (fully and up-armored vehicles), maintenance and fuel, lodging, food and personal security protection services (\$9M).

Protection of Judges (\$1 million) - Requested funds will address threats and attacks on judges by criminals and insurgents. These funds will provide increased personal security for judges, secure travel and access to offices and courts, additional courtroom security, and improved screening of individuals attending judicial proceedings.

Administrative Oversight (\$7 million) - Funds will pay for Program, Development and Support (PD&S) at post, which includes: salary costs for 20 full-time equivalent staff (FTE) assigned to Embassy Baghdad, and additional program support provided by contractors and local personnel; personnel expenses for State Department Direct hire staff (both civil service and foreign service), in both Washington, DC and in Baghdad, for management support, budget support, financial support, and program analysis; travel expenses for direct hire staff and contractors directly involved in management oversight of the Iraq Criminal Justice Development Program; and information technology expenses and contractor support services costs in Washington, DC in direct support of management oversight.

Morocco (\$1 million) - U.S. support for Morocco as a stable, democratizing, and liberalizing Arab Muslim nation is consistent with our National Security Strategy to strike at the roots of terrorism and improve America's image in the Muslim world. INCLE funds will be directed towards our continued efforts in assisting Morocco improve its border control security. Funds will provide equipment, technical assistance and training to counter illegal migration, human smuggling, narcotics production and trafficking.

South Asia
(\$ in thousands)

Account	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
INCLE	121,430	270,270	322,890
INCLE-SUP	620,000	-	-

Afghanistan - (\$297.39 million)

Counternarcotics - Afghanistan remains the world's largest producer of illicit opium. Despite a 48 percent drop in opium poppy acreage and a 10 percent reduction in opium produced, the 2005 crop was the second largest on record. The drug trade undermines central government authority and contributes to instability. FY 2007 funding will support programs in three critical areas: counternarcotics and related law enforcement, and administration of justice.

Working in close coordination with the Government of Afghanistan and the United Kingdom, INCLE-funded programs will seek to reduce opium poppy cultivation, strengthen counternarcotics law enforcement, and increase Afghan government coordination and oversight of national drug policy and programs.

Funding will support:

- opium poppy elimination and manual eradication programs,
- drug enforcement interdiction,
- demand reduction programs,
- a national anti-drug campaign, and
- drug control capacity building.

Funding for the poppy elimination and eradication programs will provide for salaries, living/operating expenses, personnel force protection, equipment, transportation, and training of teams to promote planting of licit crops and to eradicate opium poppy that is grown.

Funds will also provide assistance to Drug Enforcement Agency-facilitated drug interdiction efforts, including, when feasible, providing helicopter airlift for raids, as well as training and equipment support for the Narcotics Interdiction Unit and its parent Counternarcotics Police of Afghanistan.

A national anti-drug campaign will reinforce Muslim strictures against narcotics focused on farmers in the 18 provinces producing 90 percent of the opium. Requested funds will help fund community-based demand reduction programs aimed at rehabilitation and anti-drug education through schools and other community activities. Finally, funds will be used to continue to support institutionalization of counternarcotics capacity building, including the Ministry of Counternarcotics.

Justice Sector - DOS's role in restoring the rule of law in Afghanistan is vital to ensuring stability, promoting human rights, deterring crime, and encouraging economic growth. Three foundational objectives in the justice sector are: development of the institutional capacity of the permanent justice sector institutions; development of the operational capacity of criminal justice sector actors to fairly and transparently investigate crimes and prosecute/punish offenders; and professionalization of justice sector personnel.

FY 2007 funds will enable the USG to continue to work with the Government of Afghanistan and the rest of the International Community to strengthen the rule of law throughout Afghanistan as well as provide support for the development of the corrections system.

Funds will support:

- A comprehensive criminal justice reform program including institutional development and infrastructure support programs for Kabul and the provinces;
- Advisory assistance to the Ministry of Justice, Attorney General's Office, and Ministry of Interior and other justice institutions;
- Specialized training for judges, prosecutors, defense counsel, and investigators on issues such as counternarcotics, trafficking, and corruption;
- Assistance for legal licensing organizations, legal aid centers, and general professionalization of the legal sector;
- Assistance for the reintegration of women into the legal system.

Funds will also be used to continue to support the development of the corrections system through a comprehensive reform and support program: to provide training and mentoring for correctional personnel that emphasizes human rights; to provide infrastructure support; and to support institutional capacity projects within the Ministry of Justice addressing salaries, systems management, and a prisoner tracking system and database.

Pakistan (\$25.5 million) - Pakistan is a critical ally in the war on terror. Its 2500-mile border with Afghanistan and Iran runs through remote mountainous and desert terrain that is easily exploited by terrorists, drug traffickers, and other criminals. Law enforcement institutions currently lack the capability to adequately investigate the serious threats posed by terrorists and other extremists. At the same time, resurgent opium poppy cultivation in Pakistan -- due in part to massive cultivation in neighboring Afghanistan -- must be eradicated before its economic impact becomes too deeply rooted.

FY 2007 funding will build upon the successful implementation of prior year programs in three areas: border security, law enforcement, and counter-narcotics. Funds will be used to construct roads in the Federally Administered Tribal Areas to expand the presence of Pakistani security forces in previously inaccessible terrain. Some limited commodities such as vehicles, communications equipment, and long-range optical devices will be provided to civilian border agencies. Beneficiaries will include the Ministry of Interior, the Anti-Narcotics Force, the Frontier Corps, the Federal Investigative Agency, the Home Departments, and provincial police forces.

Bridging the worlds of counter-terrorism and counter-narcotics, core funding will provide ongoing maintenance, support, and operating costs for the USG-established Ministry of Interior Air Wing based in Quetta, Balochistan province to conduct anti-terrorism and counterdrug missions.

Technical assistance, training and equipment for Pakistani law enforcement authorities will be provided to increase investigative and forensic skills, build accountability, and develop internal controls and leadership skills. Likewise, implementation of the Automated Fingerprint Identification System and national criminal information databases funded in previous years will be expanded. To reduce opium cultivation, FY 2007 funds will continue alternative crop programs into non-traditional growing areas, poppy crop control, and demand reduction efforts through a public awareness campaign.

Western Hemisphere

(\$ in thousands)

Account	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
INCLE	48,204	60,885	54,800

Most drugs reaching the United States come from South America through Central America/Mexico (the Eastern Pacific or Western Caribbean routes) and the Caribbean. In the 2004-2005 time period, maritime trafficking through Central America/Mexico routes constituted up to 90 percent of the flow, and will likely remain the focus of USG interdiction efforts for several years. INCLE funds aim to disrupt the flow to enable partner nations to interdict loads, capture and prosecute traffickers, and to seize and affect forfeiture of the proceeds of drug trafficking and organized crime.

The Bahamas (\$5 million) - Funds will be used to continue support for Bahamian Police participation in Operation Bahamas Turks and Caicos (OPBAT) program through training and technical assistance.

Guatemala (\$2.2 million) – Guatemala’s geographic position and extensive Peten jungle area make it a magnet for narcotics transshipment. The fight against this and other transnational crimes is complicated by the ongoing fight against corruption and the additional challenge of youth gangs and associated crime. An estimated 70 percent of drugs destined for the United States go through the Central American corridor, particularly Guatemala, before entering Mexico. INCLE funds will provide training, equipment, and other support to the Anti-Narcotics Police, the prosecutors of the Public Ministry, and the Guatemalan Government demand reduction organization, the Executive Secretariat for the Commission Against Addiction and Drug Trafficking, to improve their ability to detect, capture, interdict and prosecute drug traffickers. Funding will also support eradication of opium poppy and marijuana. The Government of Guatemala has shown the political will to combat corruption, but needs the tools to do so. Requested funding will support special prosecution units (anti-narcotics, anti-corruption and anti-money laundering) in coordination with USAID’s judicial reform efforts. Funds will also support a multi-agency strategy to address the problem of youth gangs.

Haiti (\$10 million) - Reforming the criminal justice system is one of the keys to stability and economic development in Haiti. Funds will be directed to enhance the accountability, functioning, and training capacity of the Haitian National Police (HNP), in coordination with the United Nations and donors. Funds will assist in the vetting, selection and training of new HNP recruits, vetting and training of existing officers, provision of equipment and infrastructure repairs to facilitate mobility and communications, continuation of the development of a forensics and investigative capacity, and support for police reform, adherence to proper policies and procedures through the model station program and police accountability. INCLE funds will also be used to contribute up to 30 U.S. police officers to the civilian police component of the UN Mission in Haiti (MINUSTAH) to assist training, vetting, monitoring, and advising the new Haitian National Police. Funding will continue the ongoing effort aimed at restoring the logistical and maintenance capacity of the Haitian Coast Guard (HCG). Requested funds will be directed toward equipping and training the HCG for maritime drug operations. In addition, funds will support Drug Enforcement Agency’s Special Investigative Unit, as well as the efforts of the Government’s Financial Investigative Unit to combat money laundering and corruption.

Jamaica (\$9 million) - Funds will provide equipment and training for a vessel maintenance program for the Jamaican Defense Force Coast Guard and support an expanded Customs Contraband Enforcement Team and the Jamaican Constabulary Force’s Fugitive Apprehension Team, Narcotics Division Counter-Drug Special Investigative Unit, and the National Intelligence Bureau. Requested funding will also assist in strengthening the Government of Jamaica’s ability to counter public corruption, increase seizures of

precursor and essential chemicals being diverted for the manufacture of drugs, help facilitate the extradition to the U.S. of fugitives from U.S. justice, as well as provide limited funding for drug awareness and demand reduction programs in Jamaica. Finally, the funding will also be used for the newly created Airport Interdiction Task Force, which is a multi-national task force that targets illegal human and drug trafficking through Jamaica's international airports.

Mexico (\$39 million) – Mexico remains a critical ally in combating drug trafficking and other organized crimes aimed at the United States. Over 90% of the South American cocaine and heroin destined for U.S. drug markets flows through the Central America/Mexico corridor; most of this is via maritime conveyance to Mexico and then overland through Mexico and across the 2000-mile U.S.-Mexico border. In addition, Mexico is a major provider of heroin and the principal foreign source of methamphetamines and marijuana. Mexican government cooperation is critical to U.S. border security efforts and, therefore, critical to our domestic security. Effective partnership relies on law enforcement competence and mutual confidence. INCLE programs will focus heavily on promoting reform and modernization within Mexico's criminal justice and security sector institutions. Operational support will be directed to ongoing successful cooperative efforts to dismantle major trans-border drug trafficking groups and related threats. These activities will include such things as providing specialized training, upgrading computer equipment, and improving operational readiness of rapid response units. Attacking the growing problem of methamphetamine production and trafficking will be a priority. To enhance GOM interdiction capacity, funding will be used to upgrade the aging air fleet of the Office of the Attorney General and support the Mexican Air Force's C-26 program. Funds will also be used to support border security projects agreed to under the U.S.-Mexico Border Security Accord and the 2005 US-Mexico-Canada Security and Prosperity Plan (SPP). These include additional procurement of non-intrusive inspection systems, development of a computer information system to screen passengers coming to the United States, border safety training, and construction of designated lanes for pre-cleared low-risk commuters along the border. These efforts directly complement parallel enhancements being made by the Department of Homeland Security on the U.S. side of the border.

Caribbean and Central America Regional (\$1.7 million) - Funding will be directed to the drug transit zones of Central America and of the Caribbean. In the Caribbean, programs will go towards improving endgame interdiction capabilities, focusing on interdiction, law enforcement, tactical and operational intelligence gathering and the administration of justice, with an emphasis on sustainability. In Central America, funding will continue to support efforts to modernize justice sector institutions and legal frameworks to allow successful prosecutions of drug traffickers, money launderers, alien smugglers and corrupt public officials. We will also work with governments to address the problem of youth gangs.

Southern Cone Regional (\$.5 million) - Bridging growing concerns on both drug trafficking and terrorism, particularly in the Tri-border Area, funding provided to Paraguay will support programs to disrupt cocaine trafficking and improve investigative and prosecutorial efforts aimed at disrupting potential sources of funds for groups, which support terrorists.

Global
(\$ in thousands)

Account	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
INCLE	132,527	126,720	132,300

Anticrime Programs (\$14.5 million) - The international crime threat to U.S. national interests is manifest in many areas. Anti-crime programs seek to confront not only dire terrorist challenges but also the unprecedented spread of transnational criminal groups that exploit the vulnerabilities of the global economy to amass illicit wealth using increasingly sophisticated and creative means. Effective international law enforcement cooperation is essential to ensure global stability and protect American communities, businesses and financial institutions. This year’s funding will support institution-building assistance programs and global and regional diplomatic efforts in the following key areas:

Anti-Money Laundering/Terrorist Financing

INCLE programs in FY 2007 will target Administration priorities in addressing terrorist financing and money-laundering threats to the United States. The supported efforts will include vulnerability and needs assessments, technical assistance and training programs for approximately two dozen countries most vulnerable to terrorist financing, as well as countries that are on the Financial Action Task Force (FATF) “non-cooperative” list, such as Nigeria. These comprehensive programs will focus on creating robust anti-money laundering/anti-terrorist financing regimes, law enforcement capabilities and regulatory schemes.

INCLE funding will also support international organizations like the FATF and FATF-style regional bodies, which promote the standard-setting and peer reviews vital to fighting terrorist financing and money laundering, as well as organizations such as the OAS/CICAD and U.N. Global Programme against Money Laundering, that provide anti-money laundering/anti-terrorist financing training and technical assistance to countries and regions.

FY 2007 funding will support the establishment of “FIUs in a Box”, a scaled down version of the sophisticated software used by Financial Intelligence Units (FIUs) in large economies. “The FIU in a Box” is a self-contained set of expandable software that has been provided successfully to six small Pacific jurisdictions at a fraction of the cost for larger FIUs, and enables the new FIUs to fulfill all requisite functions, including sharing information with foreign analogs. INCLE funding also will continue to support the nascent Trade Transparency Units initiative -- modeled on FIUs --to better track and detect the movement of funds by terrorists and other criminals through alternative remittance systems that lie outside the formal financial sector. Requested INCLE funding will also continue to support the Pacific Anti-Money Laundering Program, the regionally-based technical assistance/training program in the Pacific Islands.

Border Controls

INCLE funding is requested to continue to support the work of the counter terrorism committee of the Organization of American States (CICTE) and the requirements detailed in the International Ship and Port Security Code (ISPS). Technical assistance and training will be provided to help shore up porous borders and weak infrastructures in key developing nations. Basic police training will be provided with emphasis given to law enforcement officials with border security responsibilities. Vulnerability assessments will be conducted of significant ports and reports will be prepared detailing their shortcomings and suggested remedies. Port security training will also be conducted.

Alien Smuggling

The smuggling of illegal migrants, which can serve as a vehicle for terrorist entry into the United States, is a major national security concern. INCLE funds for this program will help support the Human Smuggling

and Trafficking Center, a joint State/Justice/Homeland Security fusion center and information clearinghouse established by Congress under Section 7202 of the Intelligence Reform and Terrorism Prevention Act of 2004. The Center will continue to collect, analyze, and disseminate intelligence and other information to facilitate coordinated international law enforcement efforts against illegal alien smuggling and trafficking in persons.

The Center will continue to submit the required reports to Congress. The first is a report on the status of implementation of the Center with information identifying staffing and resource needs. The second is an annual strategic assessment of vulnerabilities in the United States and foreign travel systems that can be exploited by terrorists, alien smugglers, traffickers, and their facilitators. Enactment of the Trafficking Victims Protection Reauthorization Act, which is expected during FY 2006, will require an annual report to Congress on links between trafficking in persons and terrorism, including links between the proceeds of trafficking and terrorist finance. In addition, the Center will produce strategic assessments and reports of special interest.

Crimes Involving Information Technology, including Intellectual Property Rights and Cyber Crime

This assistance is particularly important given the growing losses faced by U.S. economy due to intellectual property piracy and computer crime. INCLE funds will be used to sustain and expand comprehensive programs in Asia, Africa, and Latin America that help governments institute and implement effective anti-piracy regimes. Assistance will be strategically targeted to problem areas of the world, and will focus on building, as necessary, core components of an anti-piracy regime, including the legal framework, enforcement capacity, government-industry relationships, international cooperation and public awareness. INCLE funds will also support initiatives that provide training and technical assistance to assist nations and regions to combat the inherent cross-border nature of cyber crime. Rising levels of Internet and network connectivity, and a concomitant rise in cyber crimes, require the development of robust multilateral and bilateral initiatives to support political will and build capacity in nations and regions that require law enforcement assistance to meet their needs.

Anticorruption

Any effective anti-crime/anti-terrorism program must also attack corruption. As part of the President's anticorruption foreign policy goals, INCLE funds will support several international frameworks (including at the UN, Council of Europe, OAS) to promote implementation of anticorruption commitments made by over 60 governments. This includes promoting international implementation of the new UN Convention against Corruption, the new global standard that entered into force in December 2005, and the "No Safe Haven" policy for corrupt public officials. Funds will also be used to support the G-8 Anticorruption Compacts announced by President Bush and G-8 leaders at the Evian and Sea Island summits in 2003 and 2004. Four countries – Peru, Nicaragua, Georgia, and Nigeria – have entered into such Compacts and, along with G-8 and other donors, have begun to identify and take concrete actions in several areas considered key to preventing corruption and increasing transparency, including the management of public finances, public procurement, and engaging civil society. The Department began providing assistance under these Compacts with FY 2005 funds, and FY 2007 INCLE funds will be used to finalize the program in the initial four Compact countries.

Civilian Police Program (CIVPOL) (\$2 million) - Requested funds will be used to continue to develop the capacity of the U.S. to sustain basic capacity in three existing contracts to recruit and prepare well qualified individuals to train, equip, deploy, and serve as U.S. advisors and trainers in peacekeeping missions and complex security operations and to improve planning and deployment capabilities (e.g., assessment teams, advance teams, and technical advisors) for quick and effective post-conflict response on criminal justice issues. The FY 2007 program will also fund a training coordinator and police advisor, as well as a position established at the U.S. Mission in New York responsible for working with the U.N. Department of

Peacekeeping Operations. Funds also support program management and oversight efforts and responsibilities.

Demand Reduction (\$1.9 million) - The Demand Reduction/Drug Awareness program seeks to reduce the worldwide demand for illicit drugs by motivating foreign governments and institutions to give increased attention to the deleterious affects of drug abuse on society. INCLE funding supports a key National Security Presidential Directive (NSPD) on International Drug Control Policy objective of “expanding U.S. international demand reduction assistance and information sharing programs in key source and transit countries.” As opposed to drug production and trafficking, the NSPD addresses rising global demand for drugs as the principal narcotics-related threat to the U.S. Funds will assist countries to reduce drug consumption, thereby helping to preserve the stability of society and government while reducing a principal source of revenue for trafficking and terrorist groups.

The demand reduction budget request will support international demand reduction programs that address Presidential priorities, including the formation and enhancement of effective drug-free community coalition programs in key drug producing countries that assist civil society/grassroots organizations in fighting illegal drugs. These public/private sector coalitions work towards reducing substance abuse among youth, enhancing intergovernmental collaboration, and strengthening collaboration among organizations and agencies in both the private and public sectors. The program will also expand the focus to Southeast Asia and Africa, where injecting drug use is fueling the HIV/AIDS epidemic, thus complementing the HIV/AIDS assistance programs in those regions. This funding will sustain the Colombo Plan’s regional network of Muslim, faith-based demand reduction organizations in the Middle East and Southwest/Southeast Asia. Given the priority on improving America’s image and relations with Muslim countries, these networks provide us with a unique opportunity to deliver services in regions critical to the U.S. for cooperation in the worldwide coalition against terrorism.

International Law Enforcement Academies (ILEAs) (\$17 million) - INCLE funds will continue to support the work of the established ILEAs in Bangkok, Budapest, Gaborone and Roswell and also continue to develop the newly established ILEA for Latin America. In FY 2007, the USG intends to increase the tempo/focus of the instruction in the regional ILEAs in critical areas such as counter-terrorism, financial crimes, corruption, alien smuggling, culture of lawfulness and accountability in government. Other activities in FY 2007 will include continuing to modify curricula for core and specialized curriculum to address emerging international criminal activities, and finalizing construction efforts for a new building to house administrative staff and student classrooms for the new ILEA in San Salvador.

International Organizations (\$5.4 million)

United Nations Office on Drugs and Crime (UNODC) (\$4 million) - Located in Vienna, UNODC is the primary multilateral organization providing assistance to combat drugs and crime. Funds requested in FY 2007 will not only complement INCLE and ACI bilateral programs, multiplying our support internationally, but will also demonstrate U.S. commitment to combat these global threats. UNODC is the only multilateral institution providing global technical assistance for the development of modern law enforcement, financial regulatory and judicial institutions and practices. It has a unique role to assist states in ratifying and implementing the UN international counter-drug and anti-crime conventions including, the UN Convention against Transnational Organized Crime (TOC), the UN Convention against Corruption (CAC) and the universal instruments against terrorism. It is also the only multilateral institution that provides technical assistance on a global basis for the establishment of effective national regimes to combat money laundering and terrorist financing.

OAS/CICAD (\$1.4 million) - The Organization of American States’ Inter-American Drug Abuse Control Commission (OAS/CICAD), located in Washington, DC, is the leading forum for anti-drug cooperation in

the Western Hemisphere. CICAD is charged with implementing the Anti-Drug Strategy in the Hemisphere, as established in 1996 within the Summit of the Americas process. A key tool for this is the Multilateral Evaluation Mechanism (MEM), a peer review system that identifies shortcomings in national and regional anti-drug efforts. U.S. funds will support the operation of the MEM, as well as provide program assistance and training by the OAS to assist OAS Member States to address those shortcomings. CICAD conducts most of its training and programs on a sub-regional level, complementing U.S. bilateral programs by promoting cross-border cooperation, harmonization of legislation, and information exchange. CICAD uses U.S. funding to support a wide array of supply reduction (chemical control, firearms trafficking control, port security and maritime interdiction, and alternative development), demand reduction (education for prevention, epidemiology, treatment training, nursing training, social and economic costs research, etc.), and policy/legal development (national drug commissions, model legislation, training for legislators, regulators and prosecutors). U.S. funding to the OAS demonstrates U.S. commitment to partnership with its neighbors in the Hemisphere.

USG support to UNODC and OAS programs in FY 2007 will continue to provide funding for international and regional programs that enhance law enforcement, judicial, and financial institutions in developing countries. This funding provides an invaluable multilateral option to pursue U.S. objectives. UNODC and CICAD are steadfast allies in support of strict enforcement efforts against illicit drugs, organized crime, and terrorism, as required under international law. UNODC programs allow for increased leverage internationally, acting as force multipliers for U.S. foreign policy priorities; CICAD programs do the same at the hemispheric level. Financial resources will specifically be used to assist countries in developing and implementing legislation in compliance with aforementioned international and OAS conventions against drugs and crime, as well as the instruments against terrorism.

Funds will fortify ongoing support for UNODC and CICAD regional projects concerning precursor chemical control. They will continue to enable UNODC to track the flow of precursor chemicals to manufacture illicit drugs, to train law enforcement officials, and to support the International Narcotics Control Board's global database of precursor chemical shipments and legitimate industrial needs. Working with UNODC and DEA, CICAD will promote sub-regional cooperative arrangements to close off opportunities for chemical and pharmaceutical diversion.

Finally, funds will also be used to support UNODC's Independent Evaluation Unit (IEU), which provides independent assessments on the efficiency of program implementation to UNODC senior management and donor states, including the United States.

Interregional Aviation Support (\$65.5 million) - In FY 2007, the Interregional Aviation budget will continue to provide the core level services necessary to operate a fleet of 189 fixed and rotary wing aircraft supporting aviation activities in Colombia, Bolivia, and Peru, border security operations in Pakistan, and, as needed, programs at other temporary deployment locations. Operations include eradication, mobility, interdiction, monitoring, and logistical support. The primary focus will continue to be on the aggressive aerial eradication of Colombian coca and poppy, where U.S.-funded planes sprayed approximately 138,500 hectares of coca and 1,600 hectares of poppy in 2005. This marks the fifth consecutive year of record coca spray results, and from 2001 – 2005, we have sprayed over 600,000 hectares of coca that would have produced some 4.8M metric tons of cocaine. Aviation services in Bolivia and Peru will continue to support manual eradication as well as limited interdiction efforts in Peru and Bolivia. State Department-owned aircraft provide Pakistan with an Air Wing capability for integrated helicopter, fixed-wing, and ground forces operations in day, night, or using night vision goggles (NVG); such capability is used for surveillance along the porous, 1500-mile Afghan-Pakistan border area to permit interdiction of trafficking in persons, narcotics, arms, and other contraband, as well as to assist in monitoring areas where opium poppy is cultivated to permit eradication efforts. Finally, the establishment of host-government self-sufficiency remains a central goal for Air Wing operations in each country.

Program Development and Support (\$19 million) - Program Development and Support funds have become more critical as more funding is managed. These core funds support domestic administrative operating costs associated with the Washington-based staff, including additional salaries and benefits of U.S. Direct Hire employees, personal services contracts, rehired annuitants and reimbursable support personnel, field travel, maintenance of information resource management systems, and administrative support expenses, such as office equipment purchase and rental, telephone services, printing and reproduction, miscellaneous contractual services, materials, supplies, furniture, and furnishings are essential components that are included in the FY 2007 budget request.

Trafficking in Persons (\$7 million) - As a part of the fight against trafficking in persons, INCLE funds have supported training and technical assistance to foreign governments, civil society and non-governmental organizations to increase arrests and prosecutions of traffickers as well as improve legal advocacy for victims. From FY 2002 through 2005, police, prosecutors, border officials, and judges in approximately 58 countries received training and technical assistance to recognize trafficking, identify victims, improve interview techniques, and build and manage trafficking cases. In addition, INCLE funds supported 18 projects promoting regional law enforcement cooperation to increase trafficking in persons investigations, prosecutions and convictions and 16 global projects related to increasing awareness of and preventing trafficking in persons, researching the extent of the problem, improving protection and assistance to victims, including child victims of child sex tourism.

In FY 2007, requested funds will support anti-trafficking in persons programs with a focus on Tier 2 (especially Watchlist) and Tier 3 countries of the 2005 Trafficking in Persons Report. Programs will provide needed assistance in the areas of training for police, prosecutors, judges and immigration officials on investigating and prosecuting traffickers and monitoring international borders; legislative and drafting assistance; equipment such as computers, forensic crime kits, radios, and vehicles for anti-trafficking women and children police units or taskforces; awareness training by Non Government Organization's (NGO's) or international organizations for law enforcement officials on appropriate treatment of victims; Awareness program to prevent sex tourism; creation of victim sensitive forensic interview rooms; establishment of national hotlines; development of anti-trafficking curriculums for police academies; and a mapping project for a particular region to pinpoint anti-trafficking services compared to trafficking hot centers.

INCLE PART for Asia and Africa - For preparation of the FY 2007 budget, the administration evaluated the Department's International Narcotics, Crime and Law Enforcement Programs in Africa and Asia using OMB's Program Assessment Rating Tool (PART). The program was rated as Adequate. The program primarily seeks to support counter-narcotics and other law enforcement operations, and strengthens home countries' capacities to conduct such activities. INCLE -Asia and Africa focuses mainly on the countries responsible for production and trafficking of illicit drugs as well as supporting stabilization operations in post-conflict operations. Primary countries of focus include Laos, Thailand, Liberia, Nigeria, the Philippines, and South Africa. Pakistan will be covered by a separate evaluation.

Key Indicators: (1) Number of Southeast Asia nations removed from and kept off the President's list of Major Drug Producing and Drug Transit Nations; and (2) Re-establish rule of law in Liberia through civilian police assistance programs while building capacity of local security forces to provide security throughout Liberia.

Andean Counterdrug Initiative

(\$ in thousands)

Account	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
ACI	725,152	727,155	721,500

The FY 2007 request of \$721.5 million will continue to support and enhance the Andean region campaign against the drug trade and narco-terrorism. Its purpose is to eliminate the cultivation and refining of coca and opium poppy, to reduce the flow of illegal drugs to the United States, and to build Andean law enforcement capacity to find, arrest and prosecute traffickers and seize their assets, thereby disrupting the narco-terrorist nexus and enhancing the rule of law.

Current challenges within the ACI framework include finding productive modes of cooperation with left-leaning Andean governments and working with allies to continue to nationalize counter-narcotics programs now heavily dependent on United States Government assistance.

Bolivia (\$66.0 million) - FY 2007 funds will be used to: continue current efforts to reduce coca cultivation, control the diversion of (licit) Yungas coca to cocaine production, interdict Bolivian and transshipped Peruvian cocaine, continue demand reduction programs in schools, maintain current ready-rates for land, riverine and air assets that support eradication and interdiction operations, provide training to counternarcotics police and prosecutors, improve efforts against money laundering, and continue alternative development efforts to support those who cease cultivating coca within the Chapare and Yungas. These funds assume continued Government of Bolivia support for our shared goals in the region.

Specifically, FY 2007 funds will enable the GOB to:

- Interdict an increased percentage of sulfuric acid, which is required for cocaine production in Bolivia;
- Continue forced eradication in the Chapare/maintain voluntary eradication in the Yungas;
- Strengthen control over the marketing mechanisms for legal coca;
- Form a national drug prevention network/extend the DARE program to smaller cities and high-consumption border towns;
- Maintain 95% operational readiness for maintenance/support provided by Blue Devil Task Force (BDTF) and Green Devil Task Force (GDTF);
- Maintain 80% availability rate for four UH-1Hs and four HUEY IIs;
- Maintain an operational readiness rate of 95% for three C-130B aircraft;
- Pass transnational crime legislation;
- Provide advanced training to police officers and prosecutors;
- Increase detection, arrests and prosecution of major criminal organizations;
- Improve performance of anti-money laundering investigative units;
- Train a group of prosecutors to specialize in money-laundering cases;
- Pass complementary legal reforms and regulations enabling effective implementation of the Code of Criminal Procedure (CCP);
- Establish sustainable integrated justice centers specializing in counternarcotics;
- Extend alternative development to those farm families who cease cultivating coca.

Brazil (\$4.0 million) - FY 2007 funds will continue to be used to build up and strengthen Brazil's interagency law enforcement and drug interdiction border control operations COBRA (Colombia and Brazil), PEBRA (Peru and Brazil) and VEBRA (Venezuela and Brazil). Funds will also be used to enhance federal, state, civil and military law enforcement capabilities by providing operational support and

equipment to conduct more effective investigations and interdiction operations against specific international narcotics cartel leaders and their associates. In addition, funding will allow continued training, provided by DOS and other USG agencies, to enhance port and airport security and expansion of counternarcotics trafficking activities, such as arms trafficking and money laundering.

Colombia (\$465.0 million) - FY 2007 is a crucial year for USG counternarcotics efforts in Colombia. There has been considerable progress since Fiscal Year 2000, when the Government of Colombia's Plan Colombia was initiated. Eradication and interdiction numbers in Colombia have improved every year since 2002, while kidnappings, homicides, and terrorist attacks have been decreasing each year. The human rights and developmental situation has improved.

Even though the original Plan Colombia has formally ended, the most important elements of its programs will continue in its follow-up plan. The USG is sustaining support to Colombia, while seeking to establish increased Colombian funding, personnel and maintenance. In the five years of U.S. support to Plan Colombia, significant investments were made by the U.S. in infrastructure and training of Colombians. This is now beginning to pay off. Our FY 2007 planned expenditures reflect policy and operational commitments the USG has made and will be used primarily to keep up the pressure on the narcoterrorists in the areas of eradication and interdiction, to improve infrastructure in areas of Colombia recently brought under government control, and to train more Colombians to assume these important missions on their own. Program implementation will be managed by State/INL and the U.S. Embassy, in close coordination with USAID, DOD, DOJ, U.S. Coast Guard, DEA, NSC, ONDCP, Customs, and agencies of the Government of Colombia.

In the short term, we are requesting funding to support Colombia's follow-on efforts to Plan Colombia at levels similar to previous years, while continuing to work toward the goal of nationalizing the programs so that U.S. Government funding levels can be reduced in the long term. Increasing Colombian participation in funding has not been easy. But President Uribe has moved faster in battling narcoterrorism than anyone imagined, and this success has caused an increase in the operational pace of all our programs. Nonetheless, GOC support for funding, personnel, and programs has increased markedly. Colombia has doubled the percentage of GDP devoted to public security to over 5% in last four years; real budgets have increased 30% since 2001 after inflation. The Government of Colombia has added more than 111,000 National Police and Army soldiers since 2000, with training and equipment support from the USG. Thanks to increased Colombian participation in aviation activities, in Fiscal Year 2006 we will have reduced the number of U.S. contractor pilots and mechanics by over 100.

Recent reports by the ONDCP on declining purity and increasing prices of both cocaine and heroin on U.S. streets are encouraging. The reports reflect the substantial investment and gains made through USG programs. FY 2007 funding will be used to maximize drug interdiction and eradication efforts by the Colombian Ministry of Defense. 2005 was the fifth consecutive record-breaking year for the aerial spraying of coca crops. Over 138,500 hectares of coca was sprayed in 2005, as compared to 136,500 hectares in 2004. 1,624 hectares of opium poppy was also sprayed. We anticipate a need to be prepared to spray at least the same amounts in 2006 and 2007 as were done in 2004 and 2005 in order to ensure that there is no resurgence in coca and poppy cultivation. Manual eradication will continue to be a complement to aerial spraying in areas with adequate security.

Colombia continues to experience impressive success in the areas of interdiction. Seizures of cocaine base and cocaine hydrochloride (HCL) in 2004 were a record 178 metric tons. 2005 will be another record year. As of Nov. 30, 2005 -- the most recent date of data compilation -- Colombian authorities have seized 222 metric tons of cocaine and coca base. They continue to weaken the Foreign Terrorist Organizations (FTOs). More than 11,000 paramilitary members of AUC have been demobilized this year, and the ELN has lost substantial support. Even though not defeated, the FARC is on the defensive, thanks to the

Government of Colombia's Democratic Security Initiative and Plan Patriota. FARC activity remains a major concern, but its ability to challenge public security has been substantially diminished. The State Department, USAID, and the Department of Justice will continue to work closely with the U.S. Congress and the Government of Colombia to support Colombia's efforts to demobilize and reintegrate illegal armed groups into Colombian civil society and facilitate reconciliation and the delivery of reparations to victims of the country's armed conflict.

In FY 2007 we will continue to see an increase in CNP and Colombian army (COLAR) missions, areas of operations, and number of vetted units receiving U.S. support due to the increased operational pace. As in past years, CNP funding will be used for the operation and maintenance of aircraft, and to support infrastructure improvements, CNP training, and establishment of secure and interoperable communications and intelligence systems needed to keep up with the increased operational pace against the narcoterrorists. We will work to sustain and improve interdiction units created in past years, including the highly successful 150-man, mobile squadrons of Carabineros or rural police, and the three airmobile interdiction companies, or Junglas. As we transfer job responsibilities to the Colombian government, we are increasingly able to eliminate U.S. contractor positions. An important initiative that will be funded as a result of savings on contractors is the replacement of lost and aging aircraft with newer, commercially available models that can be more easily maintained and operated by the Government of Colombia

FY 2007 COLAR funding will continue to provide fuel, spare parts, training, repair, and maintenance costs for the helicopters that provide airlift capacity for eradication and interdiction support. Funds will be used to support helicopters in the infrastructure security project in Arauca that protects the critical oil pipeline and its infrastructure. Even though basic costs are increasing, along with the number of missions, we are only requesting an amount similar to years past for the Colombian army, since we are beginning to eliminate some U.S. contractor positions, primarily pilots and mechanics. We will continue to provide logistical and operations support to the COLAR Counter-Drug (CD) Brigade to improve its ability to conduct interdiction operations against high-value narco-terrorist targets and to continue eradication missions. The majority of these funds will be used, as in previous years, to train, equip and sustain the CD Brigade.

FY 2007 funding will be used to assist the Colombian Air Force in interdiction and surveillance programs in support of endgame operations against unauthorized aircraft flights in coordination with COLAR and CNP aviation units. As in previous years, we will also work with the Colombian Navy to train and equip specialized units to analyze operational intelligence and interdict contraband traffic, with a particular focus on fast-boat operations on Colombia's Caribbean and Pacific coasts.

As a cornerstone of deterrence and narco-trafficking efforts, the Air Bridge Denial (ABD) program in Colombia supports regional interdiction efforts directly. Core funding will continue contractor logistical support (CLS) and training for the Colombian Airbridge Denial Program. All ABD aircraft are now employed in Colombia only. In Colombia, the CLS will support all five (5) Cessna Citation aircraft and two (2) C-26 intelligence collection aircraft. CLS includes: all aircraft and sensor equipment spare parts; maintenance, to include daily, periodic and phase maintenance and technical support for all aircraft and sensor systems; and training of pilots, sensor operators and Colombian mechanics for all aircraft and sensor systems; improvements to Colombian ABD Program Command Control and Communications networks; and personnel who provide USG safety oversight of the Colombian ABD Program. These personnel oversee the Colombian Air Force in the Colombian Air Force Command and Control Center (CCOFA) and on the five (5) tracker aircraft.

Our 'soft-side' social and economic development, human rights and rule of law programs in Colombia have helped over 2,600 child ex-combatants, approximately over one and a half million displaced persons, and almost 900,000 other vulnerable persons to date. An estimated 64,000 families have received assistance through alternative development programs and over 1,000 infrastructure projects have been built using ACI

funding administered by USAID. Continued funding for alternative development, institutional building, and rule of law programs will be directed towards long-term projects that aim to create sustainable changes in the culture and economy and transfer program implementation and management capabilities to the host nation.

Alternative development programs will work to create permanent alternative income-generation opportunities for local populations. Democracy programs will seek to modernize the criminal justice system, promote access to justice for disenfranchised Colombians, protect human rights, increase government transparency and accountability, and support peace initiatives. Internally Displaced Persons (IDPs) programs will continue to provide economic and social assistance to persons displaced by civil strife and violence, youth at risk of recruitment by illegal armed groups, and the communities in which they reside. ACI funding administered by the DOJ will contribute to training for judges, prosecutors, and police, the promotion of timely and effective investigations and prosecutions of human rights violations, and Culture of Lawfulness programs to promote awareness and appreciation for the rule of law.

Programs associated with alternative development and rule of law promote:

- Market access and building a licit agricultural economy;
- Support to vulnerable groups such as internally displaced persons;
- Support for programs deepening the commitment to democracy; and
- Support to programs solidifying and promoting 'rule of law.

Programs associated with peace and human rights activities promote:

- Expanded government and civil human rights protection infrastructure;
- Further expansion of judicial capabilities and infrastructure will continue to facilitate justice administration and viable peace initiatives including support for programs to reintegrate former members of illegal armed groups in conjunction with USAID, PRM, DRL and WHA; and
- Transparency and accountability in all public offices.

Ecuador (\$17.3 million) - In order to make further inroads in disrupting narcotics transiting the country, requested funds will support programs aimed at stopping the spillover of narco-trafficking from Colombia along the northern border by renovating counternarcotics police headquarters and constructing cargo inspection stations and checkpoints. In addition, funds will provide law enforcement and judicial training to enhance the detection and seizure of drugs and contraband and money laundering investigations.

More generally, funding will continue essential support for counternarcotics police, port and canine operations, including: aviation support; canine training; acquisition of law enforcement and communications equipment; and the purchase, maintenance, repair and operational costs of vehicles.

Further expansion of alternative development project along the northern border with Colombia will improve local infrastructure and health conditions as well as consolidate licit jobs and income activities.

Panama (\$4.0 million) - Panama's strategic position as the only Atlantic/Pacific maritime crossroads, the sole land connection between North and South America, and a principal hemispheric air, financial and communication hub make it a natural locus for drug-related and other international crime. FY 2007 funds will enhance Panama's control of its international borders by strengthening the National Police counternarcotics units, enhancing the National Air Service intelligence and interception capabilities, helping to create a special border patrol unit, and increasing the National Maritime service sea interdiction capacity. Requested funds will also develop professional law enforcement by providing operational support and

training to the Customs Service for cargo inspection and financial investigation, funding technical and training assistance to the Technical Judicial Police for investigation and prosecution of criminal organizations, equipping and training the specialized Financial Investigative Unit to combat money laundering, and supporting general police modernization and professionalization. Finally, funds will be used to assist in Panama's anti-corruption efforts (Anti-corruption Council and Anti-corruption Prosecutor's Office), Culture of Lawfulness program, and demand reduction efforts.

Peru (\$98.5 million) - Peru's commitment to fight back against narcotraffickers is showing results in eliminating expansion zones and reinforcing interdiction and eradication in the source zones. FY 2007 funds will support the forced and voluntary eradication of illicit coca and opium poppy cultivation. These funds will pay for training, advisors, vehicles, aircraft maintenance services, ground-based infrastructure, communications and operational support for the GOP. Funds will also support: enhanced law enforcement interdiction efforts against smuggling through ports and airports; strengthened anti-drug prosecutors; public education about the influence of the drug industry and to support prevention; and anti-money laundering and anti-corruption initiatives.

To sustain a licit economy instead of coca, funding for alternative development will support the voluntary eradication of coca and related local-level infrastructure and economic development activities, broader commercial development activities in coca areas and their surrounding regions (including sustainable forest management), policy development and institutional strengthening activities to improve GOP capacity to implement its national counter-narcotics program, and development of a communications program supporting all of these components.

Venezuela (\$1.0 million) - Challenges continue to confront the USG on counternarcotics cooperation with Venezuela. Modest FY 2007 funding will focus on improving interdiction efforts by providing training for police and military operations to enhance drug detection and seizure capabilities. Similarly, funding will continue construction efforts to complete the containerized port security project. In addition, funds will provide procedural and integrity training to police investigators, public prosecutors and judges for anti-money laundering and counternarcotics investigation efforts.

Critical Flight Safety Program (\$65.7 million) - The Department of State Air Wing has an immediate need for a Critical Flight Safety Program (CFSP) to upgrade its severely aged aircraft fleet to commercial standards in order to sustain the counter-narcotics and counter-terrorism missions in the Andean region. The declining condition of the fleet presents the mission and our aircraft with a crippling reality of increased costs for amplified maintenance man-hours and material requirements, and degraded performance capability. In many cases aircraft have evidence of severe structural failures that have caused the Air Wing to ground aircraft. Many of the Air Wing's fleet are excess defense aircraft that are no longer supported by or are being discontinued in the Department of Defense (DoD) inventory. Most of our airframes have not gone through any major airframe Programmed Depot Maintenance. Many aircraft are over 35 years old and have greater than 10,000 airframe hours. DoD typically removes from service helicopters that were flown in excess of 4,000 hours.

Additionally, major components are obsolete and no longer being manufactured or have limited repair capability. In many cases these components, such as engine assemblies, are experiencing premature removals far more frequently and never reach time-life expectancy. Failure and removal rates of major components are compounded by the incidence of ground fire and operations in a high optempo austere environment. These factors make managing readiness and controlling cost an extremely difficult challenge.

Maintenance, modification and replacement initiatives are crucial in eliminating existing and unforeseen aircraft deficiencies. These initiatives will increase the operational reliability and logistics supportability of the Air Wing's aged aircraft inventory. The initiatives include fixes such as selective rewiring, critical

airframe upgrades, selective component replacement, and retrofitting obsolete components. This will successfully control many age-related costs and sustain the aircraft's capability. These initiatives require immediate attention.

Andean Counterdrug Initiative
(\$ in thousands)

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
Andean Counterdrug Initiative			
Bolivia Total	90,272	79,200	66,000
<i>Bolivia - Alternative Development/Institution Building</i>	41,664	36,630	31,000
<i>Bolivia - Interdiction</i>	48,608	42,570	35,000
Brazil Total	8,928	5,940	4,000
Colombia Total	462,767	464,781	465,000
<i>Colombia - Alternative Development/Institution Building</i>	124,694	129,920	125,000
<i>Colombia - Interdiction</i>	310,694	307,742	313,850
<i>Colombia - Rule of Law</i>	27,379	27,119	26,150
Ecuador Total	25,792	19,800	17,300
<i>Ecuador - Alternative Development/Institution Building</i>	14,880	11,425	8,400
<i>Ecuador - Interdiction</i>	10,912	8,375	8,900
Guatemala Total	992	-	-
Nicaragua Total	992	-	-
Panama Total	5,952	4,455	4,000
Peru Total	115,370	106,920	98,500
<i>Peru - Alternative Development/Institution Building</i>	53,866	48,510	42,500
<i>Peru - Interdiction</i>	61,504	58,410	56,000
Venezuela Total	2,976	2,229	1,000
Air Bridge Denial Program	11,111	13,860	-
Critical Flight Safety Program	-	29,970	65,700
Total	725,152	727,155	721,500

Migration and Refugee Assistance

(\$ in thousands)

Account	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
MRA	763,840	783,090	832,900
MRA-SUP	120,400	-	-

Migration and Refugee Assistance

Programs administered through the Migration and Refugee Assistance (MRA) account demonstrate the leadership and compassion of the American people while upholding the first goal of the President's National Security Strategy: to champion human dignity. Humanitarian response, identified as a key U.S. national interest in the joint Department of State/U.S. Agency for International Development Strategic Framework, is an integral element of U.S. foreign policy objectives. In the past year, the U.S. Government has responded to humanitarian emergencies in Chad/Darfur, Pakistan, and the West Bank and Gaza, while continuing to address humanitarian needs in such diverse places as the North Caucasus, Democratic Republic of the Congo, and Nepal. In FY 2005, USG assistance also provided support to significant voluntary returns of refugees and internally displaced persons (IDPs) to Afghanistan, Iraq, Burundi, and Liberia. Building on these successes, the resources requested will help to address similar humanitarian needs in FY 2006 and FY 2007.

The MRA and the Emergency Refugee and Migration Assistance (ERMA) appropriations are managed by the Bureau of Population, Refugees, and Migration (PRM) and are two of the primary funding mechanisms for demonstrating our compassion internationally. MRA funds are appropriated annually in response to projected twelve-month requirements. The FY 2007 request for MRA will fund protection and assistance activities overseas, the admission of refugees to the United States, international migration activities including programs to combat trafficking in persons, resettlement of humanitarian migrants to Israel, and PRM administrative expenses.

Key MRA funding priorities in FY 2007 include: supporting refugee returns (Iraq, Afghanistan, Sudan, and other parts of Africa); continuing to strengthen the admissions program; stabilizing displaced populations in/near conflict and post-conflict zones (e.g., Chad and Afghanistan); providing protection and life-sustaining assistance for those in long-standing situations (e.g., Palestinians and Somalis); using diplomacy to advance humanitarian interests; and improving UN humanitarian performance and accountability.

The core focus of refugee program resources is to provide protection, assistance, and durable solutions, including refugee resettlement, and to promote sound migration management. To support those programs, the FY 2007 request includes a modest funding request for PRM administrative expenses.

Protection, Assistance, and Durable Solutions

To support global protection and assistance requirements for populations of concern, MRA funds are focused on the following three priority areas:

(1) Ensuring access to effective protection and first asylum for refugees and conflict victims, and, in certain cases, IDPs and victims of trafficking, and preventing refoulement (involuntary return to a place where a person would face persecution). Protecting women and children is a priority given their numbers and vulnerability.

(2) Providing humanitarian assistance across geographic regions according to internationally accepted standards.

(3) Promoting durable solutions, including sustainable return and reintegration of refugees in countries of origin, particularly those in protracted situations, as well as local integration in host countries.

U.S. refugee policy is based on the premise that the care of refugees and other conflict victims and the pursuit of permanent solutions for refugee crises are shared international responsibilities. Although just one of many donors, the United States is in most cases the largest individual donor. The majority of refugee assistance funds (almost 87% in FY 2005) are provided multilaterally through international organizations (IOs). Funding is also provided bilaterally to non-governmental organizations (NGOs) that fill gaps in the international community's multilateral response. The primary recipients of U.S. funds and their major activities are discussed in the Overseas Assistance sections that follow.

Refugee Resettlement – The budget request for refugee resettlement reflects a significant increase in resources, consistent with the Administration's commitment to revitalize and grow this program. FY 2007 will see an even greater effort to develop resettlement caseloads, while requiring the higher level of funding needed for operational security during processing. The current reality is that smaller groups in numerous, often remote and dangerous, locations are most in need of resettlement. This adds to the challenge and the cost.

To implement this program, the Department provides funding to the UN High Commissioner for Refugees (UNHCR), the International Organization for Migration (IOM), and U.S. NGOs and other organizations, both overseas and domestically. The FY 2007 request will support continuing efforts to identify resettlement caseloads, process them for admission to the United States, and provide initial reception and placement services. MRA funds to UNHCR are targeted to increase its capacity worldwide to screen populations and refer caseloads for resettlement. IOM receives MRA funds for overseas processing functions in some locations and transportation-related services for all refugees admitted under the U.S. program. MRA funds also support numerous U.S.-based NGOs involved both in overseas processing functions and in domestic reception and placement services.

Program Assessment Rating Tool (PART) / Performance Evaluation – Protection and Durable Solutions

For preparation of the FY 2007 budget, the Administration assessed the Department's Protection and Durable Solutions program using the Program Assessment Rating Tool (PART). In this PART review the program was rated as effective. According to the assessment, the program is well-designed and well-managed. The Office of Management and Budget (OMB) noted that the Department has successfully encouraged program partners to commit to results-oriented program management, and that the program has made steady progress toward its stated annual and long-term goals.

The Administration will continue to improve and standardize the program's budget presentation documents to ensure budget requests are clearly and consistently linked to individual program's goals and performance measures. It will also review the findings of the 2006 Inspector General's inspection of the Bureau and address any areas for improvement related to protection and durable solutions.

Key program performance indicators include: (1) capacity of the Red Cross movement to restore family links; (2) number of countries with effective refugee registration systems; and (3) reduction of the long-standing global refugee population due to the achievement of durable solutions.

International Migration

U.S. international migration policy aims to promote sound migration management, which balances governments' respect for the human rights of migrants with responsibility to maintain national security. To support efforts to manage international migration flows humanely and effectively, the Department participates in a range of multilateral dialogues relating to migration and supports activities to promote international understanding of migration, with a special emphasis on protection of the basic human rights of migrants, including asylum seekers and victims of trafficking. PRM works closely with IOM, which coordinates with governments, other international organizations, and voluntary agencies to provide operational services for humanitarian migration and technical assistance to governments and others interested in the development of migration policy, legislation, and administration. Funding supports IOM anti-trafficking programs focusing on the protection of trafficking victims while building institutional capacity to carry on counter-trafficking efforts. Programs include identification of victims, return transportation and reintegration assistance. Funds also provide support for humanitarian migration and integration of humanitarian migrants to Israel through support for the migration programs of the United Israel Appeal (UIA).

Administrative Expenses

Responsible and appropriate programming and monitoring of resources requires a skilled and flexible workforce capable of responding to international crises, managing resources of nearly \$1 billion, and handling an array of significant humanitarian policy issues. The costs of this workforce -- both domestic and overseas positions -- are paid by the Administrative Expenses line of MRA. This includes all PRM salaries and benefits as well as operating expenses for domestic and overseas offices. The FY 2007 request for administrative expenses is \$22.2 million. It includes mandatory wage increases and inflationary costs. The budget request for the Department of State's Diplomatic and Consular Programs includes costs related to a small PRM staff dedicated to international population policy management.

Overseas Assistance

(\$ in thousands)

Account	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
MRA	554,752	562,765	547,988

The FY2007 request for Overseas Assistance supports the provision of life-saving protection and assistance to million of refugees and conflict victims in places such as Kenya, Thailand, and Colombia. The FY 2007 request also supports refugee returns and initial reintegration in places such as Afghanistan and Sudan.

Primary International Organization partners

The Department intends to use the funds requested for FY 2007 to provide a U.S. contribution to the calendar year 2007 requirements of the International Organizations (IOs) listed below. Traditionally, U.S. funding aims to meet 20-25 percent of these IOs' funding requests.

The United Nations High Commissioner for Refugees (UNHCR), PRM's principal international partner, is mandated by the UN to lead and coordinate international action for the worldwide protection of refugees and the resolution of refugee problems. UNHCR promotes international refugee agreements and monitors governments' compliance with international refugee law and standards. It also seeks to minimize the threat of violence, including sexual assault, to which many refugees are subject in countries of asylum. UNHCR seeks to promote lasting solutions for refugees, including voluntary repatriation, local integration, and resettlement to a third country. The agency also works with partners to ensure that refugees' basic needs such as water, shelter, food, and medicine are met. In 2007, UNHCR will continue efforts to direct protection and assistance activities toward refugee women and children, who comprise the majority of most refugee populations.

The International Committee of the Red Cross (ICRC) is an independent, internationally funded humanitarian institution mandated under the Geneva Conventions, to which the United States is a party. The primary goals of the ICRC are to protect and assist civilian victims of armed conflict, trace missing persons, reunite separated family members, and disseminate information on the principles of international humanitarian law. Given the adoption of the Third Additional Protocol to the Geneva Conventions in December 2005, we expect that by 2007 Magen David Adom will be a full member of the International Red Cross and Red Crescent Movement, thus achieving a long-standing humanitarian goal.

The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) has a continuing mandate from the United Nations to provide education, health, relief, and social services to the over four million registered Palestinian refugees located in Jordan, Syria, Lebanon, and the West Bank and Gaza.

The International Organization for Migration (IOM) works with governments, other international organizations, and voluntary agencies to provide for the orderly and humane migration of persons. IOM works in six service areas: assisted voluntary returns and reintegration, counter-trafficking, migration health, movements, labor migration, and technical cooperation on migration.

U.S. support may also be provided to other IOs and NGOs as required to meet specific program needs and objectives. Other IOs receiving MRA funds in the past include the UN Children's Fund (UNICEF), the UN Office for the Coordination of Humanitarian Affairs (OCHA), the World Food Program (WFP), and the UN Development Program (UNDP). The six largest of the thirty-one NGO recipients of MRA or Emergency Refugee Migration Assistance (ERMA) funds for overseas assistance in FY 2005, in order of

magnitude, were the International Rescue Committee, the International Medical Corps, the American Refugee Committee, the Cooperative Housing Foundation, Mercy Corps, and the International Catholic Migration Commission. Programs of non-governmental organizations may commence at any point in the fiscal year, with funding typically provided for a twelve-month period.

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

Program Assessment Rating Tool (PART) / Performance Evaluation – Refugee Assistance

For the FY 2007 budget, using the PART, the Administration assessed the Department's work with international and non-governmental organizations to address specific policy priorities, fill gaps in refugee assistance, and promote orderly and humane migration policies. In this PART review, the program was rated effective. According to the assessment, the program is strategically designed to complement assistance efforts by UNHCR and ICRC to protect and assist refugees, victims of conflict, IDPs, and vulnerable migrants, including victims of human trafficking. The PART review noted that the NGO portion of the program is well managed through a criteria-based application process and with formal financial performance review.

The review noted improvements in the proportion of funding devoted to preventing and responding to gender-based violence (GBV), and in the proportion of foreign governments that have increased activities to combat trafficking in persons (TIP) where PRM funds projects. To ensure continued progress in these and other priority areas, the Administration will expand the formal monitoring and evaluation of PRM's programs.

Key program performance indicators include: (1) percentage of MRA-funded NGO or 'other IO' assistance projects that include activities that focus on prevention and response to GBV; (2) percentage of foreign governments with MRA-funded anti-trafficking projects that have increased their activities to combat TIP; and (3) percentage of funding to NGO and 'other IO' projects that are monitored and evaluated through formal reporting channels.

Program Assessment Rating Tool (PART) / Performance Evaluation – UNHCR

During previous budget preparations, the Administration assessed the U.S. contribution to UNHCR and found the program to be effective, with one of the highest scores in the federal government. The program effectively provides for the protection and care of refugees on a multilateral basis, which allows the U.S. to advance its objectives, while providing only a portion of the costs of the programs. The Department monitors progress toward program goals using performance indicators.

Assistance Programs in Africa

(\$ in thousands)

Account	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
MRA	229,351	245,486	235,920
MRA-SUP	94,400	-	-

The African refugee scene is being transformed as political factors are aligning to “solve” four of the largest and most intractable refugee (and IDP) situations – Burundi, Sudan (apart from Darfur), DR Congo, and Liberia. The total refugee population had fallen from 3 million in 2005 to some 2.8 million by early 2006 (despite major outflows from Sudan) and should fall steadily in 2007 and 2008. Several repatriation and reintegration efforts are under way in 2006 that will continue into 2007. The “normal” repatriation and reintegration process takes about three years to complete. These operations can be costly in the short term, but save humanitarian money in the longer term as they are essential for post-conflict stability. While security is the primary driver in decisions to return home, a minimum of basic social and economic infrastructure is also necessary for sustainable reintegration. Repatriation and reintegration assistance for refugees able to return home usually includes transportation, a small package of household and agricultural items to facilitate the returnees' re-establishment, and limited rehabilitation of social infrastructure, such as clinics and water projects, in the home community.

At the same time, continued humanitarian assistance will be needed for vulnerable populations unable to return home, in such places as Chad, Ethiopia, Kenya, Sudan, Algeria, Zambia, and Ghana. Given the size and diversity of the Africa region – 53 countries with a variety of ethnic, political, health, economic, and climatic challenges – previously unanticipated refugee emergencies are likely to occur, creating new refugee outflows similar to those from Togo and the Central African Republic in 2005.

Key challenges include: weakening donor response, particularly in the area of food for refugees, owing to urgent priorities elsewhere; protracted and seemingly intractable refugee situations such as those of Somali refugees in Kenya and Western Saharan refugees in Algeria; concerns about the neutrality and security of refugee camps; and problems of humanitarian access to populations in need in Darfur and eastern Chad, for example; the concomitant disasters of drought/famine, as we are seeing in the Horn at present; and threats to refugee health, including HIV/AIDS and malaria.

Protection, both legal and physical, including protection of women and children from sexual violence and from recruitment into armed conflicts, has become more challenging in Africa. Support is planned for ongoing protection programs in Africa, including increased UNHCR protection staffing. Basic humanitarian assistance in Africa continues to lag behind international standards in such life-sustaining sectors as nutrition, where there is now some chronic malnutrition among refugees, and water/sanitation. Contributions to UNHCR and other implementing partners will continue to seek to address some of these gaps.

In Africa as elsewhere, ICRC, often in partnership with other elements of the International Red Cross and Red Crescent Movement, is called upon to provide relief and protection in the most difficult and dangerous areas of countries caught up in armed conflict, where success depends largely on securing the cooperation of the warring parties. This sensitive task has become even more difficult – in Darfur for example – as parties to conflict have increasingly rejected the principle of neutral humanitarian assistance. The ICRC program in Africa provides protection and assistance to conflict victims and displaced persons, assistance to political prisoners and prisoners of war, and tracing services (for detainees and family members separated by conflict).

NGOs are key partners of IOs in Africa, often in specialized areas such as health care, water and sanitation, and education. In some cases, FY 2007 funds will be provided directly to NGOs that require additional support in order to play the implementing partner role. UNICEF, IOM, and other international organizations may also receive funding for assistance activities complementary to those of our key partners.

Assistance Programs in East Asia

(\$ in thousands)

Account	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
MRA	22,778	22,594	20,405

The FY 2007 request includes continued support for UNHCR and ICRC programs throughout the region and critical programs of non-governmental organizations (NGOs) that assist Burmese refugees in Thailand.

The largest group of refugees in East Asia continues to be Burmese. Of the Rohingya refugees who fled to Bangladesh from Burma in late 1991 to mid-1992, over 236,000 have voluntarily repatriated, but only very small-scale repatriation occurred in 2005. USG contributions to UNHCR in FY 2007 will provide support to the remaining refugees in the camps in Bangladesh as well as the reintegration and recovery needs of Rohingyas in Burma who repatriated within the past three years. Those remaining in Bangladesh need a durable solution, and UNHCR is negotiating with the Government of Bangladesh about this caseload. There are approximately 10,000 Burmese Chin and 10,000 Burmese Rohingya residing in Malaysia, as well as about 30,000 Acehnese refugees from Indonesia.

At the beginning of 2006, approximately 140,000 refugees from a variety of ethnic groups in Burma still resided in camps in Thailand to which they fled to escape attacks by the Burmese army and its allies as well as from general persecution, such as forced labor and dislocation. The Thai Government continues to cooperate with UNHCR on the registration and protection of refugee camp populations. U.S. contributions to UNHCR and NGOs will support protection and assistance for Burmese refugees in Thailand.

The FY 2007 request will also continue funding NGOs working in Burmese refugee camps in Thailand. These NGOs address needs not covered by UNHCR or other IOs, including public health programs, water and sanitation, food, fuel and clothing aid, as well as some basic household assistance, such as blankets and mosquito nets. Future MRA requests will seek to cover all USG programs in refugee camps in Thailand, including those currently funded by the U.S. Agency for International Development (USAID).

UNHCR also provides needed protection and assistance to Montagnard asylum seekers from Vietnam in Cambodia. The organization interviews asylum seekers, provides direct assistance in Cambodia, and assists their resettlement to third countries or return to Vietnam. UNHCR staff from several missions in the region participate in monitoring missions to returnee locations in Vietnam's Central Highlands.

U.S. contributions to ICRC in East Asia support ongoing programs, such as visits to detainees and emergency relief and medical care for conflict victims. Regional ICRC delegations throughout East Asia largely concentrate on core activities of protection, tracing, dissemination, and medical assistance, including the provision of prosthetics for those injured by anti-personnel landmines.

North Korean refugees continue to flee famine and oppression in the DPRK. The North Korean Human Rights Act of 2004 calls on the USG to do more to assist this vulnerable population. PRM will actively continue to support the efforts of the UN to improve its access, protection and assistance of this population in FY 2007.

Assistance Programs in Europe

(\$ in thousands)

Account	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
MRA	48,189	44,335	40,040

In Europe, one major focus of U.S. policy with regards to the Russian Federation and the Independent States of the Former Soviet Union (IS) remains the pursuit of political settlements to the “frozen” and on-going conflicts in the North and South Caucasus. FY 2007 Migration and Refugee Assistance (MRA) funds will continue to assist over one million people who remain displaced as a result of these conflicts. Life-saving assistance over the years through UN and NGO partners has provided protection, food, shelter, health, water & sanitation, education and mine action programs for refugees, internally displaced persons (IDPs) and asylum seekers in the North and South Caucasus.

The situation in the North Caucasus continues to worsen and threaten Russian and U.S. interests. The conflict in Chechnya, while somewhat more controlled in the Republic, has spread to the republics of Dagestan, Ingushetia, North Ossetia, Kabardino-Balkaria, Karachai-Cherkessiya, and Adygeya.

The United States continues to devote considerable attention to the strategically important region of the South Caucasus, with President Bush making the first visit ever by a U.S. President to Tbilisi in 2005. While we are hopeful that peace discussions will result in possible settlements in the “frozen conflicts” in the South Caucasus, thousands will remain displaced in FY 2007 and will continue to face many hardships (inadequate housing and health care and lack of economic opportunity), with insufficient resources to support them from their governments and the international community.

The FY 2007 MRA request also reflects a continued need for assistance in the Balkans, particularly in building an emergency response capacity. The potentially difficult negotiations over Kosovo’s final status have begun. The process is expected to take up to a year, and could result in significant population movements within the region.

Providing durable solutions for displaced persons is a key aspect of U.S. foreign policy in the region and is essential to promoting regional stability, particularly during the upcoming final status negotiations. Since the end of the war in Kosovo in 1999, MRA funding to NGO partners has helped to provide information on return and integration options to interested IDPs; facilitated cross-boundary returns to pre-war communities in Kosovo through implementation of assistance components including shelter repair, income generation activities and provision of basic household necessities; created sustainable environments for returnees through community stabilization and reconciliation programs; provided income generation activities and legal assistance for refugees and IDPs in Serbia who decide to permanently relocate there; and offered emergency humanitarian assistance such as food and shelter in the aftermath of unanticipated violence, as occurred in Kosovo in March 2004.

In FY 2007, the State Department will continue to work closely with UNHCR and its NGO partners to offer protection and durable solutions. There is a strong possibility that a significant migration flow or other humanitarian emergency may emerge either during or after the Kosovo final status talks. MRA funds will help ensure that UNHCR and NGOs possess appropriate contingency resources to deal with such a crisis.

The State Department will also continue to support ICRC’s unique role in the Balkans facilitating exchange of information on missing persons, conducting prison visits, and building the capacity of local Red Cross societies.

Assistance Programs in the Near East

(\$ in thousands)

Account	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
MRA	98,442	97,215	113,325

Supporting the return and sustainable reintegration of Iraqi refugees and IDPs remains a key priority in this region. Over 250,000 Iraqis have voluntarily returned to their home country since 2003. FY 2005 MRA funds totaling \$58.2 million supported IO and NGO implementing partners providing reintegration assistance for these returnees in the critical sectors of health, water/sanitation, shelter, primary education, and protection, thereby increasing the likelihood of sustainable reintegration and stability in areas of high return. Support for the Iraqi Ministry of Displacement and Migration (MODM) enhanced its capacity to coordinate other government ministries and NGOs during humanitarian crises. MRA funds in FY 2005 provided life-sustaining assistance and protection to vulnerable Iraqis in neighboring countries and to non-Iraqi refugees inside Iraq and also supported the durable solution of local integration for over 3,000 Iranians. FY 2006 funding targets include: supporting the voluntary return and reintegration of an estimated 100,000 refugees; strengthening the Temporary Protective Regime for vulnerable Iraqis in neighboring countries; further strengthening MODM's capacity to respond to humanitarian crises throughout Iraq; complementing the work of the Provincial Reconstruction Teams by meeting the short-term needs of communities impacted by large numbers of returning refugees; and supporting durable solutions such as local integration or voluntary repatriation for non-Iraqi refugees, such as 11,000 Turkish Kurds in Makhmour. Similarly in FY 2007, MRA funds will continue to target reintegration assistance to returnees (150,000 estimated in 2007) and foreign refugee populations in Iraq.

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

ICRC activities in the Near East are directed at civilian victims of conflict, people deprived of their freedom (prisoners of war), the wounded and sick, and missing persons. ICRC activities also support civil society, national Red Crescent Societies, and government authorities. ICRC cooperates with national societies on the dissemination of international humanitarian law and on strengthening their tracing services. It runs prosthetic/orthotic centers and trains technicians in this work. ICRC is often the only international humanitarian organization that is able to access areas of civil strife in this region to provide needed protection, medical and other assistance to conflict victims and displaced persons.

The FY 2007 MRA request incorporates continued support for assistance programs of the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), which benefit over four million registered Palestinian refugees in the region. The U.S. has been a major contributor toward UNRWA's programs since it began operations in 1950, under a UN mandate to assist Palestinian refugees in Jordan, Syria, Lebanon, and the West Bank and Gaza. The agency provides education, health care, and relief and social services. UNRWA schools and vocational training centers play a vital role in helping Palestinian refugees become economically self-reliant. U.S. support helps to provide some stability in the lives of the Palestinian refugee population in an increasingly difficult environment and contributes to building a climate conducive to a peaceful resolution of regional problems. Also, support to UNRWA allows it to continue critical security monitoring of its programs and operations in the West Bank and Gaza. The MRA request does not include any funding for UNRWA's emergency operations.

UNRWA's 2006-2007 budget is designed to address the significant decline in humanitarian conditions among Palestinian refugees in the West Bank and Gaza. Since the second Intifada erupted in September 2000, unemployment among Palestinians in the West Bank and Gaza has grown from 10 to 30 percent; and 1.7 million Palestinians (refugees and non-refugees - 47 percent of the population) now live below the poverty line. One in three refugees living in camps in the West Bank and Gaza survives on less than US \$1 per day.

The USG strives to support 22-25 percent of UNRWA's regular annual budget subject to the availability of funds, per the State Department's 2005 Framework Agreement with UNRWA. In the wake of Gaza disengagement, USG assistance would help UNRWA implement the Wolfensohn team's recommendations on how best to revive the Palestinian economy by supporting projects designed to help Palestinians become self-reliant, in keeping with the USG policy objective of stabilizing humanitarian conditions in the West Bank and Gaza, where 1.6 million Palestinian refugees live. USG funding will help support UNRWA's strategic goal of bringing its schools, vocational centers, and primary health clinics up to host government standards by reducing school double-shifting and overcrowding and by lessening the daily patient load for its doctors. It would also help support the rehabilitation of shelters and infrastructure in UNRWA refugee camps in Lebanon, the deterioration of which contributes to declining morale and feeds into political militancy.

Assistance Programs in South Asia

(\$ in thousands)

Account	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
MRA	59,098	49,190	44,424

Over 3.3 million Afghans continue living as refugees in Pakistan and Iran despite the return of 3.5 million refugees to Afghanistan since 2001. Reintegration needs inside Afghanistan, as a result of prior large-scale returns, will continue in 2007. Of equal importance will be continuation of programs in Pakistan and Iran that support other durable solutions for those unable to return. MRA funds will facilitate the return of up to 600,000 refugees to Afghanistan in FY 2007 through contributions to UNHCR and others. While the returnees receive travel and minimal reintegration assistance, most of them return to damaged or destroyed homes, a devastated physical and economic infrastructure, and little in the way of employment opportunities. In 2007 the international community will continue the transition from humanitarian assistance to development assistance for returnees in order to anchor returnees in their home communities and respond to unmet humanitarian needs, rebuild infrastructure, and create economic opportunities.

PRM will continue to support ICRC's programs benefiting victims of the Afghan conflict with a focus on emergency medical assistance and visits to detainees. ICRC runs a number of surgical and field hospitals for war-wounded Afghans and operates rehabilitation centers that provide services to the disabled. ICRC also provides emergency non-food assistance to the internally displaced and vulnerable, as well as water and sanitation projects in urban areas. Protection and tracing activities are important aspects of ICRC's Afghan Conflict Victims program.

UNHCR estimates that over 3 million Afghan refugees remained in Pakistan, Iran, and Central Asia at the end of 2005, of which it expects 650,000 to repatriate in 2006. The uncertain security situation, persecution of certain ethnic groups, and Afghanistan's limited capacity to absorb additional returnees continue to dampen the pace of returns. The U.S. Government will need to continue supporting UNHCR and its partners' protection and assistance work on behalf of refugees in these countries. Continued assistance will also support UNHCR/Pakistan's work with the Government of Pakistan to accept long-staying refugees as migrants with rights and access to social services. This durable solution of local integration will be accomplished through institution of a border and migration regime and, in cooperation with USAID and other development actors, by supporting small-scale development projects, identified in 2006, for refugee-affected areas in Pakistan. This is an important step in ultimately phasing out our assistance-based refugee program in Pakistan, and is also a crucial step in building a sound foundation for future Pakistan-Afghan relations.

An estimated 105,000 ethnic Nepalese refugees from Bhutan have been living in seven camps in southeastern Nepal since the early 1990s. The Department is aggressively working with governments in the region and elsewhere to promote durable solutions for this refugee population. In the meantime, PRM will continue to support UNHCR's protection and assistance activities in the camps, including primary education for refugee children, teacher training, and income generating and skills projects. UNHCR will aim to ensure that any future returns to Bhutan are voluntary and promote resettlement for the most vulnerable individuals. UNHCR also supports Tibetan refugees in transit to India by providing them with food, shelter, and health care and maintaining a Reception Center for Tibetan refugees in Kathmandu. PRM will continue to support ICRC's activities in the region.

India is host to over 130,000 Tibetan refugees. The Department supports through the Tibet Fund the immediate needs of approximately 2,500 new Tibetan refugees who arrive in India each year. In addition,

with no resolution to the Kashmir conflict in sight, support for ICRC's critical work to protect detainees and conflict victims will also continue through U.S. contributions to its regional appeal.

Another important country of humanitarian interest in the region is Sri Lanka, which currently has 337,000 IDPs living inside its territory and another 130,000 refugees living abroad. PRM will continue supporting UNHCR's efforts to 1) facilitate an ongoing voluntary repatriation program for Sri Lankan refugees currently residing in camps in southern India (70,000 currently live in those camps), 2) protect and assist conflict-related IDPs with targeted return and relocation projects and legal advice, and 3) assist the UN in mitigating the effects of the tsunami on tsunami-displaced people. PRM will also support ICRC's efforts to 1) protect civilians against violations of international humanitarian law, 2) help families learn the fate or whereabouts of missing relatives, 3) allow the free movement of people between Vanni and the rest of the country, and 4) improve primary health care facilities and water supplies in the north-east.

Assistance Programs in the Western Hemisphere

(\$ in thousands)

Account	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
MRA	23,775	24,335	21,978

Assistance to persons displaced by the conflict in Colombia will continue to be a major priority for the United States in the Western Hemisphere. For the past several years, the U.S. government has contributed to addressing the needs of the more than 2.5 million internally displaced persons (IDPs) inside Colombia, as well as tens of thousands of refugees outside Colombia, through a combination of MRA and special appropriations for the USG's Colombia operations.

Our primary partners in Colombia are ICRC and UNHCR. In 2005, ICRC's budget for its operations in Colombia (with 54 expatriate staff) was one of its largest in the world. ICRC distributes aid to internally displaced persons in over two-thirds of Colombia's municipalities and is the primary provider of direct assistance during the emergency phase. Emergency food parcels are a crucial part of its assistance; ICRC also provides hygiene kits, bedding material, dishes and cooking utensils, as needed.

UNHCR is also assisting the Colombian government in responding to the assistance and protection needs of IDPs. Its activities in Colombia include advocacy on behalf of IDPs and capacity building with IDP associations and the national and local governments. In neighboring countries, UNHCR works with host governments to promote refugee-related legislation, support NGO and local government refugee response, register refugees and asylum-seekers, and assist voluntary returns of Colombian refugees. PRM also provides some assistance to new IDPs through NGOs, most significantly the Cooperative Housing Foundation (CHF), which is a major provider of shelter and provides some food/non-food items and psychosocial support as well. In FY 2005, CHF assisted over 13,000 displaced families with shelter and basic necessities.

However, there are still unmet IDP needs in Colombia, especially in rural areas, including lack of documentation and health care. In FY 2006, we will work with our partners to try to address these specific areas. In FY 2006 - 2007, PRM aims to begin partnering with NGOs in Costa Rica and Panama to assist Colombian refugees in those countries, but given the current demands on our resources in Colombia, Ecuador and Venezuela, that may not be feasible.

While Colombia represents the most significant humanitarian assistance requirement in the region, ongoing UNHCR and ICRC programs of protection, mass migration contingency planning, early warning monitoring, and humanitarian law dissemination throughout the hemisphere are needed to maintain a capacity for dealing with the needs of refugees and conflict victims now and in the future. U.S. contributions will help support UNHCR programs that work with States to establish effective protection regimes, especially given the potential for mass migrations in the region. UNHCR training workshops in the Caribbean are particularly important. Funds will also be contributed to ICRC assistance programs in Central and South America.

The MRA request includes funds to meet the Department's commitment to support the needs of Cuban and Haitian migrants at the Guantanamo Bay Naval Base (GTMO) Migrant Operations Center (MOC) who have been found to be in need of protection and await resettlement in third countries. This requirement was established by Presidential Executive Order 13276. Due to its restricted, isolated location and a housing shortage on the base, the costs of maintaining and managing the MOC remain high. State has coordinated closely with Departments of Defense (DOD) and Homeland Security (DHS) to clarify our roles and responsibilities in the protection of migrants at the MOC. IOM's management of protected migrant

services has greatly reduced PRM's involvement with labor-intensive case management issues and allowed the Bureau to focus on developing resettlement opportunities. In FY 2005 PRM facilitated the resettlement of 55 Haitian and Cuban migrants from GTMO to Spain, Canada, Honduras, and Costa Rica. Resettlement in countries other than the U.S. deters other migrants from taking to the dangerous seas in attempting to reach the U.S.

Strategic Global Priorities

(\$ in thousands)

Account	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
MRA	59,694	66,721	60,256

The Strategic Global Priorities (SGP) line funds critical cross-cutting, global priorities such as emergency response, security of humanitarian workers, refugee women, refugee children, health, and protection. It supports activities of international and non-governmental organizations that do not appear in any specific regional program (e.g., centrally-funded, multiregional activities). The request for SGP funding will provide U.S. contributions to the headquarters and global program costs of the United Nations High Commissioner for Refugees (UNHCR), the headquarters budget of the International Committee of the Red Cross (ICRC), and the multiregional refugee activities of other international or non-governmental organizations. SGP program activities also include interagency coordination efforts, emergency response units of international organizations, and monitoring and evaluation activities.

A portion of SGP funding is specifically linked to performance measurement, e.g., commitment to improve protection and decrease incidence of gender-based violence (GBV) by increasing field presence in remote and precarious refugee settings. A particular emphasis of our SGP funding is to promote initiatives in such areas as refugee women and children, GBV, enhancing refugee protection, registration, HIV/AIDS prevention, and resolving protracted refugee situations. These situations ultimately become integrated into the regular programs of our partners and lead to more effective and efficient programs in support of refugee needs.

A key priority in funding UNHCR out of the SGP budget line is the prevention of sexual exploitation and the improvement of UNHCR's protection presence in the field. The increasing violence of conflicts, including increases of GBV, large numbers of refugees and displaced persons in the world, most of whom are women and children, and the strain on resources to deal with them has eroded the protection of refugees over the years. The Bureau has worked closely with our NGO and IO partners on the prevention of sexual exploitation, and now requires that all our NGO partners have codes of conduct reflecting core principles regarding sexual exploitation. The continuation of the efforts to enhance UNHCR's protection staffing capacity within the organization and the development of an enhanced registration system are important USG priorities. Funding is also included for UNHCR's Operational Reserve, an important mechanism on which UNHCR's emergency response capacity depends.

Funding for the ICRC headquarters budget covers the permanent activities carried out by ICRC staff in Geneva; field-related costs are normally attributed to the regional appeals. (The contribution to the headquarters budget is paid in Swiss francs, and the dollar amount will vary according to the exchange rate at the time of payment.) The contribution will be calculated at not less than 10 percent of the 2007 ICRC headquarters budget in accordance with the Foreign Relations Authorization Act of 1988 and 1989. The ICRC headquarters budget is funded through voluntary contributions by governments and national societies of the Red Cross/Red Crescent Movement. U.S. contributions to ICRC's regional emergency appeals are described under the previous regional sections of this document.

The SGP budget line also supports positions held by Americans with UNHCR through its Junior Professional Officer (JPO) program.

Migration

(\$ in thousands)

Account	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
MRA	13,425	12,889	11,640

International migration activities focus on cooperation with other governments and with international and non-governmental organizations to facilitate humane and effective migration management. MRA funds for migration activities are primarily disbursed through the International Organization for Migration (IOM). The FY 2007 request for migration activities includes an annual assessed contribution to IOM. As a member of IOM, as authorized in the Migration and Refugee Assistance Act of 1962, the United States pays annually a 25.74 percent assessment to the organization's administrative budget. The IOM assessed contribution is paid in Swiss francs, and the dollar amount will vary according to the exchange rate at the time of payment (in FY 2005 the assessed contribution amounted to \$8.02 million). The Migration budget line also supports two positions held by Americans with IOM through the Associate Expert (AE) program.

Assistance in this category will support the international migration policy goals for which PRM has primary responsibility, especially the promotion and protection of the human rights of vulnerable migrants, including asylum seekers and victims of trafficking. As part of this effort, PRM plays a key role in overall USG efforts to combat trafficking, and a top priority of the FY 2007 request for migration includes support for programs to assist trafficking victims while building the capacity of foreign governments and NGOs to better confront this challenge. Resources will continue to support key programs to provide protection to victims, including victims' identification, return transportation, reintegration and medical assistance. PRM will work with IOM to develop and disseminate capacity-building material, such as IOM modules in various languages to train government and NGO representatives on issues relating to the protection of trafficking victims. PRM will continue to encourage IOM to strengthen the development and use of performance indicators for anti-trafficking programs. These performance indicators will be an integral part of evaluating the effectiveness of MRA-funded anti-trafficking activities, as well as for justifying continued USG support. Anti-trafficking programming is closely coordinated with other U.S. anti-trafficking efforts through the State Department's Office to Monitor and Combat Trafficking in Persons and the inter-agency Senior Policy Operating Group on Trafficking in Persons.

Another principal migration activity is participation in and support for regional migration dialogues. Since 1996, the United States has been involved in the Regional Conference on Migration (RCM), a forum where ten North and Central American governments and the Dominican Republic discuss and cooperate on common migration challenges. In addition, since 1985 the United States has participated in the Intergovernmental Consultations on Asylum, Refugee, and Migration Policies in Europe, North America, and Australia (IGC), an informal channel for senior and mid-level policy officials from the United States, Canada, Australia, and European countries to exchange views and share information. PRM also supports newer regional dialogues, such as the South American Conference on Migration (SACM) and the Migration Dialogue for Southern Africa (MIDSA) for member states of the Southern African Development Community (SADC), and the Bali Ministerial Process on People Smuggling, Trafficking in Persons and Related Transnational Crime, covering the Asia-Pacific region. PRM is actively involved in discussions on migration and trafficking issues at the regional level through the Organization of American States and the Summit of the Americas (OAS), and at a global level through the UN system.

Refugee Admissions

(\$ in thousands)

Account	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
MRA	137,664	159,440	222,694

In FY 2007, PRM will continue to work on three priority areas for the admissions program: pipeline development, enhanced security during processing, and high-quality reception and placement services. The increased level of funding for refugee admissions in FY 2007 reflects the Administration's commitment to the program.

Africa

African admissions comprise 33 percent of the allocated program during FY 2006, or some 20,000 arrivals. In FY 2005, African admissions totaled 20,749 and continued to show recovery from the post-9/11 period. During FY 2006, PRM will continue to process populations in need of resettlement in both East and West Africa. A number of large groups of African refugees for whom no other durable solution appears possible are currently under review for processing and will, along with family reunification cases, comprise the FY 2007 caseload. The Africa program will continue to be among the larger regional programs.

East Asia

In FY 2006, assuming early resolution of the "material support for terrorism" issue*, arrivals from East Asia will likely comprise some 28 percent of the year's arrivals or 15,000 refugees. The State Department is planning to process Burmese refugees in Thailand and Malaysia in FY 2006. Otherwise, FY 2006 will see processing of a residual caseload from the Orderly Departure Program and a small number of other cases in Vietnam. Looking ahead to FY 2007, it is likely that the program will begin processing significantly more Burmese refugees from the border camps in Thailand and possibly vulnerable Tibetans in Nepal.

Europe

The FY 2006 program in Europe will include primarily persons from the former Soviet Union, religious minorities of special interest to the United States, including Jews, Evangelical Christians, and certain Ukrainian religious activists. The program for some 16,000 Meshketian Turks from Krasnodar is fully underway, and most will arrive during FY 2006. In FY 2007, we expect to continue processing religious minority cases.

Near East and South Asia

Admission of Iranians (primarily religious minorities) and small numbers of other nationalities are expected to continue in 2006. The U.S. Government will continue to admit vulnerable Iraqis and Afghans, including women at risk. The scale of FY 2007 admissions from the region is expected to be similar to that of FY 2006 – some 5,000, although part of a large population of Bhutanese in Nepal may enter the program if longstanding multilateral complications can be resolved.

Latin America and the Caribbean

Admissions in this region during FY 2006 will comprise in-country processing for Cubans and the small program for Colombians. With resolution of the "material support for terrorism" issue*, we expect the

Colombian program would increase. Arrivals from Cuba have increased markedly as the program has overcome some of the significant backlog created after 9/11. In FY 2007, arrivals from the region will be similar.

Itemization of Costs

Each step in the refugee admissions process involves direct costs to the program, including caseload identification, overseas processing (both before and after the Department of Homeland Security (DHS) interview), medical examination, security screening, transportation, and reception and placement. Funds are also used to support centralized data management and administrative overhead of both the overseas and domestic partners involved in the program. The budget request for refugee admissions funds the programs described below. Funds may also be used for the evaluation of these programs.

Identification and Processing

The Department funds UNHCR, IOM, and NGOs to assist with the identification and processing of refugees worldwide for resettlement in the United States. Processing responsibilities include screening applicants to assess their eligibility for interview by DHS adjudicators under the U.S. refugee program. Some applicants interviewed by DHS are not approved for U.S. resettlement. Therefore, more cases are processed during the course of the year than will actually be admitted to the United States as refugees. For approved refugees, processing funds are also used to pay for medical examinations, cultural orientation materials and briefings, and required travel documentation.

In addition to overseas processing operations, the Department funds certain services performed in the United States that are essential to the smooth and efficient operation of the admissions process. This includes maintaining a U.S.-based Refugee Processing Center that manages the refugee admissions database and case allocation and sponsorship functions.

Transportation and Related Services

For FY 2007, the Administration requests funds for transportation and related services provided by IOM in support of the U.S. admissions program. This activity includes funding for international and domestic airfares, IOM operational support, communications, and transit accommodations where required. The cost of airfare is provided to refugees on a loan basis; beneficiaries are responsible for repaying their loans over time after resettlement. Therefore, the requirement for appropriated funds for refugee transportation in any given year is partially offset by loan repayments made available to IOM from refugees previously resettled.

Reception and Placement Program

Through the Department's Reception and Placement program (R&P), private voluntary organizations and one state agency receive funds to provide basic services to refugees for initial integration into U.S. society. These agencies are expected to augment federal funds by drawing on private cash and in-kind contributions, which are essential to the success of this program. Services include pre-arrival planning, reception at the airport, initial provision of basic necessities, including housing, food and clothing, orientation to their communities, counseling, and referral to local social service programs.

The Department coordinates with the domestic refugee assistance programs administered by the Office of Refugee Resettlement in the Department of Health and Human Services (HHS/ORR), which assumes responsibility for assisting resettled refugees after the initial service period covered by the R&P program.

Program Assessment Rating Tool (PART) / Performance Evaluation

During previous budget preparations, the Administration assessed the Refugee Admissions to the United States program. According to the assessment, the program has a clear purpose, planning processes are in place, and the program is well managed. The Department monitors progress toward program goals using performance indicators.

* The material support for terrorism issue, which refers to a question of whether certain aliens are admissible into the U.S., is currently under review within the U.S. government.

MRA Humanitarian Migrants to Israel

(\$ in thousands)

Account	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
MRA	49,600	39,600	40,000

The FY 2007 request will maintain our support for migrant programs of the United Israel Appeal (UIA). Our grant to the UIA helps finance programs of the Jewish Agency for Israel, which assist in the absorption into Israeli society of Jewish humanitarian migrants coming to Israel from the former Soviet Union, Ethiopia, and other countries of distress. All migrants receive programmatic support designed to promote their integration into Israeli society and include transportation to Israel, Hebrew language instruction, transitional housing, education, and vocational training. In 2005 UIA expected to support the movement of about 13,200 migrants to Israel, including over 3,600 Ethiopian Jews. In 2006 UIA projects that approximately 16,700 Jewish migrants will move to Israel, including 7,200 Ethiopian Jews. In 2007 we expect a similar number (16,700) would resettle in Israel. The increase in number of migrants reflects the accelerated program to move Ethiopian Jews to Israel.

Program Assessment Rating Tool (PART) / Performance Evaluation

During previous budget preparations, the Administration assessed the Humanitarian Migrants to Israel program. According to the review, the program is well managed and has a clear purpose: to provide assistance for the resettlement in Israel of humanitarian migrants from the former Soviet Union, countries in Eastern Europe, Africa and the Near East, and other countries of distress. The Department monitors progress toward program goals using performance indicators.

MRA Administrative Expenses

(\$ in thousands)

Account	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
MRA	21,824	21,285	22,218

The FY 2007 request of \$22.2 million for administrative expenses provides the Department with the resources essential to manage effectively and responsibly critical humanitarian programs funded through the MRA and ERMA appropriations. With this administrative budget, the PRM Bureau manages resources approaching \$1 billion and an array of significant humanitarian policy issues as well as the refugee admissions program. PRM staff address program design and implementation, monitor and evaluate operational activities, and support other parts of the State Department in integrating refugee and humanitarian issues into broader foreign policy concerns. They play an equally important humanitarian diplomacy role.

The administrative expenses line funds salaries and benefits for Bureau staff in Washington, D.C. and overseas, as well as travel and overseas post allocations. Costs related to the small staff dedicated to international population activities are included in the Department of State's Diplomatic and Consular Programs account.

U.S. Emergency Refugee and Migration Assistance Fund

(\$ in thousands)

Account	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
ERMA	29,760	29,700	55,000

The U.S. Emergency Refugee and Migration Assistance Fund (ERMA) is a no-year appropriation, drawn upon by the President to meet “unexpected urgent refugee and migration needs” whenever the President determines that it is “important to the national interest” to do so. The Migration and Refugee Assistance Act of 1962, as amended, provides permanent authorization for the account of up to \$100 million. The FY 2007 request of \$55 million will provide the critical capacity needed to respond to unexpected refugee and migration emergencies.

At the beginning of FY 2006, \$28.2 million remained in the fund. The FY 2006 ERMA appropriation was \$30 million, which was reduced to \$29.7 million after a 1% across-the-government rescission. During the first quarter of FY 2006, \$5 million was drawn down from the Fund to support unexpected urgent humanitarian needs of refugees and other victims of the October 2005 earthquake in Pakistan, leaving \$52.9 million available as of the second quarter of FY 2006. We anticipate extensive use of ERMA resources in 2006 to respond to any number of refugee emergencies now on the horizon.

Replenishment of the Fund in FY 2007 is essential to maintaining USG leadership to respond to refugee and migration emergencies, providing sufficient resources to cover the average annual drawdown level in recent years.

Thanks in part to an emergency supplemental appropriation, obviating the need for more extensive use of ERMA, a total of \$42.7 million was drawn down from the ERMA fund in FY 2005 for the following needs:

Presidential Determination 2005-01: \$8 million

On October 7, 2004, \$8 million was authorized to support unexpected and urgent needs related to Burundi refugee repatriation and reintegration.

Presidential Determination 2005-23: \$34.7 million

On March 29, 2005, \$34.7 million was authorized to respond to the humanitarian crisis in the West Bank and Gaza (\$20 million) and to support unexpected and urgent needs related to refugee repatriation and reintegration in Burundi (\$10 million) and the Democratic Republic of the Congo (\$4.7 million).

MRA\ERMA Program Summary
(\$ in thousands)

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
Migration and Refugee Assistance (MRA)			
Overseas Assistance	649,152	562,765	547,988
Africa	229,351	245,486	235,920
Africa SUP	94,400	-	-
East Asia	22,778	22,594	20,405
Europe	48,189	44,335	40,040
Near East	98,442	97,215	113,325
South Asia	59,098	49,190	44,424
Western Hemisphere	23,775	24,335	21,978
Migration	13,425	12,889	11,640
Strategic Global Priorities	59,694	66,721	60,256
Refugee Admissions	163,664	159,440	222,694
Refugee Admissions	137,664	159,440	222,694
Refugee Admissions (Protection) SUP	26,000	-	-
Humanitarian Migrants to Israel	49,600	39,600	40,000
Administrative Expenses	21,824	21,285	22,218
Total (MRA)	884,240	783,090	832,900
U.S. Emergency Refugee and Migration Assistance Fund			
U.S. Emergency Refugee and Migration Assistance Fund	29,760	29,700	55,000
Total (ERMA)	29,760	29,700	55,000

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