

OVERVIEW OF THE DEPARTMENT OF STATE

The Mission of the Department of State

Diplomacy is an instrument of power, essential for maintaining effective international relationships, and a principal means through which the United States defends its interests, responds to crises, and achieves its international goals. The Department of State is the lead institution for the conduct of American diplomacy, a mission based on the role of the Secretary of State as the President's principal foreign policy adviser.

In order to carry out U.S. foreign policy at home and abroad, the Department of State:

- Exercises policy leadership, broad interagency coordination, and management of resource allocation for the conduct of foreign relations.
- Leads representation of the United States overseas and advocates U.S. policies for foreign governments and international organizations.
- Coordinates, and provides support for, the international activities of U.S. agencies, official visits, and other diplomatic missions.
- Conducts negotiations, concludes agreements, and supports U.S. participation in international negotiations of all types.
- Coordinates and manages the U.S. Government response to international crises of all types.
- Carries out public affairs and public diplomacy.
- Reports on and analyzes international issues of importance to the U.S. Government.
- Assists U.S. business.
- Protects and assists American citizens living or traveling abroad.
- Adjudicates immigrant and nonimmigrant visas to enhance U.S. border security.
- Manages those international affairs programs and operations for which the Department has statutory responsibility.
- Guarantees the Diplomatic Readiness of the U.S. Government.

The above mission statement guides the men and women of the Department who carry out foreign affairs programs and activities. Department employees are also guided by a set of values as individuals and as an institution. The work of these employees has an impact on the American people here and abroad. Expertise in languages, understanding of foreign cultures, and management of complex issues and programs gained through international experience are essential elements of this work. The Department exercises discipline in implementing policy regardless of personal preference, and its personnel are willing and able to serve worldwide as needed. The conduct of foreign relations is viewed as a long term, career commitment rather than just a job. The Department workforce, a blend of Civil and Foreign Service employees and Foreign Service Nationals overseas, reflects the diversity of America.

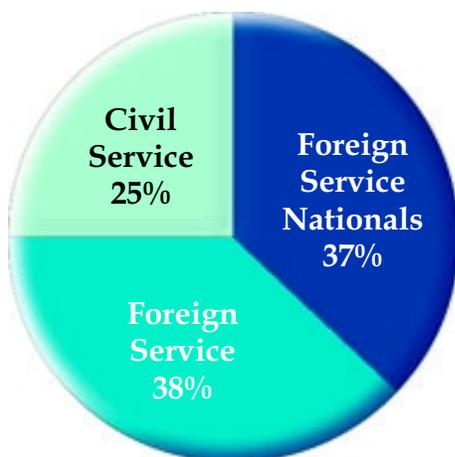
Organization and Structure

The Department was established in 1789 to advise the President on the formulation and execution of foreign affairs. The Secretary heads the Department and is the President's principal advisor on the conduct of foreign relations. The Secretary is aided by a Deputy Secretary and six Under Secretaries who serve as the Department's corporate board on foreign policy with each specializing in the following areas - political affairs, economic, business and agricultural affairs, arms control and international security, global affairs, public diplomacy and public affairs, and management.

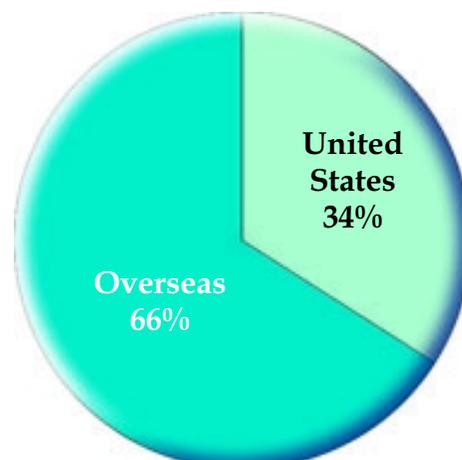
The foreign policy mission is conducted by approximately 20,600 employees in both the Civil Service and the Foreign Service, including Foreign Service Nationals, in the 162 countries where the United States is represented. In addition, the Department operates a national passport and visa center located in New Hampshire, 13 passport agencies, 5 offices that provide logistics support for overseas operations, 22 security offices, and 3 financial services centers located overseas in Paris and Bangkok, and domestically in Charleston, South Carolina.

Summary of Full-Time Permanent Employees

FY	Civil Service	Foreign Service	FSNs	Total
1994	5,191	8,512	9,195	22,898
1995	4,972	8,207	8,616	21,795
1996	5,021	7,994	8,121	21,136
1997	4,977	7,724	7,872	20,573
1998	5,165	7,769	7,637	20,571



**Department of State Workforce
Full-time Permanent Employees
as of September 1998**



**Department of State Workforce
Where Based**

Within the Department's headquarters in Washington, D.C., the mission is coordinated and managed through six regional bureaus, each with responsibility for a specific geographic area of the world. The regional bureaus and the overseas posts are supported by domestic offices that provide program management and administrative expertise in dealing with matters such as economics, intelligence, and human rights, as well as, finance, administration, personnel, training, medical services, and security programs.

In each Embassy, the Chief of Mission (usually an Ambassador), is responsible for the coordination and management of all U.S. Government functions in the host country. Each Ambassador is appointed by the President, confirmed by the Senate and reports directly to the President through the Secretary. The Diplomatic Mission is also the primary U.S. Government contact for Americans overseas and foreign nationals of the host country. The Mission serves the needs of Americans traveling and working overseas and provides support to Presidential and Congressional delegations visiting the country.

The Department Of State Strategic Plan

During 1998, the Department began full implementation of its first *Strategic Plan* prepared last year and submitted to Congress and the President in September 1997, as required by the Government Performance and Results Act. The *Strategic Plan* defines the mission, goals, objectives, strategies, and performance measurement indicators for the Department of State and is available to the general public on the Department of State's web site at HYPERLINK <http://www.state.gov>.

Although full implementation of the GPRA will not be realized until issuance of the *Accountability Report for Fiscal Year 1999* (to be published in March 2000), the accomplishments of the Department for 1998 are presented within the framework of the *Strategic Plan*. This approach provides a logical progression from one year to the next in presenting the Department's accomplishments in terms of achieving the mission, goals, and objectives defined in the *Strategic Plan*.

Beginning with 1999 and annually thereafter, funding will be provided based on specific program levels identified in appropriations requested by the Department, enacted by Congress, and signed into law by the President. Accordingly, under GPRA the Department will move away from annual appropriations based on historical experience and generic expenditures (salaries, benefits, travel, contracted services, etc.) to costs based on activities necessary to achieve the goals and objectives in the *Strategic Plan*. The *Accountability Report for Fiscal Year 1999* will fully describe program performance as required by GPRA.

Program Performance During Fiscal Year 1998 National Interests and Strategic Goals

The following discussion presents the program accomplishments achieved in 1998 within the framework of the *Strategic Plan*. To facilitate understanding of the mission of the Department, the 16 strategic goals present **what** the Department wants to accomplish while the seven national interest statements explain **why** the Department pursues these goals on behalf of the American people. To illustrate, the United States spends

about \$900 million each year on programs that support democracy around the world. Although the democracy goals are similar across countries, the interests pursued vary greatly. Investment in Russia's democracy stems primarily from U.S. national security interests, while in Haiti the concern is over immigration, and in Sri Lanka democracy is supported for its own sake. This logic applies to all of the national interests and goals in the *Strategic Plan*.

NATIONAL INTEREST: National Security

Strategic Goal: Regional Security

Prevent instabilities from threatening the vital and important interests of the United States and its allies.



Regional stability, achieved through diplomatic leadership, a strong military and effective intelligence, is fundamental to U.S. national security. Strengthening national security is a prerequisite to all other U.S. goals.

The President's national security strategy is based on diplomatic leadership, a strong military and effective intelligence. Traditional diplomacy through establishment of alliances and country-to-country relations help to achieve national security, but U.S. interests may require more aggressive action to prevent, manage, and resolve ethnic conflicts, civil wars, territorial disputes and humanitarian disasters anywhere in the world. In some cases, the U.S. may be the only nation with the ability, need and responsibility to respond without the support of other countries.

The strategy for achieving this goal is to maintain effective working relationships with leading regional states utilizing defensive cooperation through alliances, military assistance and defense trade controls to help prevent, manage and diffuse regional conflicts. To decrease the potential of future conflicts, the United States may impose sanctions on violators of international norms of behavior. Building a consensus among the foreign community that the U.S. is an important participant in the international peacekeeping process is also essential for resolving regional conflicts.

During 1998, actions were taken realizing that the highest priority areas for conflict resolution exist in the Middle East, East Asia and in post-Soviet Europe. Although actions were predicated on the assumption that preventive diplomacy and conflict resolution can keep local and regional conflicts from escalating, these efforts in Kosovo failed. However, in other parts of the world traditional diplomatic efforts have yielded significant accomplishments. Following are the key events that took place in 1998.



Secretary of State Madeleine K. Albright and Jordan's King Hussain at the Wye River Accords, Wye River, Maryland

- **Pursued Peace between Israel and its Arab Neighbors.** With heavy U.S. engagement, Israel and the Palestinians

conducted intensive negotiations aimed at getting the peace process back on track. They concluded the Wye River Memorandum and agreed to a roadmap for future actions. The U.S. proposed, with Israeli and Palestinian concurrence, an agenda and committee system designed to advance the process toward accelerated permanent status negotiations. Practical cooperation and exchanges between Israel and Jordan have developed since the two countries established formal diplomatic relations. Israel and Jordan are cooperating in the first Qualifying Industrial Zone, designated in March 1998, which allows jointly produced products to enter the U.S. duty-free. Several Arab states continued to maintain normal relations with Israel. Numerous working level meetings were held in the multilateral tracking of the peace process.

- **Maintained Full and Secure Access to Energy Resources of the Persian Gulf.** U.S. access to Persian Gulf oil resources continues uninterrupted. The U.S. reassured and supported Gulf Cooperation Council (GCC) countries in managing threats posed by Iraq. Several countries in the region participated in a schedule of accelerated military exercises within the U.S. and accepted temporary aircraft deployments in support of U.S. efforts to contain Iraq. Key access agreements to military facilities in the region were maintained that allowed for an increase in the amount of military equipment that could be positioned in the Gulf should a conflict arise.



Sarajevo - Sniper barricade constructed with damaged cars.

- **Prior to the Kosovo Crisis, Continued to Reduce Ethnic Tensions in the Balkans.** During 1998, the Department continued its focus on implementation of the Dayton

Peace Accords. The international military stabilization force was extended to facilitate further progress resulting in the transfer of Eastern Slavonia to Croatia, additional support for democratic reform in Montenegro and Macedonia, and extensive military training for forces in Bosnia based on democratic principles, civil-military relations, and western military ethics.

- **Supported NATO Efforts to Improve Greek-Turkish Relations.** The Department facilitated joint Greek-Turkish military participation in NATO air and naval exercises and peacekeeping developments in the Balkans. At the same time, negotiations were conducted to advance a settlement on Cyprus through a number of actions including the proposal of a joint Turkish-Cypriot delegation with Greek Cypriots to negotiate entry into the European Union.
- **Improved Security Interests in East Asia.** Relations with China were placed on a stronger footing with the exchange of Presidential state visits. Four party talks (North and South Korea, China and the U.S.) were initiated as a first step toward easing the conflict on the Korean Peninsula. A Visiting Forces Agreement with the Philippines was reached allowing U.S. military access in the region. The alliance with Australia was strengthened with agreements to expand U.S. Marine Corps training and to extend operating terms for joint facilities to 2008.

- **Expanded Talks between India and Pakistan.** In response to deteriorating relations between the two countries and the threat of nuclear arms, the Department has actively pursued India and Pakistan to resume a high-level dialogue over all bilateral issues, including their dispute over Kashmir. Some positive results have been achieved such as the inauguration of bus service between the two countries which had never existed before. Discussions are also being conducted for cross-border energy cooperation.

- **Improved Conflict Resolution Capabilities in Sub-Saharan Africa.**

Although the Middle East, post-Soviet Europe and East Asia remain U.S. conflict resolution priorities, regional conflicts threaten growing U.S. economic and security interests in sub-Saharan Africa as well. The Department is working to build regional African conflict resolution capabilities to address Africa's crises. Chief among these efforts is the U.S. Africa Crisis Response Initiative (ACRI) that was initiated in 1996. ACRI partners must

have a demonstrated commitment to peacekeeping and to democratic, civilian government. In 1998, ACRI continued to provide training and non-lethal equipment (primarily standardized communications gear) to over 4,200 peacekeepers from six African militaries: Senegal, Uganda, Malawi, Mali, Ghana and Benin. Also in 1998, follow-on ACRI training commenced to maintain and further develop a self-sustaining peacekeeping capacity and to enhance the ability of ACRI partners to operate in a multilateral environment. The Department also supported peacekeeping exercises by countries belonging to the East African Cooperative (EAC) and by the Organization of African Unity (OAU) conflict management center. Countries from the Economic Community of West African States (ECOWAS) participated in peacekeeping missions to Liberia and Sierra Leone. In addition, the OAU, with U.S. support, participated in the Arusha Accord process for Burundi, mediated in the Eritrea/Ethiopia border dispute and the Comoros islands secession attempt, as well as the civil conflicts in the Democratic Republic of the Congo and the Sudan. Also in 1998, the President announced the creation of the African Center for Security Studies which is modeled after the Marshall Center in Europe.

Rwanda - Children at the Byumba Refugee camp north of Kigali.



Strategic Goal: Weapons of Mass Destruction

Reduce the threat to the United States and its allies from weapons of mass destruction.

The most direct and serious threat to U.S. security is the possibility of conflict involving weapons of mass destruction. Of greatest concern are the threshold states and terrorist organizations that seek to acquire these weapons and their delivery systems.



Poland - Gap Gate early warning radar.

The United States and most nations, both those that possess weapons of mass destruction and those that do not, value the constraint provided by arms control treaty regimes. Of greatest concern are the threshold states and terrorists that seek to acquire weapons of mass destruction. Unbridled acquisition of conventional arms can similarly threaten U.S. interests by disrupting regional relations.

The Department has the lead responsibility for nonproliferation policy and coordinates implementation of that policy regarding individual countries, such as China, and multinational arrangements. A number of activities can be utilized to prevent, discourage and eliminate accumulation of weapons of mass destruction: reducing the incentives of countries to acquire the weapons, taking actions against violators of nonproliferation treaties or agreements, controlling trade in related technologies that are essential for delivering the weapons, and securing excess fissile material to prevent acquisition by countries (or terrorists) that are seeking to acquire weapons of mass destruction. Following are some of the key activities that took place in 1998 in pursuit of the goal to eliminate weapons of mass destruction.

- **Constrained the Proliferation of Weapons.** U.S. discussions with China helped bring about Chinese agreement to revise and strengthen nuclear export control regulations, and restrict or eliminate nuclear cooperation with countries of proliferation concern. In the wake of nuclear tests by India and Pakistan, the Department took the lead in pursuing resolutions by numerous international organizations to contain a potential escalation of nuclear ballistic missile activities in South Asia. This effort was led by the Deputy Secretary and resulted in both countries pledging to conduct no further tests, to participate constructively in negotiations in Geneva on a Fissile Material Cut-Off Treaty and to strengthen their export controls on sensitive technologies. Both countries were urged to restrain nuclear weapons deployment to prevent an accelerated nuclear arms race. In addition, the U.S. conducted high level efforts with India and Pakistan to contain the escalation of ballistic missile activities in South Asia.
- **Provided Disarmament Assistance for Russia.** Under the Cooperative Threat Reduction Program, the U.S. has begun to provide equipment to upgrade Russia's warhead inventory-and-control system, training to improve its personnel reliability system for those handling nuclear weapons, and assistance to destroy its chemical weapons stockpile. The U.S. and Russia signed a joint Presidential Summit statement in September 1998 that directed negotiators to reach agreement to withdraw 50 metric tons of plutonium from each side's military nuclear programs and to convert that material so that it cannot be used in nuclear weapons again. The Department also initiated a program to provide upgraded equipment for monitoring warhead inventory and control in Russia, to improve reactor management and disposition of fissile materials.

In addition, assistance was provided to the New Independent States (NIS) of the former Soviet bloc and Eastern and Central European countries to establish effective controls systems to prevent the export of fissile materials and weapons technologies.



Russia - Worker checks departing bus for radiation levels near TOMSK-7 Plutonium processing facility.

- **Restrained Nuclear Activity in North Korea.** Through implementation of the Agreed Framework, the freeze on North Korea's nuclear program was maintained and canning of nuclear fuel completed. Further, the U.S. and the DPRK began a process to deal with questions raised by a suspect underground nuclear site in North Korea.
- **Ensured NATO Enlargement does not Create New Dividing Lines.** The Department was responsible for signing of the NATO-Russia Founding Act and the NATO-Ukraine Distinctive Relationship Agreement and sponsored Partnership for Peace NATO-NIS military exercises in every NIS country. These agreements will also help to prevent divisions within NATO, and between NATO and the remaining applicant countries in Central Europe.
- **Promote Nuclear Safety.** The U.S. promoted progress towards commitments to shut down unsafe reactors which resulted in the closing of Chernobyl and shutting down of unsafe reactors in Lithuania until safety improvements could be made.
- **Negotiated Strategic Arms Reductions Treaty (START) with Russia.** Last year, in Helsinki, the United States and Russia agreed on a set of initiatives to move forward on strategic arms reduction including adjustments to the timelines for reductions under START II and guidelines for a START III agreement. In 1998, the Department continued to press the Russians to ratify the START II Treaty so that negotiations could begin on START III along the lines agreed at the Helsinki Summit. In the meantime, the U.S. continued to successfully implement START I reductions with all parties having met their Phase I reductions ahead of schedule.

Macedonia - United Nations vehicles at the Macedonia Serbian border.



- **Successfully Managed Regional Crises with the United Nations.** Several crises that developed during 1998 were resolved with participation in UN peace-keeping: the integration of Eastern Slavonia into Bosnia without incident, the maintenance of stability in Macedonia with deployment of UN representatives in that region, and, the involvement of the Special Representative of the United Nations Secretary General, to hammer out a cease-fire agreement in Georgia after a flare-up of fighting in May 1998.

NATIONAL INTEREST: Economic Prosperity

Strategic Goal: Open Markets

Open world markets to increase trade and free the flow of goods, services, and capital.



The world economy continues to globalize, and U.S. economic prosperity is increasingly linked to international trade, investment, and capital flows.

The Uruguay Round of trade negotiations ended in 1993 and established the World Trade Organization (WTO). The United States continues to ensure that the rules established by the WTO are enforced and that follow-on agreements are successfully concluded and implemented. As the free flow of goods and services expands with reductions in tariffs and other barriers to trade, negotiations have come to focus increasingly on new areas of concern, such as investment, corruption, technical and labor standards, and the environment.



Port of Casablanca

The Department of State integrates the Administration's economic and commercial priorities into a policy framework for geographic regions and countries within each region. The Department advances U.S. interests in regional fora, such as the Asia-Pacific Economic Cooperation (APEC) and the Summit of the Americas, designed to foster economic prosperity and economic dialogue among member countries. Following are several illustrative accomplishments achieved in 1998 that contributed to expanded trade in various regions of the world.

- **Concluded Agreements on Investment.** The Department continued to make progress on the formulation of investment rules for members of the Organization of Economic Cooperation and Development (OECD). Bilateral investment treaties were concluded with Bolivia, Lithuania, and Mozambique. In the wake of the destruction wrought by Hurricane Mitch, the U.S. sought to promote the rejuvenation of private sector activity in victim countries. President Clinton pledged to submit state-of-the-art Bilateral Investment Treaties (BIT) with Honduras and Nicaragua to the U.S. Senate for ratification. The U.S. signed a BIT with El Salvador during the President's trip to the region in December. To enhance protection for U.S. investors in South America, the U.S. also signed a BIT with Bolivia in April 1998 and a Tax Treaty with Venezuela.
- **Continued Focus on Air Service.** New open sky agreements were initiated with Italy, Peru, and the Netherlands Antilles, and formal meetings were held to liberalize aviation arrangements with Argentina, Colombia, and Mexico.

An understanding was reached with Canada on expansion of the U.S. preclearance facilitation program at major Canadian airports. Also, a new aviation agreement with Japan was achieved which significantly liberalized air services to Asia. The Council of Economic Advisors estimates the value of the agreement to U.S. consumers and air carriers will exceed \$5 billion.



Secretary Albright signs the Open Sky Agreement on April 18, 1998.

- **Protected U.S. Investments in South Asia.** By working closely with private sector companies and the international financial institutions, the Department successfully persuaded the Pakistan government to honor contracts with private power producers thereby preserving hundreds of millions of dollars in private U.S. investment.
- **Expanded Trade in Services.** Approval of the framework for recognition of certification and licensing in the field of accountancy was achieved from the World Trade Organization as well as ratification of the General Basic Telecommunication Agreement. Also, during 1998 Argentina enacted into law an intellectual property rights measure criminalizing software piracy which has caused U.S. firms major earnings losses.
- **Stopped Tariffs on Electronic Commerce.** In May 1998, the U.S. successfully pushed through the WTO a global electronic commerce agreement prohibiting the imposition of tariffs on electronic transactions.

Strategic Goal: U.S. Exports

Expand U.S. exports from \$930 billion in 1998 to \$1.2 trillion early in the 21st Century.

Globalization of the world economy makes trade increasingly important to U.S. prosperity and well being, particularly in the high technology sectors of the U.S. economy. In 1998, U.S. exports totaled \$930 billion, accounting for 12% of our Gross Domestic Product or one in every seven American jobs.

As the world economy becomes more interdependent, trade will be increasingly important to the domestic economy and U.S. well-being, particularly in the high technology sectors of the U.S. economy. The 1997 National Export Strategy sets the goal of expanding U.S. exports of goods and services from \$800 billion in 1995 to \$1.2 trillion early in the 21st Century.

To accomplish this objective, the Department relies on a number of export promotion efforts such as advocacy, finance, and public diplomacy. This is especially effective in fast-growing, emerging markets such as Mexico, Brazil, China, Korea and India. In addition, export promotion can be increased by reaching out to small- and medium-sized firms to provide in-country assistance to encourage development of markets for their products overseas. Following are some of the more significant expansions of trade in 1998.

- **Reduced Regulatory Barriers in Europe.** The United States and the European Union launched the Transatlantic Economic Partnership (TEP) at the May 1998 London summit. The Partnership will reduce regulatory barriers in 10 sectors of interest to U.S. and European business and serve as a signal to the rest of the world of our mutual commitment to expanding free and open trade.



Vietnam - River scene at Citadel in Hue.

- **Expanded Trade Agreements in Asia.** The countries of the Asia Pacific Economic Cooperation forum (APEC) agreed to move a sector liberalization initiative, projected to affect \$1.5 trillion in global trade, into the WTO for completion in 1999. APEC is now focusing on removing non-tariff trade barriers. Talks continued on a trade agreement with Vietnam and intensive negotiations were pursued with China towards achieving accession to the WTO in 1999. Substantial progress was made under the U.S.-Japan Enhanced Initiative on Deregulation and Competition Policy to deregulate and open the Japanese market. Negotiations to improve the environment for foreign investment were continued, including new treaty negotiations with Hong Kong and expanded talks with Japan.
- **Expanded Trade in the Americas.** Negotiations to establish the Free Trade Area of the Americas were launched in Miami during 1998. In the first half of the year, U.S. exports to Latin America grew by 17%. Due in large part to NAFTA, Mexico's economy continued to expand at a healthy pace. Because of this growth and better trade terms negotiated in the NAFTA, Mexico surpassed Japan in 1998 as the second largest market for U.S. exports. In Canada, an agreement was reached that will facilitate bilateral agricultural trade and reduce barriers to U.S. exports of grains and live animals. This agreement will significantly expand U.S. access to Canadian markets.
- **Assisted Latin American Economies.** The U.S. undertook a major effort to limit the effects of global financial contagion in Latin America to prevent significant harm to the U.S. economy. The U.S. response combined support to beleaguered countries with strong encouragement for adoption of economic reforms. In Brazil, a \$41.5 billion international assistance package was created that allowed the government to implement reforms and avert a complete financial collapse of its economy, the largest in South America. Efforts to encourage continued reform also contributed to strong policy responses in Mexico, Argentina, Chile and other countries that generally escaped the worst effects of the global financial crisis. The U.S. led an initiative to improve the international financial architecture so that it can cope with global financial turbulence in the future.
- **Expanded Exports to the New Independent States of the Former Soviet Union.** The U.S. worked with NIS countries, particularly Russia and the Ukraine, to reduce barriers to trade by simplifying customs rules and harmonizing standards. Despite the financial crisis in Russia, exports were up 19% during the period January-October 1998. The Department was particularly

successful in bringing Latvia and Kyrgyzstan into compliance with world trade standards that will lead to their membership in the World Trade Organization in 1999.

- **Increased Trade for U.S. Firms in the Middle East.**

A number of U.S. corporations won significant contract awards in 1998 from several countries in the Middle East.



Russia - Man selling potatoes at outdoor vegetable market in Nefteyugansk.

- **Radian International** won a \$54 million landfill reclamation project in Lebanon, the largest contract a U.S. company has won in Lebanon since the civil war began in 1975.
- **Albemarle Corporation** signed a \$120 million joint venture agreement to produce bromine, the largest single U.S. investment in Jordan to date.
- A consortium led by **Raytheon Engineering** won a \$20 million contract to operate the Aqaba Railway in Jordan.
- In March 1998, **Bechtel Corp.** won a \$450 million project to build Egypt's first privately owned power plant.
- U.S. energy firms continued to expand their profitable operations in Algeria when **Amoco** signed a \$800 million agreement to develop an Algerian gas field.

- **Increased Exports to Africa.** Africa is the last emerging market for U.S. goods and services. U.S. exports to Africa in 1997 totaled nearly \$6.2 billion and exceeded U.S. exports to all of the former Soviet Union combined by more than 20%, and in 1998, exports to Africa continued to grow. The President's Partnership for Economic Growth and Opportunity provided incentives in 1998 to expand U.S. exports over the long term by encouraging adherence to WTO standards. The Department also advanced negotiations for a bilateral tax treaty with South Africa and a bilateral investment treaty with Mozambique.



Egypt - Market scene in Khan el Khalily, Cairo.

Strategic Goal: Global Growth and Stability

Increase global economic growth and stability.

Global macroeconomic conditions have an increasing impact on the ability of the United States to export and to sustain economic growth, while maintaining low domestic inflation and unemployment. Economic health is also a critical determinant of stability worldwide.

In order to increase global economic growth and stabilize economic crises when they occur, the Department encourages countries that have a major impact on the global economy to adopt market-oriented investment, legal, and regulatory reforms. Countries are also encouraged to establish public-private partnerships to take advantage of private sector expertise and demonstrate private sector commitment to a country or region. Also, strengthening the International Monetary Fund and other international financial institutions to achieve regional financial stability, a key ingredient to global economic growth, can facilitate reform.

- **Stabilized Economic Crisis in Asia.** The U.S. took the lead in stabilizing the precarious economic situation in Asia resulting from the financial crisis. The IMF and the World Bank were mobilized to support programs and loans that created an environment for recovery in the crisis-hit region.
- **Supported Reform Programs in the Former Soviet Union.** In June and July 1998, Russia designed ambitious reform plans supported by International Financial Institutions and the U.S., but nonetheless fell victim to political and financial crises. The Ukraine negotiated an extended funding facility with the IMF, but lagged in its implementation. In Moldova, Georgia, and Kyrgyzstan, strong reform efforts were taken. Assistance programs addressed tax reform and improvement of tax collection, development of banking and commercial legislation, and elimination of corruption. Because of economic setbacks in 1998, slow global economic growth, around 23%, is expected over the next few years.



Russia - "Revolution Celebration" (Day of National Reconciliation) march along Teatralnyi Street near Red Square.

Strategic Goal: Economic Development

Promote broad-based growth in developing and transitional economies to raise standards of living, reduce poverty and lessen disparities of wealth within and among countries.

Over the long term, the prosperity of America benefits as transitional and developing nations expand their economies and open their markets. Economic growth that reduces poverty and provides opportunity can further regional stability and complements the advance of democracy and rule of law. Sustainable development also ameliorates global problems such as high population growth, the spread of infectious diseases, and environmental degradation.

The Department seeks this goal primarily through promoting the movement away from centrally controlled economies to market-based economies and by helping to make free markets work in developing nations. This is achieved by pursuing sound macroeconomic policies, promotion of private sector trade and investment, and financial market reforms in developing and transitional countries. The Department assists developing economies through coordination of efforts with donor nations, International Financial Institutions and other multilateral organizations.

- **Promoted Broad-Based Growth in Sub-Saharan Africa.** Sub-Saharan Africa must maintain current rates of economic growth if the region is to secure political stability, raise living standards, and thus fulfill its potential as a market for U.S. exports and an optimal environment for U.S. investment. On the heels of growth rates averaging 1% in the early 1990's, Africa has averaged 4% or more over the past few years, slowing somewhat in 1998. This growth increase has been sustained by better economic policies in over 30 countries, as well as by favorable trends in prices for a number of Africa's export commodities prior to 1997, when prices for several key commodities began to fall. In order to attract the capital and technology required to sustain and accelerate growth and to reduce vulnerability to commodity market fluctuations, African countries must persevere with reform efforts. Priorities include implementation of sound, market-oriented economic policies and acceleration of structural reforms, particularly in privatizing public enterprises, strengthening financial sectors, and liberalizing trade and investment regimes.



Kenya - General Motors, Kenya Ltd. outside Nairobi.

- **Encouraged Market-Oriented Economies in Africa.** The President's Partnership for Economic Growth and Opportunity in Africa established a range of incentives for African countries to embrace a market-oriented policy framework and accelerate reforms in 1998. The African Growth and Opportunity

Act (considered but not passed by Congress last year and to be proposed again in 1999) would allow the Administration to implement incentives such as enhanced access to the U.S. market for African exports through the Generalized System of Preferences which will help reforming African countries attract new investment, diversify exports, and secure financial viability.



Rwanda - Street market scene in Kigali.

- **Expanded Education Opportunities in Africa.** Vital to broad-based economic growth in Africa is an educated workforce that is well equipped to help Africa compete in the 21st Century. In 1998, President Clinton launched an Education for Development and Democracy Initiative to be funded at a level of \$120 million over the first two years. The Education Initiative aims to improve the quality of and technology for education in three focus areas: primary and secondary education (with an emphasis on

girls' education), higher education, and professional and civic education. Education initiative activities will complement ongoing USAID and other donor and African education reform efforts. Also during 1998, three pilot partnerships were implemented: (1) between Makerere University in Uganda and Johns Hopkins University in Maryland, (2) between Pine Crest Elementary School in Maryland and Kisowera Primary School in Uganda, and (3) between the League of Women Voters and African women representing several countries.

- **Liberalized Trade Barriers in the European Union.**

The Department completed negotiations of a Veterinary Equivalency Agreement, which will facilitate transatlantic trade in animals and animal products, as well as a parallel agreement on automobile standards within the European Union. Protection of intellectual property rights was also improved by helping Bulgaria and Greece to crack down on pirate CD production.



New Zealand - Sheep sheering.

- **Encouraged NIS Countries to Join the World Trade Organization.** With U.S. assistance, Kyrgyzstan completed accession negotiations to join the WTO. Georgia, Moldova, and Armenia made significant progress, and Russia was working actively on WTO issues until political and economic crises halted efforts.

NATIONAL INTEREST: American Citizens and U.S. Borders

Strategic Goal: American Citizens

Protect the safety and security of American citizens who travel and live abroad.

The millions of Americans who travel and reside abroad expect to do so with freedom and in reasonable safety. The United States cannot prevent the difficult and often tragic situations that arise. The U.S. can, however, help ensure that its citizens receive information, assistance, and protection.

Saudi Arabia - Saudi Cultural Festival in Riyadh.

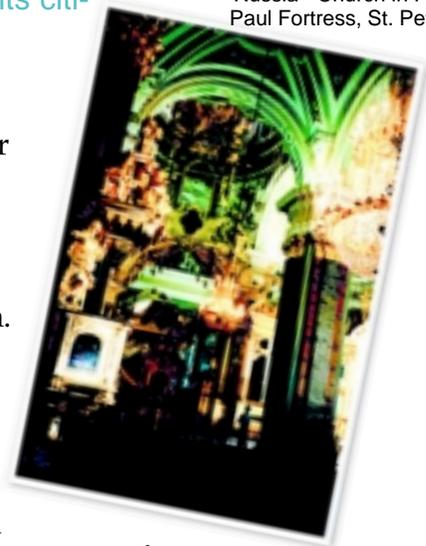


Americans will continue to travel and reside abroad in large numbers. When they encounter emergencies they cannot handle on their own (political unrest, natural disasters, accidents, terrorist attacks, crime, illness, or legal problems), they turn to the network of U.S. diplomatic and consular posts for help and protection.

The Department of State assists Americans who travel and reside abroad by providing a wide variety of consular services as well as citizenship and identity documents such as passports and reports of birth abroad. When U.S. citizens encounter emergencies, the Department of State officers help ensure that they receive assistance and protection. Following are some key accomplishments realized in 1998 towards achievement of this goal.

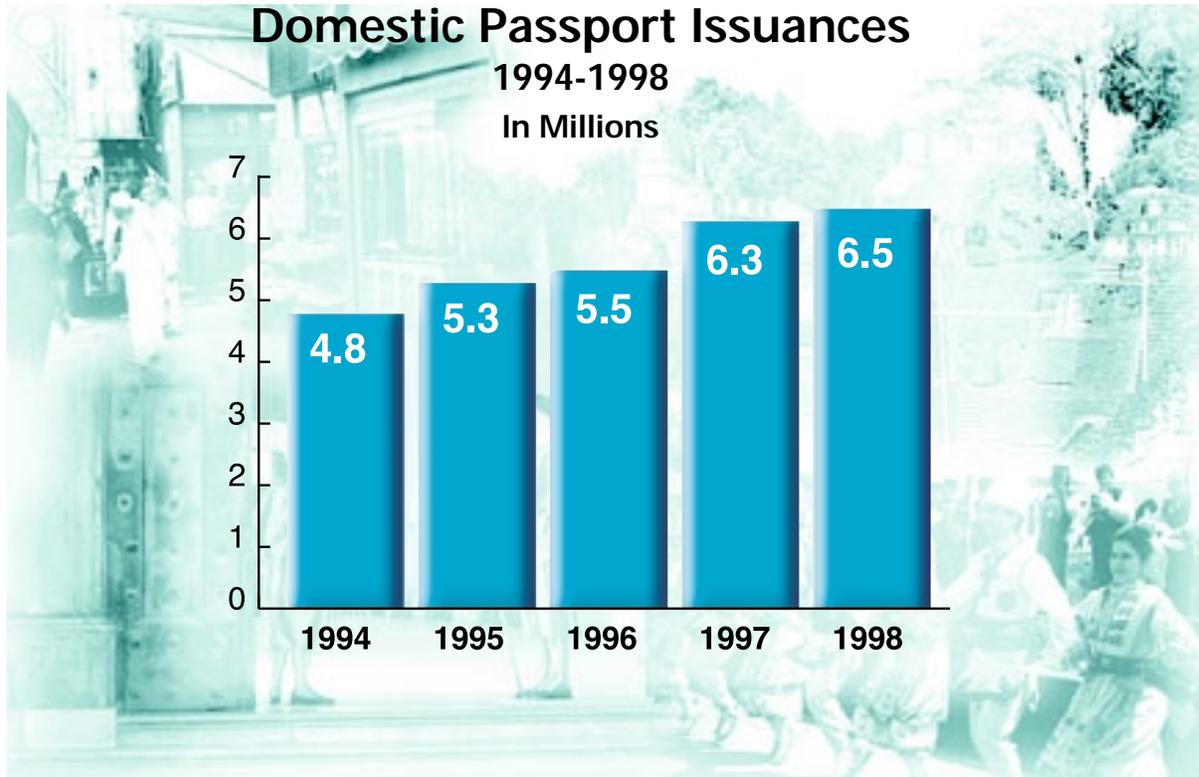
- **Expanded Passport Services.** The Department of State is in the forefront of pursuing high technology solutions that address both customer service requirements and document integrity needs. The number of acceptance agents, non-Department employees who can accept passports, increased to 3,609. This includes various locations of the U.S. Postal Service, courts, county, state or municipality locations and libraries. In order to reduce amount of time spent waiting in lines, the Department installed appointment systems in the Miami and Los Angeles Passport Offices. Customer numbering systems were also installed in the Chicago, Miami and Philadelphia Passport Offices. Vice President Gore, the President's leader of the National Performance Review (NPR), presented its prestigious Hammer Award to two Passport Offices. The Boston Office received the award

Russia - Church in Peter and Paul Fortress, St. Petersburg.



Nepal - Prayer flags on Swayambhunath Buddhist temple (Monkey Temple) in Kathmandu.

for its innovative “Call the Boss” customer help line. The Los Angeles Office received the award for its “one-stop-shopping” approach for new citizens. In their last interview before naturalization, prospective citizens are given a passport application and instructions so they may apply for a passport immediately after naturalization. Moving forward with new technology, the Department installed and tested a digitized photography system which prints the photo image directly into the passport, reducing the opportunity for substitution and fraud. The new process will be instituted nationwide by 2000. The rising value of travelling Americans is illustrated in passport issuances below - a passport is valid for 10 years.



- **Increased Overseas Citizen Services.** In 1998, the Department issued 69 travel warnings and 137 public announcements, compared to 37 travel warnings and 110 public announcements in 1997. The warnings alert Americans that it is unsafe to travel to certain countries and the announcements provide information concerning various threats. Crisis readiness exercises were held under a newly appointed Crisis Management Training Coordinator. During the year, the Department assisted in the evacuation of Americans from dangerous situations abroad in 15 different countries.
- **Advanced Internet Communications with Citizens.** The Department increased the amount and variety of passport, travel and immigration information on its Internet site, and improved the search engine and hyperlinks. New features include downloadable forms, time-sensitive announcements or warnings, and the consolidation of information regarding crises or high-profile issues. *USA Today* recognized the Department’s Internet site as “the best free site” for safety information for international business travelers. In 1998, 25.7 million users accessed the consular affairs Internet site, compared to less than 2 million in 1996. Surveyed users indicated 100% found the information helpful.

Strategic Goal: Travel and Immigration

Manage fairly and effectively the entry of foreign visitors, immigrants, and refugees into the United States.

The United States has been a beacon of freedom and opportunity throughout its history. Immigrants make important contributions to the nation, and visitors contribute directly to U.S. prosperity. The large numbers of people seeking to enter the U.S. illegally present major law enforcement, border security, and socio-economic problems.



Cambodia - Entrance to U.S. immigrant visa area.

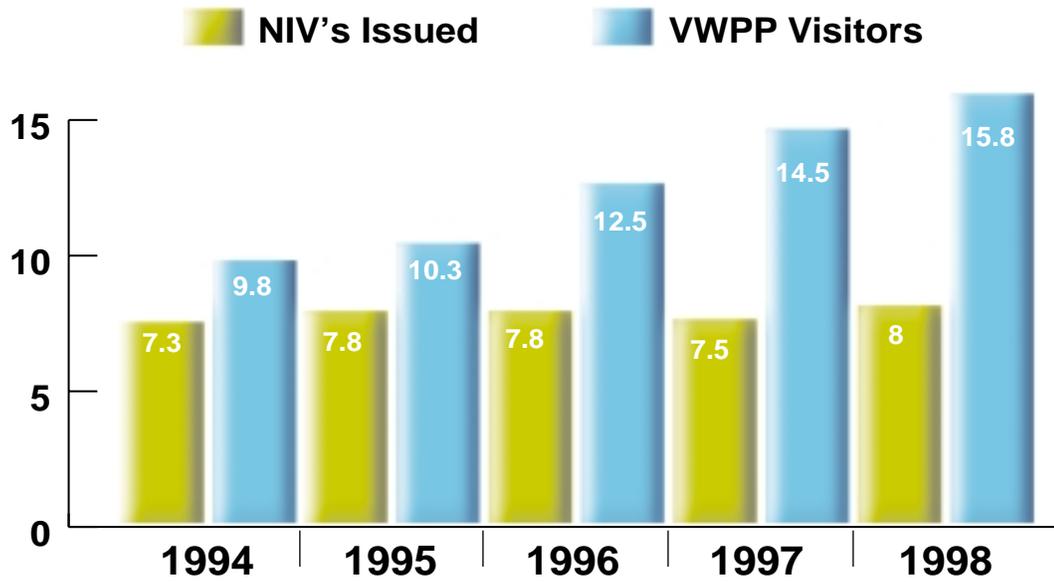
By administering its immigration laws fairly and effectively, the U.S. provides for the lawful entry of foreign nationals and assists eligible persons who wish to immigrate to or visit the U.S. in pursuit of business, tourism, educational or employment opportunities. At the same time, the U.S. must deter illegal immigration by enforcing immigration laws, especially for aliens who may have links to terrorism, narcotics trafficking, or organized crime.

The Department of State shares responsibility with the Department of Justice's Immigration and Naturalization Service (INS) for administering U.S. immigration laws fairly and effectively. U.S. consular officers provide for the lawful entry of persons who seek to enter the U.S. either temporarily or as immigrants. Consular screening helps deter illegal immigration by preventing terrorists, narcotics traffickers, and other criminals from entering the United States. Consular officers employ special techniques and technologies, such as machine-readable documents, biometric indicators, and sophisticated namechecks, to expedite lawful entry, identify criminals and terrorists, and inhibit illegal immigration.

Although 697,000 immigrant visa applications were received, only 377,000 visas were issued in 1998. The reason for the unusually high number of denials is a direct result of the new Affidavit of Support requirements implemented in December 1997 as required by the Illegal Immigration and Immigrant Responsibility Act of 1996. An immigrant must furnish support from a sponsor in the U.S. showing that a combination of income and assets exceeds 125% of the federal poverty guidelines.

The continuation of the Visa Waiver Pilot Program (VWPP) was extended by Congress through April 30, 2000. The VWPP allows visitors from 26 countries to enter the U.S. for business or pleasure up to 90 days without a visa. This program allows the Department to concentrate precious resources in those countries where cases are more complicated or difficult due to fraudulent or terrorist activities. Approximately 55% of all aliens admitted into the U.S. enter visa-free. If the VWPP were to end, it would immediately double the Department's nonimmigrant workload. This would result in a huge backlog of cases which would be devastating to the U.S. travel and tourism industry.

Nonimmigrant Visas (In Millions)



Following are some of the more significant accomplishments the Department realized in 1998.

- Expanded Visa Waiver Pilot Program.** During the year, almost 16 million travelers came to the U.S. under the VWPP. It was a major factor in increasing the surplus in tourism trade to \$26 billion. A total of 26 countries were approved for the program by end of 1998 and the Secretary has nominated four additional countries for inclusion in the program in 1999.

Countries Approved for the Visa Waiver Program

1988	Japan, U.K.
1989	France, Germany, Italy, Netherlands, Sweden, Switzerland
1991	Andorra, Austria, Belgium, Denmark, Finland, Iceland, Liechtenstein, Luxembourg, Monaco, New Zealand, Norway, San Marino, Spain
1993	Brunei
1995	Ireland
1996	Argentina, Australia
1997	Slovenia

- **Border Security Program.** The Department of State is the first line of defense against illegal entry into the United States by terrorists, international criminals or others whose presence here may violate immigration laws. By using highly automated consular information systems, border security is enhanced. During 1998, the following accomplishments were realized.

- The modernized Consular Lookout and Support System (CLASS-E) is online to all visa issuing posts. It includes the names of 6 million aliens who may be excludable from the U.S. During 1998, the names of 1.8 million U.S. citizens who are more than \$5,000 in arrears on child support payments, were entered in the passport section of CLASS-E in accordance with 1996 welfare reform legislation.
- Sophisticated Russo-Slavic algorithms were developed.
- The first deadline for the Border Crossing Card (BCC) program, mandated by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, was met. All BCC's issued after March 30, 1998, must be machine readable and contain a fingerprint of the alien bearer of the card. From April 1 to September 30, 1998, 110,000 new cards were issued. In total, 5 million cards must be replaced by October 1, 2001.
- Border security activities were almost entirely funded from non-appropriated funds received from visa fees paid by visitors to the U.S. Collections increased from \$135 million in 1997 to \$247 million in 1998, an 83% increase.



Possible "Visa of the Future" in card form.

NATIONAL INTEREST: Law Enforcement

Strategic Goal: Law Enforcement

Minimize the impact of international crime on the United States and its citizens.



Transnational crime represents a growing threat to the prosperity and well-being of Americans. International criminal organizations have become increasingly global and sophisticated, particularly after the collapse of the Soviet Union and the advent of the information revolution. Their prevalence and resilience also affects other U.S. interests in stability, immigration, and democracy.

International crime poses a serious threat to Americans at home and abroad. Drug and firearms trafficking, terrorism, alien smuggling, trafficking in women and children, financial fraud, money laundering, counterfeiting, auto theft, intellectual property theft, computer hacking and public corruption are all international in scope and cost Americans billions each year.

To minimize the impact of international crime on the United States and its citizens, the Department of State uses a three-part approach, as articulated in the President's International Crime Control Strategy. Specifically, the Department seeks to:

- Establish international standards, goals and objectives to combat international crime by using bilateral, multilateral, regional and global mechanisms, and by actively encouraging compliance.
- Improve bilateral cooperation with foreign governments and law enforcement authorities through increased cooperation, training and technical assistance.
- Strengthen the rule of law internationally as the foundation for democratic government and free markets in order to reduce societies' vulnerability to criminal exploitation.



India - Poppy bulb and scoring tool.

Thus, the Department conducts relations with foreign governments and multilateral organizations to create a global response to the threat of international crime. Under the authority of the Chief of Mission at each of our embassies, the Department coordinates U.S. activities to fight international crime. The Department is also directly responsible for implementing the international narcotics control and anti-crime program with foreign assistance funds to assist selected foreign government criminal justice and law enforcement agencies.

Through these initiatives, the Department not only works with foreign governments to prevent international crime, but also to enhance their ability to provide the U.S. with improved mutual legal assistance to identify, investigate, arrest and prosecute international criminals. Below are some of the key law enforcement accomplishments that Department of State initiatives helped to achieve in 1998.

- **Developed International Crime Control Strategy.** As discussed above, the Department co-authored the Administration's strategy for addressing international crime and enforcement, which is the first strategy of its kind in U.S. history.
- **Increased Training in International Law Enforcement.** Training was provided to 11,880 law enforcement officials from Central and Eastern Europe countries and the former Soviet Union at the International Law Enforcement Academy (ILEA) in Budapest, Hungary, and other overseas locations. This was a 25% increase over the previous year, when 9,504 students were trained. Also, negotiations were completed with the government of Thailand to open an ILEA in Bangkok in 1999.

- **Implemented Anti-Money Laundering Program.** The Department initiated implementation of a comprehensive, global anti-money laundering and financial crimes program that provides law enforcement, rule of law and central bank training and technical assistance to personnel from emerging democracies and developing economies.
- **Combatted Firearms and High-Tech Crime.** The Department agreed with our G-8 partners through the Senior Expert Group on Transnational Organized Crime (Lyon Group) to globalize U.S. firearms licensing standards and to fight high-tech and computer-related crimes.
- **Improved Human Rights.** The U.S. initiated a program with the European Union to prevent trafficking in women in Poland and the Ukraine, as well as a bilateral program to prevent domestic violence in Russia. The Department also provided model legislation and assistance to make migrant smuggling illegal in countries throughout Central and South America, and Central and Eastern Europe.

- **Organized Treaties and Conventions.** During 1998, the President received the Senate's advice and consent for ratification of 18 extradition treaties, 19 Mutual Legal Assistance Treaties (MLATs) and one prisoner transfer treaty. In addition, the U.S. signed three MLATs and two extradition treaties, which await Senate ratification. The Department developed a strategy to work with the United Nations to complete the first-ever Transnational Organized Crime Convention. In addition, the U.S. became a party to the Organization for Economic Cooperation and Development's anti-bribery convention, and the Administration proposed the ratification of the Organization of American States' firearm and anti-corruption conventions. Also, the UN General Assembly adopted the U.S.-drafted International Declaration on Crime and Public Security, and Declaration Against Corruption and Bribery in International Commercial Transactions.



Secretary Albright signs the anti-bribery treaty in Paris on December 17, 1997.

Strategic Goal: Illegal Drugs

Reduce the entry of illegal drugs into the United States.

Most illegal narcotics consumed in the U.S. come from abroad. Control of this foreign supply must complement efforts to reduce drug use and its harmful consequences in the U.S. The problems of illegal drugs extend far beyond the social and economic consequences they cause in the United States and abroad. Rich, powerful, and violent narcotics trafficking organizations threaten democratic institutions and undermine political stability in countries and regions where the United States has critical interests.

The Department of State coordinates implementation of those elements of the National

Drug Control Strategy that entail relations with or actions by foreign governments, or activities outside the U.S. subject to the authority of chiefs of U.S. diplomatic missions. These include reducing production, trafficking, and abuse of illicit drugs. The Department is directly responsible for implementing the International Narcotics Control program with funds appropriated under the Foreign Assistance Act to assist foreign institutions responsible for development and implementation of drug control activities.

Drug abuse in America is one social scourge that our improving economy cannot cure by itself. The Office of National Drug Control Policy reports that health, crime and other direct and indirect economic costs of drug abuse totaled \$110 billion in 1996, up from \$97 billion in 1992. Drug-related deaths increased over 60% from 1990, reaching 15,000 in 1996. With some 14 million current users, the U.S. illicit drug market remains volatile and attractive to foreign suppliers. For example, traffickers are offsetting recent declines in cocaine use with an expanding methamphetamines trade. Domestic prevention and enforcement efforts alone cannot cope with the avalanche of drugs still entering the United States. They must be supported by effective control efforts in the source and transit countries.



Cambodia - Narcotics believed to be marijuana and/or hashish openly offered for sale outside port of Kompong Som.

The strategy to reduce the availability of illegal drugs in the United States focuses on programs to eliminate their production at their source and to interdict drug shipments before they reach our borders. When the U.S. has access to areas where illicit coca, opium poppy and marijuana crops are grown and the cooperation of the host government, we work to implement enforcement and development programs to eliminate illicit drug crop cultivation and reduce overall production. Major producers in this regard include Colombia, Bolivia and Peru for coca, Pakistan, Thailand, Laos and Mexico for opium, and Mexico and Jamaica for marijuana. Furthermore, the Department cooperates with governments in the transit zones outside the source areas, such as Central America and the Caribbean, to identify and seize drug shipments enroute to the United States and to dismantle the criminal organizations controlling these operations. We apply the diplomatic measures required by the Congressionally-mandated annual Narcotics Certification process to identify the major drug producing and transit countries and to encourage these countries to cooperate fully with the United States. Following are some of the key international narcotics control accomplishments the Department of State programs helped achieve in 1998.



Burma - Harvesting of poppy field.

- **Removed Cocaine and Heroin from World Supply.** Through interdiction and law enforcement training and with the support of

crop reduction and alternative development efforts, U.S. programs were responsible for removing over 290 metric tons of cocaine from the world supply. Coca cultivation and production was reduced for the third straight year owing to eradication and alternative development programs. Hectarage is down 12% since 1995 and is at its lowest level since 1987. Production is down 24% from 1995 and is at the lowest level ever recorded. U.S.-Pakistan cooperation in combating the production and trafficking in illegal narcotics increased in 1998. Poppy cultivation in the remote areas of Pakistan was decreased by 26% and the U.S. is working with Pakistani authorities to re-organize and up-grade its counter-narcotics force.

- **Jailed Notorious Criminals.** Several leading traffickers in Mexico, Columbia, and elsewhere were arrested with increased extradition of Thai, Pakistani, Mexican and other traffickers to the United States.
- **Initiated Narcotics Control Conventions.** The Department strengthened global commitments to narcotics control by leading negotiations that produced comprehensive counter narcotics action plans by the Western Hemisphere governments at the 1998 Summit of the Americas and the United Nations at the General Assembly's Special Session Devoted to Countering the World Drug Problem Together. The UN action plans established targets for action related to the eradication of drug crops, demand reduction, money laundering, judicial cooperation, and the control of precursors and amphetamine-type stimulants.



Columbia - Marijuana bales confiscated from the M/V Sirena on a customs truck.

- **Encouraged Institution-Building.** The Department of State provided advice, training, and technical support to improve drug control laws and create or strengthen the capabilities of drug control institutions in key narcotics producing countries around the world. For example, Brazil created a national counternarcotics secretariat to coordinate counternarcotics activities and passed legislation to control money laundering, and to authorize the intercept of drug smuggling aircraft. Countries as diverse as Pakistan, South Africa, Paraguay, and the Dominican Republic took steps to enact new or improve old extradition agreements with the United States.

Strategic Goal: Counterterrorism

Reduce the number and impact of international terrorist attacks, especially on the United States and its citizens.

International terrorism has entered more directly into the lives of all Americans, and continues to threaten U.S. interests around the world. Threats to American citizens, facilities, and interests, as well as the potential for use of weapons of mass destruction, makes terrorism a national security as well as a law enforcement challenge.



Kenya - View of damage to U.S. Embassy after a truck bomb attack on August 7, 1998

Kenya - Kenyan military personnel and U.S. rescue workers gather for memorial ceremony at bomb site.



International terrorism threatens American lives, property and foreign policy interests. The threat continues to evolve, as new and often loosely knit radical groups emerge, engaging in massive terrorist attacks such as those against the U.S. embassies in Nairobi and Dar es Salaam in August 1998. The willingness of some terrorists to commit suicide in order to kill as many persons as possible complicates efforts of security forces to take effective countermeasures. Our goal is to minimize the frequency, severity and impact of terrorist attacks, using a range of economic and diplomatic pressures, practical measures and enlisting the cooperation of other governments.

Defeating terrorists requires taking assertive offensive actions as well as strengthening protective measures for personnel, embassies, airports and other potential targets. This involves aggressively thwarting terrorist activities by curbing their money, munitions and freedom of movement, eliminating their safe havens, and undermining their support. The U.S. works to bring international pressure to bear against terrorists, their organizations, and countries that support terrorism.

These efforts include political and economic sanctions against countries supporting terrorism, and vigorous investigative and law enforcement activities against terrorist groups and individuals. This involves proactive as well as defensive measures to intercept terrorists and block potential attacks. When attacks do take place, the U.S. responds promptly and effectively to reduce the impact (such as in hostage situations), to capture and prosecute the terrorists, and take other measures to dismantle, disrupt and deter their future operations.

Following are some key accomplishments realized by the Department in 1998 to combat terrorism.

- **Improved Intelligence.** Through increased intelligence gathering and cooperation within the U.S. intelligence community as well as cooperative efforts with other nations, the Department improved its ability to assess terrorism threats and provide appropriate warnings.
- **Increased Use of the TIPOFF Program.** TIPOFF is an all-source terrorist database and lookout system that provides direct support to U.S. law enforcement efforts to combat international terrorism. TIPOFF serves as a point of contact between border security officers and U.S. intelligence agencies to counter terrorist operations. In 1998, TIPOFF detected 272 suspected terrorists applying for U.S. visas and denied them entry into the U.S.
- **Expanded the Antiterrorist Assistance Program (ATA).** During 1998, nearly 1,500 students from 27 countries were trained in antiterrorism techniques. This was a 28% increase over the previous year, when 1,171 students were trained. The program also provided specific training in how to counter terrorist fund raising techniques, as well as specialized training in hostage negotiations and the use of SWAT teams. A good example of the benefits of this training is the involvement of an ATA-trained SWAT team in support of the successful effort to free the hostages in the Japanese embassy in Lima, Peru, in December 1997.

NATIONAL INTEREST: DEMOCRACY AND HUMAN RIGHTS

Strategic Goal: Democracy and Human Rights

Open political systems and societies to democratic practices, the rule of law, good governance, and respect for human rights.



Democracy is the best guarantor of universal human rights and the fundamental right of all people to have a say in their government. Democracies produce long-term economic growth, as well as social and political stability. In supporting the spread of democracy, the United States is simultaneously promoting American values while helping create a more stable, secure, and cooperative global arena in which to advance all U.S. interests.

A world of democratic nations provides a more stable and secure global arena in which to advance U.S. objectives. Advancing U.S. interests in the post-Cold War world often requires efforts to support democratic transitions as well as to address human rights disasters and democratic reversals. Promotion of democracy and human rights, including the rights of women and minorities, reflects the fundamental values of the American people.

The Department of State provides leadership and coordination for U.S. policy related to the advancement of democracy and the promotion of human rights by conducting relations with foreign governments and multilateral organizations. The Department

coordinates implementation of activities of U.S. agencies that provide assistance toward that objective, including activities related to conflict prevention and resolution and annually publishes Country Reports on Human Rights Practices, an analyses of human rights conditions in foreign countries. The Department allocates economic support funds for building democracy in countries in transition and consults extensively with non-governmental organizations to promote democracy.

Following are the key democracy and human rights accomplishments in 1998.

- **Promoted Human Rights.** The Department of State has worked to ensure that human rights considerations are incorporated into U.S. military training and security assistance programs. The Department scrutinized the human rights record of military and police units in countries around the world, and when necessary, recommend withholding security assistance programs from units with poor human rights records unless they take effective measures to bring abusers to justice. The Department provided funds and expertise to help Rwandan and Yugoslav war crimes tribunals secure landmark convictions. In addition, the Department has actively engaged China on human rights and democracy issues. The June 1998 summit provided multiple opportunities to communicate our message to China's leadership as well as the Chinese public. In an unprecedented step, President Clinton's speech at Beijing University and his press conference with President Jiang Zemin – both of which saw him call for greater democracy and freedom in China – were televised live across China. The Department also hosted a symposium on the legal protection of human rights, part of our ongoing initiative to promote the rule of law around the world. In Cambodia, the United States has supported human rights monitors and election observers to reduce violence and abuses during the election campaign, helping to end factional fighting and reestablishing multi-party governance through internationally monitored, although sometimes flawed, elections.



Rwanda - Memorial at the Nyanza Genocide site.

- **Created a Climate for Participatory Democracy in the Balkans.** Ethic reconciliation cannot take place in the Balkans without democratic participation in a system that protects human rights. To that end, U.S. policy sought to establish a foundation of democratic norms upon which to build a lasting peace. We supported elections in Bosnia and Macedonia, drew attention to human rights abuses in

Serbia-Albanian Kosovar demonstration in Pristina, Kosovo.



Kosovo, supported independent media in Serbia, promoted democracy in Montenegro, and helped trace missing persons in Bosnia.

- **Promoted Democracy through Policy Guidance and Programmatic Direction.** Through the new Human Rights and Democracy Fund, the U.S. met the urgent needs of three key institutions supporting the Dayton Accords: the International Criminal Tribunal for the former Yugoslavia, the International Commission on Missing Persons and the Human Rights Commission. Similarly, through interagency coordination and cooperation, the U.S. promoted democracy in Burma, Cambodia, Liberia and Cuba, culminating with the return to civil rule in Nigeria. The U.S. supported the G-8 Democracy Initiative by organizing a democratization workshop in Mali of unprecedented scale and scope which established the beginnings of an information exchange network among the developing African states themselves.
- **Supported the Rights of Workers and Child Labor Reform.** The United States worked to promote consensus among corporations, labor unions, Congress, and non-governmental organizations to secure internationally recognized core labor standards and combat child labor. Thanks in part to U.S. pressure, Indonesia and Nigeria instituted a number of significant labor reforms. The Department assisted in brokering an agreement between the International Labor Organization and the Pakistan Carpet Manufacturers and Export Association to eliminate child labor from the Pakistan carpet industry. The Department also worked to secure the President's request for a tenfold increase in the U.S. contributions to the International Program on the Elimination of Child Labor and supported the Global March against child labor.
- **Integrated Religious Freedom Policy.** The Department saw the culmination of a two-year effort to place religious freedom squarely in the mainstream of U.S. foreign policy. The President appointed a Special Representative of the Secretary of State for International Religious Freedom. The Secretary of State's Advisory Committee on Religious Freedom Abroad facilitated direct representation of views and concerns from a broad spectrum of Americans and various faith traditions. The Department also helped secure passage of an International Religious Freedom Act that the President could support.

NATIONAL INTEREST: Humanitarian Assistance

Strategic Goal: Humanitarian Assistance

Prevent or minimize the human costs of conflict and natural disasters.



American values mandate offering assistance and international leadership to help alleviate human suffering from crises, whether man-made or natural, even where no other U.S. interests may be involved.

Of great concern are the estimated 35 million refugees and other displaced persons currently under the protection of the international community. The U.S. goal is to insure that victims of conflict and disaster, especially vulnerable women and children, are cared for and

protected in the most efficient manner possible. In addition, people in more than 60 countries, mostly in the developing world, face a daily threat of being killed or maimed by millions of landmines still left in the ground, years after conflicts have ended.

The Department of State is the hub for coordinating the U.S. Government response to humanitarian crises. In the event of a crisis, the Department initiates decision-making in Washington, communicates with other donors in capitals and international forums, and coordinates implementation in the field on all issues ranging from preventive diplomacy to peacekeeping. These are our humanitarian assistance accomplishments for 1998.

- **Removed Landmines.** Under the leadership of the Department of State and Department of Defense, the U.S. Humanitarian Demining Program supported mine action initiatives in 24 mine afflicted nations around the world, a significant increase from 1997 when 15 nations were included in the program. This was the first full year that the Nonproliferation, Antiterrorism, Demining and Other Related Appropriation (NADR) account provided funding support for the U.S. Humanitarian Demining Program. In addition, the Department established alternative funding mechanisms to support the program. The Special Representative for Global Humanitarian Demining, who manages the President's 2010 initiative, had measurable success in securing increased support from other donor nations and in formulating public-private sector partnerships. Consequently, 1998 was a year that saw more mines removed than planted.



Slovakia - Locust 750 mini-Flail Mine Clearing System.

- **Repatriated and Resettled Refugees.** U.S. leadership to support post-conflict reconciliation and reconstruction has played a significant part in the repatriation of tens of thousands of refugees to Liberia, Mali, and Somalia. In addition, the Department, through new initiatives with Non-Governmental Organizations (NGOs) and the International Rescue Committee, was able to improve coordination with donors. These efforts led to the repatriation of 350,000 refugees and resettlement of 77,000 refugees during 1998. To protect the most vulnerable, the Department has programmed over \$10 million for innovative programs to address special needs, such as increased security in refugee camps, aid to atrocity victims, education and counseling programs for women and children.



Rwanda - Byumba refugee camp
1.5 miles north of Kigali.

- Provided Humanitarian Aid.** In response to the August 7, 1998 terrorist bombing of U.S. embassies in Nairobi and Dar es Salaam, U.S. embassy staff provided immediate and courageous assistance to host country nationals, as well as to U.S. citizens and embassy staff injured in the explosions. The Department, working in conjunction with other entities, arranged immediate medical assistance and supplies, and fielded search and rescue teams. Floods in Bangladesh in 1998 were the worst this century, affecting over 30 million people and causing 1,100 deaths. The U.S. mission in Dhaka organized the donation of 700,000 metric tons of wheat to feed the most vulnerable groups and support job-created rural development projects in flood affected areas. The U.S. mission in Sri Lanka coordinated a donation of 50,000 metric tons of wheat to help alleviate food shortages caused by heavy fighting between government and guerrilla forces.



Kenya - Remains of truck suspected of carrying the bomb that damaged the U.S. Embassy in Nairobi on August 7, 1998.

NATIONAL INTEREST: Global Issues

Strategic Goal: Environment

Secure a sustainable global environment, and protect the United States and its citizens from the effects of international environmental degradation.



The global environment has a profound and increasing impact on the United States. Pollution crosses borders and oceans, affecting the health and prosperity of Americans. Competition for natural resources can lead to instability and conflict, threatening security, economic, and other U.S. interests. In addition, the U.S. values protection of the environment both at home and globally for its own sake.

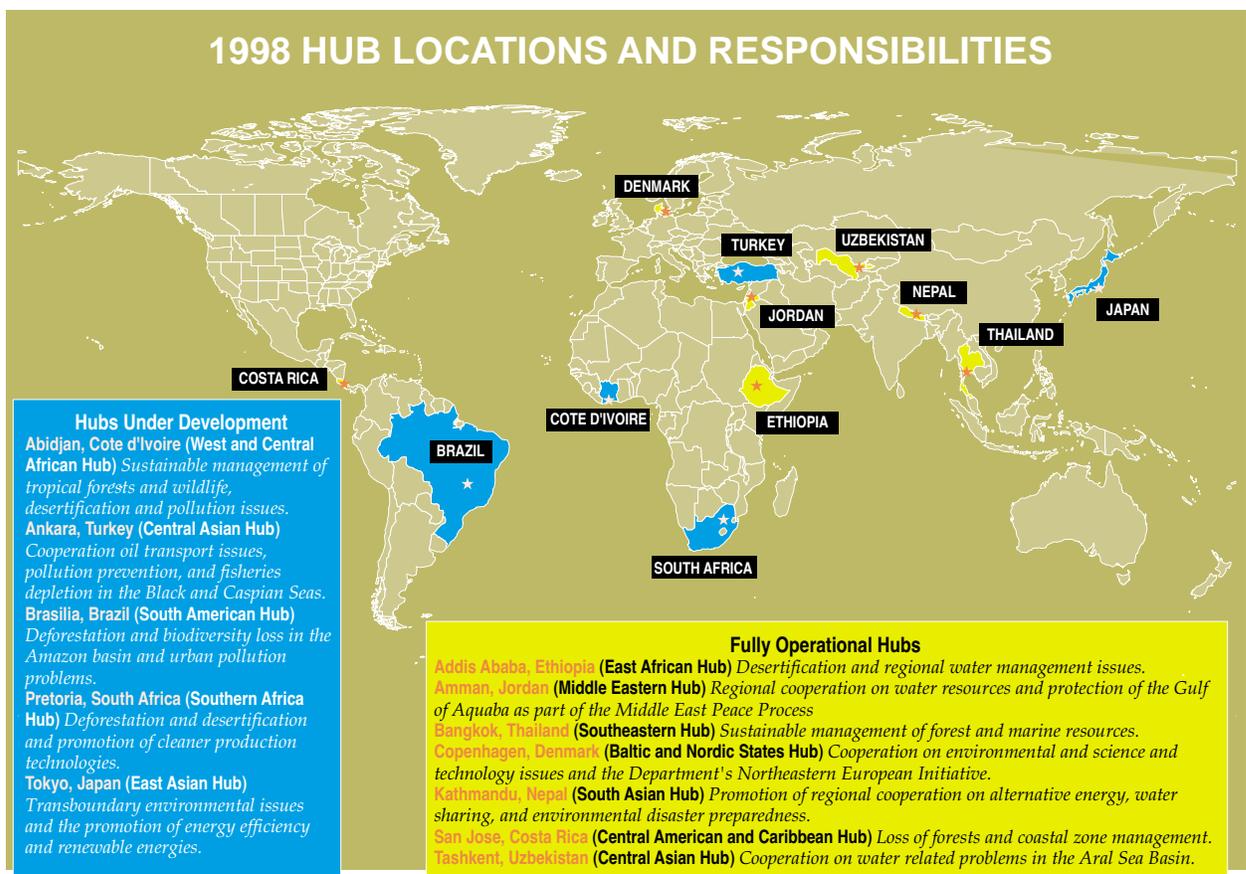
Americans care deeply about the environment and demand action to protect it. U.S. leadership is essential to resolving environmental problems that require global and regional solutions. Given the magnitude and complexity of this undertaking, the participation of the private sector and non-government organizations is essential.

The Department of State is responsible for developing the foreign policy framework for international environmental policy and coordinating the environmental activities of U.S. agencies overseas. The Department builds effective bilateral and multilateral relationships to promote environmental collaboration and address environmental problems that cross regional boundaries. The Department is also responsible for negotiating international environmental agreements and treaties.

The key to meeting this goal is for the Department of State to provide skillful leadership to multilateral negotiations leading to agreements on climate change (for example, greenhouse gas emissions), toxic chemicals, sustainable forestry and biosafety. The Department must also work with Non-Government Organizations, financial institutions, international businesses and United Nations organizations to more effectively address international environmental problems. The Department has established and expanded Regional and Environmental Offices (Hubs) to address transboundary environmental challenges that cannot be solved through either multilateral or national efforts. This has made a significant difference during 1998.



Pakistan - Anti-pollution propaganda sign in Peshawar





Scotland - Shetland oil disaster.

Department heads U.S. participation to set standards to classify and label hazardous chemicals.

- **Improved Management of Hazardous Chemicals and Waste.** The Department concluded agreements to deal with the use of persistent hazardous chemicals in Europe and in North America, as well as a separate global agreement on information sharing for certain hazardous chemicals and pesticides in international trade. In addition, the Department began negotiations on an agreement to set standards for the production and use of dangerous chemicals and their byproducts by the end of 2000. In an international effort to protect public health and facilitate trade, the

- **Negotiated Agreements on Greenhouse Gases.** After three difficult years, negotiations were concluded on the Kyoto Protocol. This resulted in significant and binding emission targets for industrialized countries, market mechanisms to achieve maximum emissions reductions, and developing country participation in addressing climate change through the Clean Development Mechanism. The Department has set the stage for agreement on the Buenos Aires Plan of Action, which includes a framework similar to Kyoto's market-based emissions trading mechanisms. In addition, environmental discussions during the June 1998 U.S.-Mexico Binational Commission meeting secured high level Mexican attention to transboundary pollution.

- **Promoted Conservation and Biological Diversity.** The U.S. has worked hard to establish a coalition of like-minded countries to achieve a biosafety protocol that protects biodiversity without hindering trade in beneficial biotechnological products. The Department continued pressing for unrestricted global access to plant genetic resources essential to global food security. The President joined with other G-8 leaders in committing to a

Forest Action Program that includes work on protected areas, illegal logging, illegal trade, and mapping and assessment. In addition, a diplomatic presence was established to address water issues in the Nile River Basin, as well as coordinating U.S. and international assistance during the Indonesian and Russian Far East forest fires. The U.S. and EU ratified an Umbrella Science and Technology Agreement which allows for collaboration on information technologies, endocrine disruptors, measurement standards, critical infrastructure protection, agriculture, biotechnology, and disability and rehabilitation research.



Egypt - Bridges across the Nile.

- **Improved Marine Resource Conservation.** The Department of State leadership resulted in the adoption of the 1998 Agreement on the International Dolphin Conservation Program and signature of the 1996 Inter-American Sea Turtle Convention by 12 nations. Efforts to reduce dolphin mortality have had a dynamic impact. Dolphin kills have fallen from over 130,000 in 1986 to less than 2,000 in 1998 as a result of conservation efforts adopted by fishing fleets. Responding to a U.S. initiative, the International Maritime Organization approved a new mandatory ship reporting system for two areas off the U.S. east coast to protect the endangered Right whale. The Department also oversaw the implementation of the 1991 Protocol on Environmental Protection to the Antarctic Treaty as well as key provisions of the 1995 U.N. Fish Stocks.

Strategic Goal: Population

Stabilize world population.

Stabilizing world population is vital to long-term U.S. interests. Rapid population growth undermines stability and economic and social progress, and can contribute to environmental degradation in many developing countries. Population stabilization that is grounded in human rights especially for women promotes democracy, reduces poverty, and leads to a healthier work force, all of which helps create a more stable global arena in which to advance U.S. interests.

The historic 1994 International Conference on Population and Development (ICPD) in Cairo established sustainable population growth as an essential element of environmental protection. Working closely with USAID, the Department of State coordinates U.S. international population policy and promotes U.S. goals through multilateral diplomacy. Our 1998 accomplishments include U.S. leadership on international population policy and technical assistance which has facilitated greater efforts by national governments to adopt national population policies and programs consistent with the Program of Action established at the Cairo conference. Countries ranging from Namibia and Mexico to Bangladesh and Senegal have revised their national policies. During 1998, U.S. technical and program aid assisted many of the ICPD Program signatory countries to assess the consistency and performance of their policies, in preparation for their five-year implementation review.



Vietnam - View of housing along the river in Ho Chi Minh City.

Strategic Goal: Health

Protect human health and reduce the spread of infectious diseases.

The United States has direct interests in safeguarding the health of Americans and in reducing the negative consequences of disease worldwide. Epidemics can directly threaten public health in the United States. Unhealthy conditions elsewhere in the world increase the incidence of disease, increase human suffering, and retard development. Humanitarian values lead Americans to support improvements to global health, even in the absence of other direct interests.