STRATEGIC PLAN

Fiscal Years 2004–2009

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STRATEGIC PLAN

Fiscal Years 2004–2009

Aligning Diplomacy and Development Assistance

United States Department of State

United States Agency for
International Development

Preface

In accordance with the Government Performance and Results Act of 1993, the Department of State and Agency for International Development (USAID) *Strategic Plan for Fiscal Years 2004 to 2009* sets forth the Secretary of State's direction and priorities for both organizations in the coming years. The *Strategic Plan* supports the policy positions set forth by President Bush in the *National Security Strategy* and presents how the Department of State and USAID will implement U.S. foreign policy and development assistance.

In the *Strategic Plan,* the Mission section defines the primary aims of U.S. foreign policy and development assistance as well as our priorities in the coming years. The remainder of the *Strategic Plan* provides an overview of our four strategic objectives and describes the key perspectives and outlooks for each associated goal. In addition, for each goal we identify key U.S. Government partners and external factors that could affect achievement of these goals.

The strategic objectives and goals constitute the strategic planning framework for both agencies. This framework will serve as the basis for both organizations' annual performance plans at the Department, Bureau, and Mission levels. The annual plans will focus more specifically on our efforts to meet tangible performance goals and will contain specific performance indicators. Our success in meeting our performance goals will indicate our overall progress in achieving the mission and strategic objectives set forward in this *Strategic Plan.*

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Message From the Secretary

I am pleased to submit the *Strategic Plan* of the Department of State and the United States Agency for International Development (USAID) for fiscal years 2004 to 2009. Our organizations share a noble mission: to create a more secure, democratic, and prosperous world for the benefit of the American people and the international community.

This is the first time that the Department of State and USAID have jointly prepared a strategic plan, and we will work together to execute it. Our close collaboration will ensure that our foreign policy and development programs are fully aligned to advance the *National Security Strategy* of the United States, which President Bush issued in 2002. The *National Security Strategy* recognizes that diplomacy and development assistance are critically important tools for building a safer, freer, better world.

The employees of the Department of State and USAID serving here at home and in our 260 diplomatic missions in 163 countries around the world are responsible for carrying out this *Strategic Plan* with the highest degree of integrity and professionalism.

With the *Strategic Plan* as our guide, the men and women of the Department of State and USAID will work to strengthen the global coalition against terrorism and help to stem the proliferation of weapons of mass destruction. We will lead and sustain international efforts to rebuild Afghanistan and Iraq.

We will help American businesses succeed in foreign markets and help developing countries create conditions for investment and trade that can lift millions out of poverty. We will promote international respect for human rights and support new democracies. We will work to ensure that America remains at the forefront of international humanitarian relief efforts and the worldwide fight against infectious diseases like HIV/AIDS. We will forge partnerships throughout the world to combat international crime, including the illegal trade in drugs and the appalling business of trafficking in persons.

We will work to modernize and deepen our alliances and friendships around the globe, build cooperative relationships with former foes, and strive to bring peaceful ends to conflicts in troubled regions. We will assist American travelers and help to keep our homeland safe, even as we work to maintain the openness that gives our democracy its dynamism and attracts international tourists, scientists, scholars, immigrants, and businesspeople to our shores.

The wide scope of our tasks reflects the breadth of our mission. To perform it well, we must set priorities, and this *Strategic Plan* does just that. It lays out our foreign policy and development assistance priorities in the coming years, and by doing so, it promotes an organizational culture within the Department of State and USAID that values effectiveness and accountability. U.S. diplomacy and U.S. development assistance, like the United States itself, are forces for freedom throughout the world. Each and every day in the years ahead, the dedicated men and women of the Department of State and USAID will advance America's values and interests across the globe as they proudly serve on the frontlines of freedom.

Colin L. Powell, *Secretary of State*

Message From the USAID Administrator

The world has changed dramatically over the past two decades. During this period the number of people living in market economies has increased fourfold. Globalization has integrated the world's markets for goods, services, capital, and ideas. The process has contributed to a historic spread of democracy and freedom. Hundreds of millions of men, women, and children are today healthier, better educated, and more prosperous. The evidence clearly shows that the United States and its foreign assistance program have contributed much to this progress.

Yet, there remain many growing challenges. Many countries are struggling in their transition from authoritarianism, controlled economies, and closed markets. A number of the new democracies remain fragile. The HIV/AIDS pandemic is spreading, killing tens of millions, threatening those that survive with perennial poverty and hunger, and destabilizing governments. Famine continues to stalk entire regions, particularly in Africa.

U.S. foreign assistance, and USAID, must move in new directions. One such example is the President's bold new initiative, the Millennium Challenge Account (MCA), which is based on the premise that the United States should increase support to countries that demonstrate responsibility for their own development by ruling justly, investing in people, and encouraging economic freedom. While a new foreign assistance entity, the Millennium Challenge Corporation, will administer this program, USAID will embrace the MCA principles of rewarding good governance and performance in our priorities for development resources. Our primary focus will be to provide targeted assistance to those countries creating a sound economic environment, embracing democratic governance, and investing in their people. USAID will also fully support the President's transnational initiatives, including those on HIV/AIDS, access to water, climate change, and famine prevention.

At the same time, USAID will increase its attention toward failed and failing states, which the President's *National Security Strategy* recognizes as a source of our nation's most significant security threats—international terrorism and proliferation of weapons of mass destruction. The people of the United States are rightly proud of our nation's humanitarian contribution. In recent years the majority of USAID's humanitarian work, ranging from assisting internally displaced persons to providing emergency food aid, has taken place in countries in the throes of crises wrought by the hands of men. U.S. efforts are particularly notable in a variety of post-conflict nations, such as Afghanistan. Maintaining high standards for the delivery of humanitarian assistance in post-conflict situations enables an early start to reconstruction efforts that are critical to sustaining large-scale repatriation and reintegration of refugees and displaced persons.

Yet, to prevent human suffering and protect our national security, we must devise bold, new approaches to arrest the slide of weak states toward failure. Such interventions will involve risk, and their success is certainly not assured. But the greater risks to U.S. national security associated with inaction in such nations can no longer be overlooked.

Andrew S. Natsios

Andrew S. Natsios, *Administrator, USAID*

Core Values

In the business of diplomacy and development, people are critical. Indeed, the success of the Department of State and USAID is directly tied to the creativity, knowledge, skills, and integrity of our dedicated employees. Their attitudes and actions determine whether or not they will move the world in the direction of greater security, democracy, and prosperity. While mindful of the lessons of history, we must never fear to innovate and challenge current thinking to achieve our country's ambitious goals.

This *Strategic Plan* articulates the core values of the Department of State and USAID. These values represent the high standards our employees—whether Foreign Service, Civil Service, Foreign Service National, career, or appointed—must uphold. We recognize and respect the fact that our Foreign Service National employees remain loyal to their countries even as they work to uphold the other core values. These key employees work with their American colleagues to perform vital services for U.S. citizens and to ensure the effective operation of our diplomatic posts and USAID Missions.

These values will be posted in every Embassy, Mission, and office of the Department of State and USAID. Over the life of this *Strategic Plan*, we will work to integrate them into how we hire, train, evaluate, and reward our employees, and into how we conduct ourselves every day on the frontlines of diplomacy and development. Even as the Department's and USAID's specific goals and priorities may change to keep pace with the dynamic international environment, our core values will remain constant.

Core Values

- **Loyalty:** Commitment to the United States and the American people.
- **Character:** Maintenance of the highest ethical standards and integrity.
- **Service:** Excellence in the formulation of policy and program management with room for creative dissent. Implementation of policy and management practices, regardless of personal views.
- **Accountability:** Responsibility for meeting the highest performance standards.
- **Community:** Dedication to teamwork, professionalism, diversity, and the customer perspective.

Mission

Create a more secure, democratic, and prosperous world for the benefit of the American people and the international community.

American diplomacy in the 21st century is based on fundamental beliefs: our freedom is best protected by ensuring that others are free; our prosperity depends on the prosperity of others; and our security relies on a global effort to secure the rights of all. The history of the American people is the chronicle of our efforts to live up to our ideals. In this moment in history, we recognize that the United States has an immense responsibility to use its power constructively to advance security, democracy, and prosperity around the globe. We will pursue these interests and remain faithful to our beliefs.

Globalization is compressing distances and creating new opportunities for economic growth. It is expanding the exchange of ideas, providing an impetus for political freedoms. Millions of the world's poor, however, have not yet benefited from globalization, increasing their risk of alienation. Furthermore, transnational threats have emerged from globalization, enabling the creation of deadly global terror networks, spurring crime that reaches beyond borders, and spreading disease via the most mobile population in history. The spread of unconventional weapon technology risks giving tyrants and terrorists unprecedented power to harm the United States, our allies, and our friends. At the same time, famines and civil conflicts have erupted in countries steeped in poverty or constrained by autocratic rulers, creating waves of refugees and swelling the ranks of internally displaced populations. Traditional conflicts between and within states harm the innocent, with regional instabilities transmitting shock waves throughout our interconnected world.

In the coming years, the principal aims of the Department of State and USAID are clear. These aims are anchored in the President's *National Security Strategy* and its three underlying and interdependent components—diplomacy, development, and defense.

First, we will strive to build and maintain strong bilateral and multilateral relationships in pursuit of our mission. There is the prospect for a durable peace among the great powers based on alignment against common threats. We will strive to strengthen traditional alliances and build new relationships to achieve a peace that brings security, but when necessary, we will act alone to face the challenges, provide assistance, and seize the opportunities of this era. U.S. leadership is essential for promoting this vision, but others must share the responsibility. The history of American foreign policy suggests that we will increase our chances of success abroad by exerting principled leadership while seeking to work with others to achieve our goals.

Second, we must protect our nation, our allies, and our friends against the transnational dangers and enduring threats arising from tyranny, poverty, and disease. Global terrorism, international crime, and the spread of weapons of mass destruction are new challenges born of traditional ambitions. Urban and rural poverty reflects the failure of statist policies, an absence of the rule of law, and poor governance. Radical ideologies are nurtured in societies deprived of the legitimate means of dissent, free markets, economic opportunity, and the free flow of ideas. A world in which half of humanity lives on less than $2 per day is neither just nor stable. HIV/AIDS is not simply a health issue. This pandemic is destroying precious lives, undermining economies, and threatening to destabilize entire regions. Environmental degradation and deforestation threaten human health and sustainable development. Confronting these threats effectively is beyond the means of any one country, and calls for principled American leadership aimed at achieving effective coalitions that magnify our efforts to respond to these critical challenges.

Third, in confronting the intersection of traditional and transnational challenges, we will combine our diplomatic skills and development assistance to act boldly to foster a more democratic and prosperous world integrated into the global economy. We will not waver in our belief that all human beings deserve lives of dignity and the opportunity to achieve their aspirations. We will promote freedom of speech, conscience, and religion, the rule of law, and economic freedom. In concert with civil society organizations, we will speak out against human rights abuses and the trafficking of human beings.

The Department and USAID will pursue these aims through coordinated approaches and complementary programs. In addition to bilateral and multilateral relationships, we will engage with citizens and civil society organizations at home and abroad. We will work with U.S. nongovernmental organizations, institutions of higher learning, and private sector partners who share our objectives and help leverage our resources. Providing vital links to the American people and to counterpart organizations and institutions overseas, our U.S. partners help represent the best in America's technical, humanitarian, and management skills. We will support programs that encourage broad-based participation and civil society development as the foundation for democracy and good governance, economic growth and free enterprise, sound environmental stewardship, and quality education and healthcare.

In meeting our strategic objectives and goals, the Department and USAID are committed to protect U.S. national interests and advance peace, security, and sustainable development. While we will apply these principles globally, we will focus on the following key priorities during the timeframe of this *Strategic Plan*, many of which represent Presidential initiatives.

- ***Arab-Israeli Peace:*** The United States is committed to achieving the vision of two states, Israel and Palestine, living side-by-side in peace, security, and dignity. We seek to end terrorism and achieve a permanent reconciliation between the Israeli and Palestinian peoples. The United States, in consultation with the European Union, Russia, and the United Nations, and in partnership with the Israeli, Palestinian, and Arab governments, will work to promote a lasting peace.

- ***A Stable and Democratic Iraq:*** Now that coalition military forces have ousted Saddam Hussein's regime, the United Sates will work side-by-side with the Iraqi people to build a free, democratic, and stable Iraq that does not threaten its people or its neighbors. Our goals are for Iraqis to take full control of their country as soon as possible and to maintain its territorial integrity. We will assist the Iraqi people in their efforts to adopt a new constitution, hold elections, and build a legitimate government based on the consent of the governed and respect for the human rights of all Iraqis. We will remain in Iraq as long as necessary, but not one day longer.

- ***Democracy and Economic Freedom in the Muslim World:*** As we focus on reaching peace in the Middle East, we also recognize the profound need for democracy and market economies to meet the aspirations of a new generation. The Department will take the lead in working with countries in the Muslim world to advance economic reform, increase educational opportunity, and boost political participation, especially for women. Public diplomacy will be central to communicating our objectives and changing negative views of the United States. Through the *Middle East Partnership Initiative (MEPI*) and programs in non-Arab parts of the Muslim world, the Department and USAID will establish a new model of assistance delivery to ensure our funds support the individual citizens that can drive change from within.

- ***A Stable and Democratic Afghanistan:*** Helping Afghanistan to achieve peace and stability will require a continued commitment by the Department, USAID, and international donors to four interlocking objectives: (1) Afghanistan must establish internal and external security to ensure economic reconstruction, political stability, and stem the rise in opium production; (2) we must work to establish a stable, effective, and broadly representative central government; (3) economic development must bolster this new government and reduce dependence on donors; and (4) we must help the people of Afghanistan meet their critical humanitarian needs while reconstruction proceeds.

- ***Reduction of the North Korean Threat to the Region and World:*** The Department will continue to work with friends and allies, particularly South Korea, Japan, and China, to meet North Korea's challenge to peace and security. Our goal is the complete elimination, irreversibly and verifiably, of North Korea's nuclear weapons program. North Korea must know that this is the only route to end its self-isolation and deliver a better life for its people.

- ***Reduction of Tensions Between India and Pakistan:*** Both countries are key partners in the war on terrorism, and vital to our goal of preventing further proliferation of weapons of mass destruction and other dangerous technologies around the world. We will work to prevent the outbreak of war on the subcontinent. We seek broad-based bilateral partnerships with both India and Pakistan spanning a range of security, political, economic, social, and cultural issues. We will work with India to help complete promising economic reforms, reap the benefits of integration into the global economy, and generate opportunities for entrepreneurs and ordinary people in both our countries. We will work with Pakistan to stop terrorism, stabilize Afghanistan, reduce extremism, and strengthen education and institutions that promote the rule of law, constitutional democratic governance, and economic opportunity.

- ***Drug Eradication and Democracy in the Andean Region:*** The narcotics trade in the Andean Region, especially in Colombia, imposes a very high cost on its ordinary citizens in addition to being the major source of such drugs trafficked to the United States. The Andean Counterdrug Initiative through eradication, interdiction, and alternative development will support the fight against narcoterrorists and secure democracy, extend security, and restore economic prosperity in the region.

- ***Strengthened Alliances and Partnerships:*** Within the North Atlantic Treaty Organization (NATO), we will integrate new members into the alliance and develop joint capabilities to fight terrorism and respond to 21st century dangers. We will work with the European Union (EU) on transnational threats and challenges to include: (1) fighting terrorism; (2) combating HIV/AIDS; (3) advancing global trade while resolving trade disputes on a mutually advantageous basis; and (4) cooperating on regional crises. Our new relationship with Russia is yielding positive results for both countries in strategic arms reduction, counterterrorism, common approaches to regional conflicts, and development of Russia's energy resources. A key challenge is to find common ground with respect to transfer of dangerous technologies. In a changing and often dangerous environment, our network of robust bilateral alliances with Japan, the Republic of Korea, Australia, the

Philippines, and Thailand will remain the linchpin of Pacific regional security. We encourage the emergence of a peaceful and prosperous China, whose citizens enjoy the blessings of liberty, that contributes to the fight against terrorism and proliferation, and that works with the United States and others to reduce dangers existing on the Korean Peninsula, in South Asia, and beyond.

- ***A More Effective and Accountable United Nations (UN):*** The United States participates in multilateral organizations like the UN for specific purposes: (1) to foster international peace and security; (2) protect the innocent; (3) advance freedom, human rights, democratic institutions, and economic development; (4) address humanitarian needs; and (5) raise the quality of people's lives through sustainable development focused on improving health, nutrition, and education around the world. We engage countries in the UN system to ensure that our priorities are taken seriously and our resources used wisely. The UN can only be truly effective if its member states willingly meet their responsibilities and adhere to the principles for which the organization was founded. It is vital that the United States exert robust leadership throughout the UN system in pursuit of its values and interests. We believe that the UN will be stronger and more effective if more Americans are given the opportunity to work in the UN and related institutions.

- ***HIV/AIDS Prevention, Treatment and Care:*** In his 2003 State of the Union Address, President Bush announced a $15-billion, 5-year Emergency Plan for AIDS Relief that will focus on prevention, treatment, and care in 14 severely affected countries in Africa and the Caribbean. The Department will work with USAID and other agencies to ensure these resources support our goals of saving lives, safeguarding people's health, and advancing regional stability.

- ***Reduced Threat of Famine:*** The United States is committed to finding longer term solutions to food insecurity and working in partnership with developing countries to address this global problem. In particular, the food crisis in the southern African countries and Ethiopia and the war in Sudan have affected millions of people. The United States continues to meet critical needs in these countries, as well as in Afghanistan and Iraq. We want to increase the contribution of all donors to tackle urgent food shortages and find longer term solutions. Famine is a preventable tragedy with the right economic and governance policies and institutions to prevent the conditions that lead to famine. Viable early warning systems and assessments will help mitigate disasters and increase preparedness and response.

- ***Accountable Development Assistance:*** President Bush has charted a new direction for development assistance by proposing the creation of the Millennium Challenge Account (MCA). The goal is to increase U.S. development assistance by 50 percent over the next 3 years for countries that take responsibility for their own development by ruling justly, investing wisely in their people, and encouraging economic freedom. The Department and USAID will work with other agencies, the White House, Congress, and eventual recipient countries to make this initiative succeed in promoting good governance and prosperity.

- ***Aligning Diplomacy and Development Assistance:*** In pursuing our shared mission and goals in the international arena, U.S. development assistance[1] must be fully aligned with U.S. foreign policy. This means the Department and USAID must consistently and thoroughly review our policy and development programs as we strive to support those countries that are committed to democratic governance, open economies, and wise investment in their people's education, health, and potential. We will seek opportunities to program our resources in complementary and targeted ways. With the full support of the Secretary, our organizations will carry forward an agenda to implement new innovative strategies and eliminate redundancies, while ensuring that our diplomacy and development assistance produce results. As discussed later in this *Strategic Plan*, two joint Department of State and USAID councils will be established to accomplish this priority.

[1] Throughout this *Strategic Plan*, "development assistance" refers to all types of assistance as referred to in the Foreign Assistance Act of 1961, as amended.

Achieve Peace and Security

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

We recognize that our own security is best guaranteed when our friends and neighbors are secure, free, and prosperous, and when they respect human rights and the rule of law. As a result, the Department focuses its efforts on resolving regional conflicts, countering global terror networks, combating international organized crime, and keeping weapons of mass destruction out of the hands of those that can harm the United States, our allies, and our friends. At the same time, USAID's programs help ensure the economic, social, and political stability of developing and transitional countries while combating poverty, environmental degradation, infectious disease, and other threats to security. Our shared goal is to ensure that today's troubled countries do not become tomorrow's failed states.

No nation can create a safer, better world alone. The Department seeks the sustained cooperation of traditional allies and new partners so that our combined strength and resources can bring us closer to achieving shared security. We are committed to lasting and accountable multilateral institutions such as NATO, the United Nations, and the World Trade Organization, as well as other longstanding international financial institutions and regional organizations. We help achieve peace and security by ensuring these institutions maintain their vitality and adapt to meet the challenges of the 21st century.

Regional Stability

Avert and resolve local and regional conflicts to preserve peace and minimize harm to the national interests of the United States.

Instability and conflict among states arise from diverse causes. Ethnic hatred, unequal economic opportunities, and political discrimination within states can lead to instability and refugee flows that spill across borders. Societies that lack means of dissent can nurture radical ideologies that appeal to those who feel threatened by existing norms and arrangements. Often, legitimate grievances provide opportunities for unscrupulous or shortsighted leaders who exploit and exacerbate tensions. Stable relations among states also can be threatened by changes in their relative wealth, power, and ambitions.

The democratic transformation sweeping much of the world is a factor that supports stability by removing potential causes of conflict. In addition, for the first time in 100 years, there is the prospect for a durable peace among the great powers on the basis of a strategic alignment against common threats. Despite these positive developments, regional tensions and crises harm U.S. national security in varying degrees. They strain our alliances, threaten peace, create fertile ground for terrorism, damage national economies, and intensify human suffering.

Securing stable and peaceful relations among states is a fundamental, traditional goal of diplomacy. Building the foundations for stability and addressing the root causes of conflict are vital roles of development assistance. In each region of the world, we will build effective ties with allies, friends, partners, and regional and international organizations ultimately to resolve existing and emergent conflicts. In each region, we will focus on key priorities to achieve our goal:

- ***Israel and the Palestinians:*** We have long worked for peace between Israel and the Palestinians because of the importance of security in the region, to diminish human suffering, and because of our close relationship with Israel and key Arab states. We are committed to two states, Israel and Palestine, living side-by-side in peace, security, and dignity. We will work with the parties themselves and our Quartet partners (the European Union, the United Nations, and Russia) to implement a roadmap that offers hope of achieving a lasting and comprehensive peace, ensuring a halt to terrorism and violence, and establishing an independent Palestinian state at peace with Israel. We will pursue inclusion of Syria and Lebanon in that peace process.

- ***South Asia:*** Reducing tensions between India and Pakistan, both armed with nuclear weapons, is critical to regional and world security. We will press India and Pakistan toward dialog on all issues, including Kashmir. We will continue to work with Pakistan to promote reforms that will create a more stable, democratic, and prosperous nation. With India, a sister democracy, we will continue to work together on shared strategic interests. In Afghanistan, the Department and USAID will lead the international effort to establish economic reconstruction, security, and democratic political stability, based on an effective central government and denial of safe haven for terrorists. In Nepal and Sri Lanka, we will support processes to end civil conflicts. We will take concrete steps throughout the region to empower women, emphasize protection of human rights, and help establish institutions that promote the rule of law based on international standards.

- ***East Asia and the Pacific:*** We will continue to work with our allies—Australia, Japan, the Republic of Korea, the Philippines, and Thailand—as well as with important partners such as Singapore, to improve our capacity to maintain stability, defuse tensions, and resolve conflicts in the region. We welcome the development of a peaceful and prosperous China, and encourage it to work in partnership with the United States and others to fashion solutions to pressing regional and global problems. Our goal is the development of a China rooted in democracy and respectful of human rights. Where our interests overlap, often in addressing economic issues and transnational threats, we work well together. We continue to have areas of disagreement, including human rights abuses, weak controls over weapons proliferation, and our commitment to the self-defense of Taiwan. But, we will not allow these differences to preclude cooperation when we agree.

  As a vestige of the Cold War, North Korea remains isolated behind its borders, its large army within striking distance of Seoul, and its efforts to develop nuclear weapons and their delivery systems threatening neighbors and the global nonproliferation regime. North Korea must understand that its relations with the world hinge on abandoning its nuclear weapons ambitions. Working with the Republic of Korea, Japan, China, and others, we will continue to pursue our goal of having North Korea comply with its Nuclear Nonproliferation Treaty, end its WMD programs, and undergo reforms to ensure stability and prosperity on the Korean Peninsula. We will persevere in our efforts to foster democratic changes in Burma, where a despotic government oppresses its own people and creates regional instability. In Cambodia, we seek to build stronger democratic institutions that will help support political stability and advance security in the region.

USG Partners and Cross-Cutting Programs

The following are key USG partners with whom we will coordinate to achieve this goal:

- *Department of Defense:* DOD takes the lead in any use of force and, at times, reconstruction. DOD also provides the military-to-military contact, assistance, and training that strengthens military and alliance relationships.
- *Intelligence Agencies:* The CIA is a key partner in identifying and evaluating possible areas of instability.

External Factors

The following are key factors, external to the Department and USAID, which could significantly affect the achievement of the goal:

- Non-state entities with ethnic, religious, or political agendas.
- Latent ethnic or religious tensions within or among nations.
- Allies and/or partners' view of the need to act.
- Conflict parties may not be interested in peace.
- Failing economies, creating political instability.
- Weakened institutions despite our best efforts to strengthen them.

- ***Europe and Central Asia:*** In Europe, NATO must be able to act wherever our collective interests are threatened. We will enhance NATO's ability to further European and Eurasian security and stability by integrating new members and by embracing new capabilities and new relationships. We also will work to develop NATO's capability to field, at short notice, highly mobile, specially trained forces to respond to a threat against any member, including threats from afar. We will develop further our relations with the EU: to nurture our immense trading relationship; advance global economic growth; seek common solutions to regional disputes; foster stability and reform in Southeast Europe; and combat transnational challenges, from terrorism to HIV/AIDS. With Russia, our foreign policy agenda is broad, including the war on terrorism, increased cooperation on regional conflicts, nonproliferation, trade, and investment. We support the independence and stability of countries of the former Soviet Union. A prosperous and stable region will reinforce Russia's growing relationship to the Euro-Atlantic community and improve U.S. economic

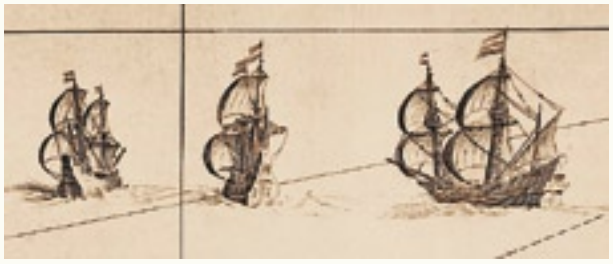
opportunity in that part of the world. We will continue to foster stability and encourage reform in Eurasian subregions, particularly in the former Yugoslavia. With eight Muslim majority countries and strong Muslim minorities in several other countries in this region, the United States has the opportunity and challenge to engage Islam positively in these countries and bridge the divide between Islam and Western society.

- ***The Persian Gulf:*** The destruction of the old regime in Iraq removes a major threat to the region, but does not obviate the need for security arrangements. A stable, democratic Iraq, with its territorial integrity intact, will be a stabilizing influence. The United States will maintain military-to-military relationships with friendly countries and access to facilities to assure regional security.

- ***Africa:*** In Africa, democratic success stories sit side-by-side with failed or failing states. Promise and opportunity contrast with disease, desperate poverty, and large numbers of refugees and internally displaced persons. Civil wars have spread beyond borders to create regional war zones. To enhance stability and create conditions for general prosperity, we will pursue a multipronged approach. We will engage regional powers such as South Africa, Nigeria, Kenya, and Ethiopia. We will work to strengthen the capacity of reforming states and subregional organizations to address transnational threats. Africa will be the primary focus of the President's Emergency Plan for HIV/AIDS relief. We will coordinate with European allies and international institutions to strengthen fragile states, provide peace operations, and attempt to address the underlying socio-economic factors feeding conflict, especially in the Great Lakes Region, Horn of Africa, and West Africa. We also will offer more opportunity through the full use of the preferences allowed in the African Growth and Opportunity Act, leading to free trade. We will work with the New Partnership for Africa's Development (NEPAD). NEPAD represents the African leaders' vision of how Africa should assume responsibility for its own development, emphasizing good governance, the rule of law, investing in people, and pursuing policies that approach development in the context of our national interest more as a partnership based on African priorities rather than donor assumptions of Africa's requirements. Finally, we will intensify our efforts to strengthen civil society organizations as constituencies for reform, so that African citizens themselves will hold their governments accountable.

- ***Sudan:*** The Department and USAID seek to achieve a durable peace, end state sponsorship of terrorism, and promote regional stability in Sudan. Our active diplomatic and assistance efforts are central to improving humanitarian access and reaching an agreement to end the civil war. We will support the Sudanese in the transition from conflict to peace by providing assistance in conflict mitigation, food security, economic recovery, primary health care, basic education, and local governance.

- ***Western Hemisphere:*** With our hemispheric partners and the Organization of American States, we will continue to improve homeland security, consolidate democratic gains, advance the rule of law and the development of transparent and accountable governing institutions, and create a Free Trade Area of the Americas by 2005. We will fight the instability arising from the violence of drug cartels and their accomplices throughout the region and maintain an active strategy to help the Andean nations adjust their economies, enforce their laws, defeat terrorist organizations, and cut off the supply of illegal drugs. Specifically in Colombia, we will work to help the government defend its democratic institutions and defeat illegal armed groups by extending effective sovereignty over the entire national territory to provide basic security to the Colombian people.



Counterterrorism

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

The United States is engaged in a war against terrorism that will be fought on many fronts over an extended period of time. In this war, we will make no concessions to terrorist demands and strike no deals. We will make no distinction between terrorists and those persons, organizations, or governments who aid or harbor them. No cause or grievance justifies the use of terror. Terrorism by its very nature is antithetical to the world we seek to create.

The gravest danger to the United States lies at the crossroads of terrorism and technology—the possibility that catastrophic technologies could fall into terrorist hands. We must therefore give priority to defeating terrorist organizations of global reach and preventing their state sponsors from supplying them with weapons of mass destruction or related technologies.

The world's great powers and most of the international community are on the same side in the struggle against terrorism, fighting on behalf of the civilized world against those who would destroy it. Success will come by acting with a coalition of partners willing to fight terrorism of global reach simultaneously in the domestic, regional, and global contexts. Although the Department will strive to enlist the support of the international community, the United States will not hesitate to act alone to exercise its right of self-defense.

The war on terrorism demands the combined efforts of many U.S. Government agencies to defend the United States, its allies, people, and economy. The Department is charged with developing, coordinating, and implementing American counterterrorism policy. We also are responsible for building and maintaining coalitions of states to root out terrorist networks, cut off access to resources, and punish terrorists for their crimes. USAID provides development assistance designed to diminish the underlying conditions that terrorists seek to exploit. Working with our partners, we will:

- ***Utilize diplomacy to identify, disrupt, and destroy terrorist organizations of global reach.*** Once these organizations are identified, we and our partners will work to dismantle the leadership, material support, and finances that support terrorists. We will deny terrorists access to formal and informal financial systems and prevent abuse of charitable institutions. Together with our partners, we will work to force states that harbor terrorists to cease abetting terror. The Department will continue to encourage all countries to sign, ratify, and implement the 12 international counterterrorism conventions and fully implement UN Security Council Resolution 1373, which targets terrorists' finances, and apply it to all terrorist groups. We will work to prosecute and punish captured terrorists to the full extent of the law. In the Middle East, South Asia, and Southeast Asia in particular, we will work with key governments to maintain the political will to fight terrorism and protect formal and informal financial systems against abuse by terrorism.

- ***Expand antiterrorism capabilities.*** Every state must be able to combat terrorists of global reach within its own borders and block them from crossing borders undetected. Where governments are willing but unable to fight such terrorism effectively, the Department will bolster their skills, capacities, and resources. We and our global partners—working through such mechanisms as the G–8 and IAEA's Nuclear Security Program—also will strengthen our common capacity to respond if terrorist attacks do occur. In the Middle East, Afghanistan, Pakistan, and Southeast Asia in particular, we will strengthen political will and local capabilities to fight terrorism. The Department will join with key foreign partners to develop technology to aid in the war on terrorism, including containment and mitigation of biological agent attacks.

- ***Diminish the underlying conditions linked to terrorism.*** Failed and failing states can provide fertile ground for terrorist organizations to thrive. The heightened threat of terrorism in states with despotism, weak institutions, and neglected social, economic, and political capacity, requires greater emphasis on moving states toward more accountable, legitimate, and democratic governance. To reduce these conditions, the Department and USAID will support development assistance focused on democracy and domestic good governance, and enlist the international community's support. We will use public diplomacy to win the war of ideas by promoting moderate government and social tolerance and countering the misguided belief of justified terrorism.

USG Partners and Cross-Cutting Programs

The following are key USG partners with whom we will coordinate to achieve this goal:

- *Counterterrorism and Security Group:* The Department is a key member of this group, which the National Security Council chairs.
- *Terrorist Financing:* The Department chairs and USAID participates in the Coalition Building subgroup of the Treasury Department-led Policy Coordination Committee on Terrorist Financing.
- *Departments of Justice, Treasury, Defense, and Homeland Security:* Each of these agencies plays an important role in the global war on terrorism.
- *Intelligence Agencies:* The information shared by these agencies establishes the basis for defensive and offensive action in the global war on terrorism.
- *National Combating Terrorism Research and Development Program:* The Department chairs the interagency Technical Support Working Group under this program.

External Factors

The following are key factors, external to the Department and USAID, which could significantly affect the achievement of the goal:

- Radical anti-Americanism.
- New terrorist weapons, including WMD, techniques, or strategies.
- Middle East Peace Process, developments in Kashmir and other areas of continuing instability, or the rise of new terrorist causes.
- Ability of foreign governments to remain focused on countering terrorism given competing political and financial priorities.
- International consensus, or lack thereof, on whether engagement, isolation, or military action is the best tool in specific cases.
- Foreign government resistance because their own risk of terrorist attack is estimated to be substantially less than that of the United States.
- Sovereignty issues lead foreign governments to limit operations within their borders.
- View of some "liberation groups" as an exception to terrorism.

Homeland Security

Protect the homeland by enhancing the security of our borders and infrasturcture.

The defense of the United States must begin beyond our borders. We are working closely with partner agencies, from the Department of Homeland Security to other members of the intelligence and law enforcement communities, to establish the first line of defense and stop or deter terrorist attacks before they reach our shores.

Through trade, travel, and communications, the United States is deeply connected with the rest of the world. Approximately 500 million people enter the United States every year, of whom 330 million are foreigners, more than our entire population. Sixteen million containers enter the United States annually, carrying half of our imports. Our critical infrastructure—telecommunications, information systems, transportation, and energy—is integrated into larger transnational networks. Many firms in the United States depend on global supply chains to keep their businesses running. Our open society and links with other countries and peoples enrich us, both economically and culturally. But, openness also creates vulnerabilities. Our challenge is to help protect our people and property without disrupting the economy or infringing on our cherished liberties and freedoms.

In pursuit of homeland security, the Department conducts visa operations and spearheads U.S. diplomacy to gain cooperation for measures to deter threats to travel, communications, and other critical infrastructure networks, and to secure our borders.

Visa Operations: Department consular officers at our diplomatic posts abroad adjudicate approximately 7 million visa applications annually. The visa program aims to facilitate travel to the United States for eligible foreign visitors, whether for tourism, study, business or other lawful purpose, and to deny entry to those ineligible, especially those who pose a danger. The Department will:

- ***Enhance consular officer training and technology to identify applicants who are threats to the United States.*** We will use advanced technologies, including biometrics, and sophisticated lookout systems, to assist in making a determination of eligibility. We also will urge other nations to institute similar technology and procedures to ensure document security.

- ***Share intelligence.*** We will expand intelligence sharing with other U.S. Government agencies and foreign governments, specifically increasing the use of and access to electronic records stored in our central database.

Commerce, Infrastructure, and Borders: The protection of transport, critical infrastructure networks, and borders requires the cooperation of foreign governments and the private sector. With other U.S. Government entities, including the Department of Homeland Security and USAID, we will help partners build their capacity to use advanced technologies to enhance their security and ours. The Department will:

- ***Negotiate and implement international security standards and practices related to travel and commerce.*** We will use advanced technologies and cooperation, beginning with the Container Security Initiative and related G–8 and APEC initiatives, to ensure that goods entering the United States do not pose a threat. We are encouraging efforts in the International Maritime Organization to implement measures that will deter use of merchant vessels for terrorist attacks. We will continue to work with the International Civil Aviation Organization, airlines, and foreign governments to enhance airline and airport security.

- ***Intensify efforts to protect both physical and cyber-infrastructure shared with other nations.*** We are developing and strengthening standards for the protection of key infrastructure, from its physical security to legal protections. The work is already well under way, both bilaterally and through the G–8, with neighbors and allies, where the interconnectivity makes the need most acute.

- ***Build "smart borders."*** We will negotiate with other governments to implement "smart borders," a continuum framed by land, sea, and air, where layered management will enable greater visibility of vehicles, people, and goods. Our diplomatic efforts will focus especially on Canada, Mexico, and the Caribbean. We will work with other governments to strengthen procedures and create the necessary infrastructure to screen people and cargo destined to the United States before departure, thus improving security while speeding movement across the border.

USG Partners and Cross-Cutting Programs

The following are key USG partners with whom we will coordinate to achieve this goal:

- *Department of Homeland Security:* The Department will work with DHS, which is principally tasked with protecting the United States and its borders.
- *Homeland Security Council:* The Department will work with the HSC to ensure appropriate coordination with USG agencies and departments on homeland security issues.
- *Intelligence Agencies:* The Department and intelligence agencies, as well as the FBI, share information to identify persons and events that might threaten the United States.
- *Department of Justice:* DOJ has historically had a major role in naturalization issues. The Immigration and Naturalization Service (INS), now part of DHS, will continue to play a role.

External Factors

The following are key factors, external to the Department and USAID, which could significantly affect the achievement of the goal:

- The political commitment and vigilance of our partners.
- Partners' resources, quality of their laws, and strength of their judicial/legal institutions.
- Foreign governments' willingness to share information, based on differences in legal systems, regulations on the protection of classified material, and privacy concerns.
- Developments in key regions, particularly the Middle East, South and Southeast Asia, and Europe.
- The number and severity of terrorist attacks.
- Level of demand for visas.

Weapons of Mass Destruction

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

In an age when terrorist groups and rogue states seek to obtain increasingly dangerous weapons, there is an urgent need to minimize the threat to the United States, our allies, and friends from weapons of mass destruction (WMD) and their delivery systems. Rogue states and terrorist organizations no longer consider nuclear, biological, and chemical weapons as weapons of last resort, creating a far more complex and perilous security situation. Above all, the U.S. Government is committed to taking all necessary steps, including preemption if necessary, to ensure its security and the security of its allies and friends.

The Department's efforts to contain and reduce the threat of WMD/missiles are served largely through the tools of diplomacy, verification, and science and technology. Through diplomacy, we will seek to move nations away from WMD proliferation or development and persuade countries to join nonproliferation WMD-related treaties and agreements. The Department will play a key role in coordinating responses to recalcitrant states using international pressure or sanctions, among other means. We will embark on active nonproliferation programs, both bilateral and multilateral, designed to contain WMD/missile technology and reduce current stockpiles. Furthermore, the Department will focus on verifying and ensuring compliance by countries already committed to multilateral treaties and agreements.

The Department will combat this serious threat through a number of specific priorities. Given the current threat environment, we will:

- ***Prevent proliferators, including state sponsors of terrorism and terrorist groups, from obtaining WMD and their delivery systems.*** Through direct bilateral communication and international pressure, including through economic tools, the Department will curb weapons development and proliferation by Iran, North Korea, and Libya. We will promote more stringent nonproliferation policies and programs, strengthened export controls, and improved border security to prevent terrorists or their state sponsors from acquiring WMD, their delivery systems, related materials, or technologies. These steps will ensure that terrorist groups or rogue states will not access WMD and missile materials, expertise, or technology.

- ***Urge Russia to reduce WMD/missile stockpiles and materials.*** The Department will encourage states such as Russia and China to cease disseminating weapons technology, expertise, and materials to rogue states such as Iran and Syria. We will urge the former Soviet republics to keep stricter accounting of their WMD/missile stockpiles.

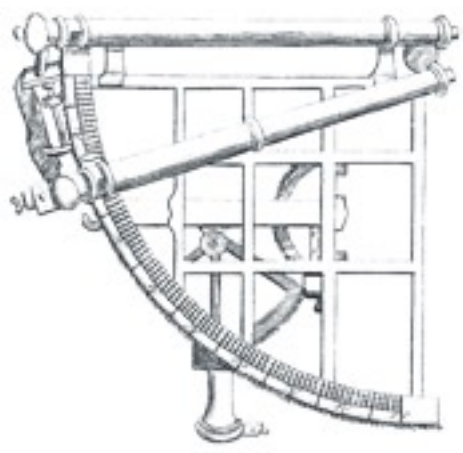
- ***Ensure compliance with existing multilateral treaties and adherence to regimes***, especially the Nuclear Nonproliferation Treaty, the Chemical Weapons Convention, and the Biological Weapons Convention, as well as strengthening the verification and compliance procedures of these regimes, where appropriate. The Department will additionally focus on strengthening the International Atomic Energy Agency, enhancing safeguards capabilities, negotiating a Fissile Material Cut-Off Treaty, reinforcing the Nuclear Suppliers Group and Zangger Committee, and augmenting the Missile Technology Control Regime. We will

work to enforce consequences of noncompliance with all of the economic and diplomatic tools at our disposal. Should other action be necessary, including military action, the Department will work to build the necessary coalition to facilitate our response.

- ***Encourage nuclear and missile restraint in South Asia.*** Open-ended nuclear weapon and missile programs in India and Pakistan threaten regional and international security and increase the risk of onward proliferation from the region. The Department will encourage India and Pakistan to restrain their programs, adopt measures designed to reduce nuclear risks, and bring their export control laws and practices in line with international standards.

- ***Strongly discourage the worldwide accumulation of separated plutonium and the use of highly enriched uranium.*** The Department will collaborate with international partners to develop more secure and environmentally safe nuclear technologies.

- ***Build international support for U.S. security goals***, in particular missile defense systems, with our partners and allies.



USG Partners and Cross-Cutting Programs

The following are key USG partners with whom we will coordinate to achieve this goal:

- *Department of Defense and Central Intelligence Agency:* These agencies provide the intelligence necessary for verification and compliance.
- *Department of Defense:* When necessary, DOD supports active counter-proliferation, such as interdiction, to enforce compliance with international demands on nuclear development or proliferation.
- *Departments of Commerce and Treasury:* These agencies monitor export controls.
- *Department of Homeland Security:* The State Department coordinates with the U.S. Customs Service and the U.S. Coast Guard.

External Factors

The following are key factors, external to the Department and USAID, which could significantly affect the achievement of the goal:

- Lack of cooperation from allied and like-minded nations in developing and enforcing WMD-related regimes, treaties, and commitments.
- Lack of international and regional political stability to permit focus on WMD issues.
- Some countries resist U.S. and allied pressure to abandon or restrain WMD programs, even at the risk of international diplomatic or military action.

International Crime and Drugs

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

As part of its mission to protect the United States, American citizens, and U.S. interests, the U.S. Government wages a vigorous campaign against international drug trafficking and organized crime, particularly trafficking in persons, migrant smuggling, money laundering, and cybercrime. Illegal drugs kill more than 19,000 Americans every year and impose social and economic costs in excess of $160 billion annually. The costs of transnational organized crime not connected with drugs are comparably steep. Such crimes threaten the security of the United States and other nations, undermine the rule of law, and menace local and regional stability.

The Department and USAID regard the struggle against crime, narcotics, and poverty as inseparably linked. Narcotics trafficking, crime, and poverty feed off each another. To combat the full spectrum of criminal, drug, and terrorist threats, the Department and USAID will strengthen foreign law enforcement capabilities, establish transparent public and private institutions, and encourage alternative livelihoods through education and development.

Anticrime programs encourage the democratic governance, respect for human rights, and economic activity required for sustainable development and political stability. Counternarcotics and anticrime programs also complement the war on terrorism, both directly and indirectly, by promoting the modernization of foreign criminal justice and law enforcement systems and disrupting the profits used to finance terrorism.

International crime and narcotics trafficking thrive where law enforcement institutions are weak, where money laundering and corruption are rampant, and where citizens have few viable economic alternatives. To minimize the impact of international crime and illegal drugs, the Department and USAID will:

- ***Eradicate illegal drugs and trafficking organizations.*** In the Western Hemisphere, Southeast Asia, and elsewhere, we will: (1) provide government-to-government assistance to eradicate illegal drug cultivation; (2) attack, interdict, and disrupt operations of trafficking organizations; (3) develop institutional and resource bases to control drug abuse; (4) encourage development alternatives to drug cultivation; and (5) enhance governments' abilities to prevent drug-related public corruption. In South America, we will support the fight against narcoterrorists and aim to secure democracy, extend security, and restore economic prosperity in Colombia and the surrounding region through the Andean Counterdrug Initiative. In Afghanistan and central Asia, we will pursue alternative development programs and strengthen the capacity of the government to counter the destabilizing activities of drug traffickers and other illegal armed groups. On a global basis, we will encourage governments to investigate and prosecute trafficking in persons and provide government-to-government assistance to enhance their ability to do so.

- ***Strengthen laws, law enforcement institutions, and judicial systems.*** Bilaterally, regionally, and multilaterally, we will push for strong laws and institutions that are rooted in democratic principles and protective of human rights. We will encourage governments to criminalize the act of trafficking in persons and provide assistance to governments that make a serious commitment to combat it. We will use international law enforcement training academies to professionalize law enforcement organizations and to strengthen regional and international cooperation. We will work to strengthen judicial systems to enable governments

to investigate, prosecute, convict, and punish criminals, while protecting victims and combating corruption. In post-conflict societies, we will develop and reform civilian police, justice, and related institutions as part of international peacekeeping and security operations.

- ***Combat money laundering.*** We will assist foreign governments, and support multilateral efforts, to develop, enhance, and implement anti-money laundering regimes that meet the highest international standards. In particular, we will focus on combating money laundering in key terrorist financing states to prevent the flow of drug and crime funds to transnational crime and terrorist groups.

- ***Promote anticorruption regimes.*** We will assist foreign governments, and support multilateral efforts, to establish transparent and accountable public and private institutions to combat corruption. In particular, we will seek to develop international anticorruption norms and promote democratic governance.

USG Partners and Cross-Cutting Programs
The following are key USG partners with whom we will coordinate to achieve this goal:

- *President's Interagency Task Force on Trafficking in Persons:* The Department's Trafficking in Persons Office serves as the secretariat.
- *Department of the Treasury:* Treasury leads money laundering and asset seizure issues.
- *Department of Homeland Security:* The U.S. Customs works on money laundering, asset seizure, and migrant-smuggling issues. The Immigration and Naturalization Service also coordinates on migrant-smuggling issues.
- *Department of Justice:* Justice leads on extradition, international legal assistance, and rule of law issues.
- *Department of Defense, Drug Enforcement Administration,* and *Coast Guard:* These agencies coordinate on counternarcotics programs.

External Factors
The following are key factors, external to the Department and USAID, which could significantly affect the achievement of the goal:

- Political or social instability or lack of border control.
- Institutionalized corruption and substandard pay for law enforcement officials.
- Resistance to crime-fighting initiatives, sometimes based on popular sympathy with perpetrators.
- Mismatch between the global reach of international crime and national enforcement systems.

American Citizens

Assist American citizens to travel, conduct business, and live abroad securely.

Protecting and assisting American citizens abroad is among the oldest and most important responsibilities of the Department. This mission is carried out every day from passport offices across the United States to our Embassies and Consulates in 163 countries. Our commitment helps more than three million Americans to reside abroad, and millions more to travel, do business, and study freely and safely all over the world. Our Embassies, Consulates, and Consular Agencies are like town halls for our citizens overseas. Consular officers provide assistance in cases of terrorist attack, natural disaster, crimes such as child abduction, illness, missing persons, death, destitution, arrest, imprisonment, passport loss, repatriation, and other difficulties. They ensure that Americans' rights under local and international law are respected, adjudicate hundreds of thousands of passport applications, and assist citizens to perform basic civic tasks.

To guarantee that this vital work continues to be performed to the highest standard, the Department will:

- ***Disseminate safety and security information to Americans*** through all available means, including the latest technologies.
- ***Prevent or resolve cases of international child abduction.***
- ***Push for implementation of The Hague Intercountry Adoption Convention.***
- ***Enhance the security of U.S. passports*** by incorporating sophisticated biometric identifiers while issuing more than seven million passports per year.
- ***Plan for and bring on-line additional passport adjudication and production capacity*** during the timeframe of this *Strategic Plan*.
- ***During crises, including evacuations, take all requisite steps to protect and assist Americans,*** in cooperation with host governments, the private sector, other U.S. Government agencies, and nongovernmental organizations (NGOs).

USG Partners and Cross-Cutting Programs
The following are key USG partners with whom we will coordinate to achieve this goal:

- *Departments of Defense, Transportation,* and *Health and Human Services:* These agencies coordinate to evacuate U.S. citizens from crisis or disaster sites.

External Factors
The following are key factors, external to the Department and USAID, which could significantly affect the achievement of the goal:

- Increase in number of Americans overseas singled out as terrorist targets.
- Changes in foreign, legal, and social norms that affect American citizens abroad.
- Technological breakthroughs enhancing the Department's ability to extend crisis assistance and conduct daily business through e-government programs.

Advance Sustainable Development and Global Interests

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

Our strategic goals for democracy and human rights, economic prosperity and security, and social and environmental issues are part of a larger whole. It is no coincidence that conflict, chaos, corrupt and oppressive governments, environmental degradation, and humanitarian crises often reign in the same places. The extreme case of bad governance, failed states, can be costly in financial as well as human terms. The UN estimates that the eight most expensive cases of state collapse in the 1990s cost the international community $250 billion. Even when crises like HIV/AIDS originate from natural causes, the quality of governance can make the difference between effective and ineffective responses.

The Department and USAID share the lead in advancing sustainable development and global interests. The broad aim of our diplomacy and development assistance is to turn vicious circles into virtuous ones, where accountable governments, political and economic freedoms, investing in people, and respect for individuals beget prosperity, healthy and educated populations, and political stability. Actions taken to achieve these goals are mutually reinforcing: (1) democratic elections and growing civil societies strengthen the resolve and robustness of economic reforms; (2) credible rule of law is essential to fighting corruption and fostering economic investment and growth; (3) environmental quality and natural resource management are prerequisites for health and sustained growth; and (4) social reform is critical to long-term development.

We will continue to honor our treaty obligations and international commitments and build upon the international development consensus reached at the United Nations Conference on Financing for Development in Monterrey. While standing ready to help, we will create incentives for each country to take responsibility for its economic and social development.

Democracy and Human Rights

Advance the growth of democracy and good governance, including civil society, the rule of law, respect for human rights, and religious freedom.

The promotion of democracy and human rights is an expression of our values as a nation. As President Bush has made clear, "freedom is the nonnegotiable demand of human dignity; the birthright of every person—in every civilization." The unprecedented expansion of democracy around the world indicates that these principles resonate with peoples across the globe. Nonetheless, millions remain the victims of oppressive regimes and political movements, and many nations are still only in the midst of transitioning to, or consolidating, democracy.

Elections alone will not secure freedom. Instead, societies of free citizens must be founded on a profound commitment to the dignity of each individual and to good governance. Representative government needs to be built on a culture of democracy that includes the rule of law, limits on the absolute power of the state, free speech, freedom of worship, freedom of association, equal justice, respect for women, and respect for private property. Without this intangible infrastructure, democracy may become a vehicle for the very tyranny that our Founding Fathers feared; with such a foundation, democracy will provide the means for resolving differences among free and equal citizens.

While citizens' desire for democratic government can be repressed for a time by authoritarian or corrupt regimes, the history of the 20th century shows, through the transformation of some of the world's most repressive regimes into some of its most vibrant democracies, that the transition to liberty can be made. To extend this transformation into the 21st century, the United States must be prepared to support democratic reform. To be successful, the desire for democratization must be indigenous. We recognize that each country has a unique history and traditions that will lead them on different paths to freedom. Whatever the path and pace, however, the United States must be prepared to stand with people who seek freedom.

U.S. diplomacy and foreign assistance will be stalwart in support of democracy and human rights, not only because they are worthy of our traditions, but also because a more just world will be a more stable and prosperous world. We will support movements for democracy and human rights abroad consistently, responsibly, and prudently. The Department and USAID will play key roles in promoting and defending democratic reform and the recognition of human rights abroad. We will:

- ***Press for democratic reform based on rule of law and sound governance principles.*** We will work with like-minded governments to promote democracy, and will encourage other governments inhospitable to democratic reform to liberalize.

- ***Act as a leading human rights defender.*** We will speak out forthrightly through public statements and instruments such as the *Human Rights Practices, Trafficking in Persons,* and *International Religious Freedom* reports. Our advocacy will be guided by the dictum that promoting democratic governance is and will remain the best way to ensure the protection of human rights, especially those of women.

- ***Work with other countries that share our values.*** We will work with other democratic governments to reform and reclaim multilateral fora such as the UN Commission on Human Rights so that they more effectively reflect the values and purposes for which they were created. We will seek to promote civic education and cultures of tolerance once we rejoin the United Nation's Educational, Scientific, and Cultural Organization (UNESCO). Through the Community of Democracies (CD) and regional "democracy caucuses," the United States will seek to expand the human rights consensus beyond treaty ratification to actually changing the reality on the ground. In this regard, we will work with CD participants toward the full implementation of the 2002 Seoul Action Plan.

- ***Promote freedom of religion and conscience worldwide.*** The Department will encourage the recognition of freedom of religion and conscience throughout the world as a fundamental human right and as a source of stability for all countries. In particular, we will assist newly formed democracies in protecting freedom of religion and conscience while identifying and denouncing regimes that are severe persecutors of their citizens or others on the basis of religious belief. We also will assist faith-based and human rights NGOs in promoting religious freedom.

USG Partners and Cross-Cutting Programs

The following are key USG partners with whom we will coordinate to achieve this goal:

- *Broadcasting Board of Governors:* This agency provides media support for democracy and human rights abroad.
- *Department of Labor:* Labor monitors labor conditions around the world, including child labor, and supports technical assistance to promote labor rights and standards.
- *Department of Justice:* Justice provides expertise in police and judicial reform.
- *Peace Corps:* The Peace Corps is involved in promoting democracy and similar U.S. values through its volunteers.

External Factors

The following are key factors, external to the Department and USAID, which could significantly affect the achievement of the goal:

- Support for democracy and human rights among the citizens of foreign countries themselves.
- Social and cultural mores in countries.
- Attitudes toward the United States in target countries.
- The degree of stability and security from terrorist or other threats.

- ***Assistance focused on governance.*** We will employ the Millennium Challenge Account criteria as an incentive for countries to rule justly, invest in their people, and encourage economic freedom. USAID will support and complement MCA principles with development assistance. Department and USAID policy regarding assistance will support and encourage governments that fight corruption and safeguard the rule of law, pluralism, and good governance.

- ***Encourage the development of infrastructures and the economic and social foundations for democratic governance and human rights.*** We will emphasize that all programs (i.e., health sector, education, natural resource management, and economic growth programs) should promote democratic processes while growing a middle class capable of promoting and sustaining free and democratic governments. Providing for the economic and social basis for democratic rule—as through combating corruption, providing for basic material and health needs, and so forth—is an effective method of championing democratic reform. We must focus on developing a vibrant and independent civil society actively engaged in political life in a beneficial, pluralistic, and democratic way.

Economic Prosperity and Security

Strengthen world economic growth, development, and stability, while expanding opportunities for U.S. businesses and ensuring economic security for the nation.

The United States needs a stable, resilient, and growing world economy to secure prosperity at home and abroad. As the world's largest economy and trading nation, total U.S. trade is equivalent to about one-quarter of our nation's income. Over the past decade, exports accounted for one-quarter of our economic growth. One out of every three acres of our farmland is devoted to exports, as is one out of five jobs in manufacturing. U.S. firms and households have more than $6 trillion invested abroad.

The rules-based trading system has been a principal driver of growth since the end of the Second World War. More than 50 years of post-war history demonstrates that countries that remove barriers to trade succeed in raising growth and reducing poverty, while countries that remain closed are left behind. Open markets, and the prosperity that ensues, generate resources to support public services, such as health and education, and promote accountable governments.

Our diplomacy and development assistance will advance economic security, growth, and open markets, and will help developing countries participate more fully in the rising tide of prosperity. As we apply financial, technological, and human resources to achieve our goals, we must ensure that those resources are used wisely and effectively, and that they produce measurable outcomes. We will work to ensure that our efforts effectively target women, the majority of the world's poor.

Growth and Open Markets: We must advance global prosperity by increasing economic growth through expanded trade and investment. The Department and USAID will work with other federal agencies and foreign governments to secure ambitious reductions to barriers to trade in the World Trade Organization (WTO), the Free Trade Area of the Americas (FTAA), Asian Pacific Economic Cooperation (APEC), and through bilateral initiatives. Building on existing U.S. free trade agreements in the Middle East, we will intensify our efforts to increase trade and investment ties with Middle Eastern countries and promote economic reform to implement the President's Middle East Free Trade Area proposal. We will strengthen the capacity of developing and transitional countries to participate in, and benefit from, trade by enhancing their ability to respond positively to global trade opportunities while observing internationally recognized labor standards. We will work to achieve Chinese fulfillment of its WTO commitments and Russian accession to the WTO. Working with foreign governments and civil society organizations, we will seek to gain broad acceptance of biotechnology as a means to improve nutrition, increase agricultural productivity, and advance environmental protection. We will support the critical role of technological innovation and entrepreneurship in sustainable economic development and will advocate information and communications technologies (ICTs) policies that promote expanded access and fair competition for U.S. companies. We will support U.S. firms as they trade and invest abroad by pressing governments to open markets, promote responsible business practices, and help resolve individual disputes. Through the G–8 and bilateral exchanges, we will urge Europe to remove structural impediments to growth and Japan to restore its banking system to health.

Economic Development: In 2002, at the UN Conference on Financing for Development in Monterrey, the United States helped forge a new international consensus on development that ties increased assistance

to performance and accountability. We will promote sound governance and market-oriented economic growth that will enable other countries to become increasingly prosperous and interconnected with the United States, and will focus on the following strategies:

- ***Help implement the Millennium Challenge Account (MCA).*** The President's MCA initiative will increase U.S. development assistance by 50 percent over 3 years, resulting in an annual increase of $5 billion by FY 2006, for countries that rule justly, invest in their people, and encourage economic freedom. One critical element of the MCA will be to help developing countries combat corruption and strengthen property rights, the rule of law, competition, and other elements of the business and investment climate to create an enabling environment for the private sector. We will work with other agencies, the White House, Congress, and potential recipient countries to implement this initiative. We will help poor countries undertake reforms to qualify for MCA funds.

- ***Assist conflict, crisis, and failing states.*** We will provide assistance to countries, such as Afghanistan and Iraq, emerging from conflict and crisis, and encourage other donors to do the same. We will promote economic recovery, restoration of governance, and trade facilitation. In the case of failing and fragile states, we will lead international efforts to prevent or mitigate conflict and improve governance.

- ***Harness private flows.*** Recognizing that the value of private sector grants, remittances, assistance, and investments far exceed publicly funded Official Development Assistance, we will develop new business models to ally public resources with private-sector flows. We will generate public-private partnerships to mobilize nonofficial resources and know-how.

USG Partners and Cross-Cutting Programs

The following are key USG partners with whom we will coordinate to achieve this goal:

- *White House/NSC:* The MCA and other cross-cutting initiatives and issues are centered here.
- *Department of Agriculture:* USDA is a key partner in several areas, particularly in provision of food aid and promotion of farm exports.
- *Department of the Treasury:* Treasury directs U.S. policy in the IMF and the multilateral development banks.
- *Department of Commerce:* Commerce and the Department work closely, especially in posts abroad in support of U.S. business.
- *Export-Import Bank and Overseas Private Investment Corporation:* These agencies provide export credits and investment insurance, respectively, for U.S. businesses abroad.
- *Peace Corps:* Volunteers train people in some 70 countries.
- *U.S. Trade Representative:* USTR coordinates trade policy and trade negotiations.
- *Department of Energy:* DOE shares responsibility with the Department on most international energy matters.

External Factors

The following are key factors, external to the Department and USAID, which could significantly affect the achievement of the goal:

- Economic policies of major trading partners, especially Japan, Europe, Canada, and Mexico.
- Readiness of other donor governments to implement the new development consensus.
- Degree of foreign governments' commitment to economic reform.
- Whether a major terrorist incident damages infrastructure and disrupts consumer and investor confidence.
- Degree to which nontariff issues such as food safety create barriers to trade.
- Effect of Middle East tensions on price and security of oil supplies.

- ***Promote agricultural development.*** A productive agricultural sector is a critical engine for economic growth in many developing countries, particularly in Africa. It also is critical for food security, improved nutrition and health, and environmental sustainability and security both in developing and transition countries. We will promote the adoption in low-income countries of new technologies deriving from agricultural research and development by mobilizing science and technology from developed as well as developing countries. We will seek new techniques for producing food without eroding the natural resource base. As women are the major food producers in many regions, we will work to ensure that women benefit from investments in technology and strengthening of markets. We will work with partner countries to strengthen the operation of local, regional, and global markets in agricultural products, employing public diplomacy as well as development assistance approaches to gain broad acceptance of biotech products in these markets while assuring the maintenance of acceptable food safety standards.

Economic Security: We must make the United States and global economies more resilient to adverse developments. The Department and USAID will work with the Treasury Department and other federal agencies, international financial institutions, and friendly governments to prevent, contain, and resolve financial disruptions that threaten economic stability, especially in states on the frontline of the war on terrorism. We will strengthen energy security by working with consuming and producing countries to prevent disruption in oil markets and expand and diversify the sources and types of energy, including renewable energy. We will support the reform of energy sectors to improve the functioning of markets, increase private sector participation, expand access to energy services, and support regional energy trade and integration. We will cooperate with other agencies and governments to establish and use legal mechanisms to prevent information communication technologies from being used for illegal or destructive purposes, and by protecting the lawful and beneficial activities of the global "on-line" community.

Social and Environmental Issues

Improve health, education, environment, and other conditions for the global popluation.

Disease, poverty, displacement, and environmental degradation destroy lives, ravage societies, destabilize regions, and cheat future generations of prosperity. One in four children will not receive even a basic education, and nearly one-sixth of adults are illiterate. Today, 1.1 billion people lack access to safe drinking water. The need to feed the anticipated 2–3 billion children who will be born over the next 40 years will require farmers to make more intensive use of limited freshwater, thereby reducing the supply for drinking and sanitation. Human effects on the environment deplete our natural resources and reduce biodiversity. Today, 75 percent of the world's fish stocks are fished to capacity or are over fished. Yet, one billion people, mostly in the developing world, rely on fish as their primary source of animal protein. Worldwide, over 42 million people are infected with HIV/AIDS. A new infection occurs every 6 seconds. The pandemic threatens the social fabric in the most severely afflicted countries, most of which are in sub-Saharan Africa.

While these social and environmental problems are daunting, ample experience at the international and national level demonstrates that progress is possible through concerted efforts. Science and technological advances offer hope and answers. For example, although 11 million young children die every year, that number is lower than the 15 million who died in 1980. In addition, through international agreements, nations have curbed the production and use of ozone-depleting chemicals.

The United States has both humanitarian and security interests in helping countries tackle social and environmental problems. Left unresolved, these problems will aggravate social and political instability and could reverse the development advances made over the last several decades. By confronting these problems, we can save lives, reduce human suffering, lay the groundwork for sustainable economic development, and prevent adverse conditions from spilling across our borders.

We will build public-private partnerships that leverage resources, strengthen international cooperation, and help other countries build their institutional capacity to manage these problems. Good governance is a necessary condition for making sustainable gains against social and environmental problems because good governance brings problems to light, enables varied, creative solutions in the context of public debate, and holds governments accountable for results. We will encourage good governance, including through incentives in the Millennium Challenge Account.

HIV/AIDS: This disease is already devastating the health and education sectors and damaging economies in parts of sub-Saharan Africa and the Caribbean, where one-third of adults are infected in some countries. It is spreading rapidly in South and East Asia, Eastern Europe, and Eurasia. Displaced persons and victims of conflict —especially women and children—are at particular risk of infection due to the disruption of family structures and health services, increased sexual violence, and increased socioeconomic vulnerability. To combat the spread of HIV/AIDS, the Department and USAID will emphasize a balanced and integrated approach including prevention, treatment, and care.

We will work with those foreign governments that are already providing leadership to combat HIV/AIDS, and persuade those that have not yet stepped up to do so. We will use education as a tool of prevention, to raise awareness of the strategy defined in the President's Emergency Plan for AIDS Relief to combat the pandemic. In his 2003 State of the Union address, President Bush proposed a $15 billion, 5-year initiative, including

$10 billion in new funding, to finance significantly increased prevention, care and treatment efforts in 14 of the most severely affected countries, and to continue ongoing assistance in other countries. Efforts to prevent transmission of the disease will include prevention and treatment of mother-to-child transmission of HIV, and the "**A-B-C**" approach to behavior, emphasizing (1) **A**bstinence, (2) **B**eing faithful, and (3) responsible use of **C**ondoms to prevent HIV transmission.

Health: Healthy citizens are essential for healthy economies and societies. The Department and USAID will emphasize capacity building and programs that:

- ***Reduce the threat of infectious diseases.*** We will support prevention of disease transmission, care, and treatment for people living with these diseases through bilateral programs and diplomatic efforts, and promote technological advances toward their cures. We will support enhanced World Health Organization (WHO) capability to intervene to prevent the spread of new infectious diseases. We will support the Global Fund To Fight Aids, Tuberculosis, and Malaria, and ensure that it works in tandem with the President's Emergency Plan for AIDS Relief to fight these diseases on all fronts.

- ***Reduce infant and child mortality.*** We will expand programs to focus on the primary childhood killers—malnutrition and diseases spread through water and poor sanitation. While we will act directly through health interventions when necessary, we will continue to emphasize enhancing each country's capacity to plan, organize, and manage its own health sector.

USG Partners and Cross-Cutting Programs
The following are key USG partners with whom we will coordinate to achieve this goal:

- *Department of Health and Human Services:* HHS is a major partner in the area of HIV/AIDS.
- *Department of the Treasury:* Treasury coordinates U.S. contributions to the World Bank and other multilateral development banks.
- *Department of Energy:* DOE implements programs promoting the development and diffusion of innovative, environmentally sustainable energy-related technology.
- *Environmental Protection Agency:* EPA provides expertise, education, and training in pollution prevention, natural resource management, and environmental enforcement and compliance.
- *National Oceanic and Atmospheric Administration*: NOAA provides technical assistance and training in preventing ocean pollution, managing fish and other living marine resources, and marine scientific research.
- *U.S. Fish and Wildlife Service:* FWS provides training and technical assistance to promote environmental protection and monitoring of wetlands and other areas.
- *U.S. Forest Service:* USFS provides technical assistance and training to promote sustainable forest management and biodiversity conservation.
- *U.S National Park Service:* NPS provides expertise and training in creating and maintaining networks of national parks and protected areas.
- *National Aeronautics and Space Administration:* NASA provides technical expertise and guidance on the utilization of space and space hardware for both commercial and sustainable development purposes.
- *Department of Homeland Security:* The Department and DHS work closely together to promote orderly and humane U.S. and international migration policies.

- ***Support reproductive and maternal health care.*** Programs will increase access to and use of quality reproductive and maternal health care, including encouraging abstinence, fidelity, voluntary family planning, life-saving care at delivery and immediately post-partum, and fully informed choice on the part of both partners. We will work to reduce unintended pregnancy and the incidence of abortion, improve

maternal health, and promote the primary role of the family in reproductive and other health decision-making. In places where there are coercive policies, we will work to change them. We will work to improve the long-term capacity of local institutions, including the private sector, to provide quality reproductive and maternal health care.

Education: Broadly accessible, high-quality education is a powerful instrument for reducing poverty and inequality, improving health and social well-being, building democratic societies, and laying the basis for sustained economic growth. The Department and USAID will promote improved education globally, with a particular focus on the Muslim world. Development goals of the United Nations' Millennium Declaration call for universal primary education by 2015. Working toward this goal, the Department and USAID will support programs that:

- ***Promote equal access to quality basic education.*** We will assist and encourage countries to improve their education policies, institutions, and practices in the classroom, and give families and communities a stronger role in educational decision-making. We will devote special efforts to reducing barriers to education for girls.

- ***Implement international education commitments.*** We will work with donor partners to implement the commitments made at the 2000 World Educational Forum in Dakar, the G–8 Summits at Genoa and Kananaskis, and at the UN Conference on Financing for Development in Monterrey. We will help developing countries address capacity gaps toward achieving the Global Education for All initiative.

External Factors

The following are key factors, external to the Department and USAID, which could significantly affect the achievement of the goal:

- Mutations of infectious diseases, or new human exposure to diseases.
- Stigma and cultural practices affecting access to health diagnosis and treatment.
- Price and availability of disease-fighting drugs, role of intellectual property rights.
- Technological capacity to follow through on environmental agreements and overall global technological developments.
- Social and environmental issues not a priority with some governments; diversion of attention and funds to other initiatives.
- Government sensitivities to international involvement in "domestic" issues.
- Speed and nature of global demographic changes.

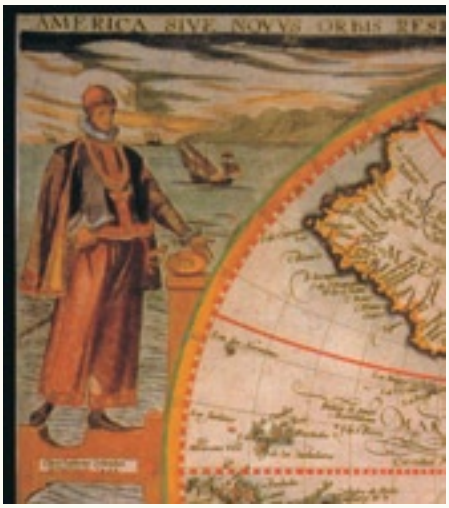
Environment: Sound management of the environment is an essential component of sustainable development. With the many important international environmental agreements and declarations, much of the work of setting the goals and targets for sound resource and environmental management has been accomplished. The challenge now is to promote vigorous implementation to address issues such as ozone depletion, endangered species, overfishing, ocean pollution, forest management, climate change, and chemicals management. Simultaneously, we must address the needs of the many people who still lack access to safe drinking water, basic sanitation, and access to modern energy services. Understanding that environmental protection is critical to economic and social development, the Department and USAID will promote sustainable natural resource management and environmental conservation, including biodiversity. We also will expand international cooperation in the area of environmental governance. Partnerships with international financial institutions, other donors, and communities and civil society groups will be important for implementing programs that:

- ***Increase capacity to protect the oceans and environment.*** We will enhance the environmental capacity of developing countries, improving their ability to create and maintain good domestic environmental governance. We will promote science and technology cooperation. We will help developing countries build accountable and transparent domestic institutions that will promote sound resource management and protect the environment by creating and safeguarding protected areas and combating illegal activities including illegal logging, trade in endangered species, and illegal fishing.

- ***Build partnerships to deliver water, energy, and sound resource management.*** We will develop and expand partnerships with other governments, civil society, and the private sector to promote sound resource management focusing especially on potable water, energy, climate change, forests, and ecosystems, including oceans. The United States will continue its implementation of the $970 million effort to support water and sanitation projects. We will advance the clean energy partnerships to improve access to affordable, reliable, clean, and efficient energy. We will promote cooperation on climate change, using climate friendly technologies, increased carbon sequestration and global observation data, to produce cost-effective solutions. We will expand the Congo Basin Forest Partnership so that it promotes sustainable management of the resources of the region's forests. We will enhance management and protection of fragile ecosystems in the Arctic and Antarctic. We will maintain and expand our traditional leadership and commitment in the conservation of biodiversity.

- ***Advance international environmental cooperation that supports trade and economic growth.*** We will negotiate workable procedures for the cross-border movement of biotechnology products without undermining trade. We will put into effect the Convention on Persistent Organic Pollutants to ban or restrict the 12 most deadly global chemicals. We will develop a global program to address the threat that mercury poses to human health and environment without negatively affecting economic growth.

Migration: We will work in close partnership with the Department of Homeland Security to promote orderly and humane migration flows, both to and from the United States, and on the global level. As U.S. immigration policies have shown, legal migration contributes to prosperity for both sending and receiving countries. We will also aim to integrate security and counterterrorism concerns into multilateral and bilateral migration diplomacy. Finally, we will continue our efforts to protect vulnerable migrants, including asylum seekers, refugees, and victims of trafficking.



Humanitarian Response

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

Conflicts and natural disasters displace and kill people, threaten their health, divide families, disrupt economies, and slash living standards. An estimated 35 million people are currently uprooted from their homes, and the number of people displaced within their national borders has been increasing. New conflicts, greater instability, and further suffering can arise when affected states lack the capacity to respond effectively.

The United States has a long record of responding to humanitarian crises. U.S. humanitarian assistance protects U.S. interests as well as advances our values. Timely and effective intervention minimizes suffering, contains the crisis, reestablishes local government structures that provide lasting protection, and helps lay the foundation for sustainable development.

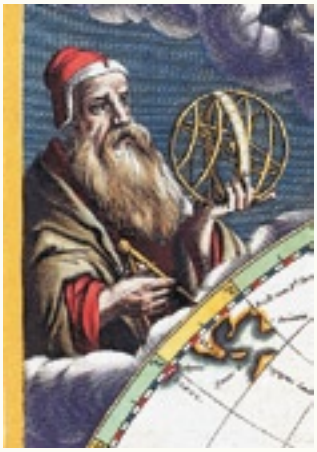
Humanitarian crises typically mobilize responses from donor governments, multilateral institutions, the private sector, and civil society organizations. By working in concert with others, we can maximize the resources brought to bear while minimizing the burden on the U.S. taxpayer. The Department and USAID will work with a variety of partners to:

- ***Provide life-saving assistance and support for the transition to development.*** We will work with other donors to provide food, water, shelter, education, and health services to displaced and other vulnerable people, and help ensure that basic protection and institutions meet critical needs. We will seek to ensure equal access to protection for all populations affected by disasters, including refugees, internally displaced persons (IDPs), and other conflict victims. We will help those suffering from natural or manmade disasters, while seeking to restore their capacity for self-reliance. While we will provide life-saving assistance regardless of political factors, we will seek to ensure that interventions do not empower the very people who have caused the problem.

- ***Uphold international standards.*** The Department and USAID will urge our partners to adhere to humanitarian law and principles, including neutrality in refugee camps and safe access for humanitarian workers, as well as minimum assistance standards. We will implement codes of conduct prohibiting exploitation, with emphasis on protection of women and children. We will encourage new and existing signatories to uphold the 1951 Convention on the Status of Refugees and its 1967 Protocol. We will support programs that deter and address the consequences of violence against women. We will encourage our implementing partners to improve standards and accountability.

- ***Promote durable solutions for displaced persons.*** With USAID, the Department will favor programs that facilitate durable solutions for refugees and IDPs. Such programs should aim to promote both economic self-reliance and political tolerance. In accepting refugees to the United States, the Department will work with Congress to establish refugee ceilings based on the number of overseas refugees in need of resettlement and our capacity, as well as the capacity of other countries, to respond. We will seek to maximize the number of refugees we admit under such ceilings. We will implement security, health, and antifraud measures in refugee processing, and will work to maintain a nationwide network of service providers to assist arriving refugees become self-sufficient, fully integrated members of U.S. society.

- ***Improve disaster prevention and response capabilities.*** We will enhance early warning systems and encourage governments to use them to anticipate or manage vulnerabilities. We will also help build local and global response capabilities, linking humanitarian response with longer term development goals. We will ensure that local women are involved in the solution. We will promote accountable governance, democracy, and free press as the best defenses against future disasters. We will improve coordination among international donors to ensure effective responses to crises, including coordination with the U.S. military in cases of armed conflict, and reevaluate existing development programs for any impact on future disasters.



USG Partners and Cross-Cutting Programs

The following are key USG partners with whom we will coordinate to achieve this goal:

- *Department of Homeland Security:* DHS is responsible for refugee adjudications for resettlement into the United States and for admitting such individuals upon arrival.
- *Department of Health and Human Services:* HHS is a key partner on refugee resettlement and refugee health issues. The Department and USAID support the Centers for Disease Control's work with the United Nations and other humanitarian partners.
- *Department of Defense:* Owing to the increasing complexity of humanitarian crises and involvement of military actors, DOD is a key partner in the USG's response.

External Factors

The following are key factors, external to the Department and USAID, which could significantly affect the achievement of the goal:

- Security concerns inhibiting international relief efforts, slowing or impairing our ability to resettle refugees.
- Coordination abilities of international organizations, which often have gaps in mandates.
- Political and material support of foreign governments and NGOs.

Promote International Understanding

Public Diplomacy and Public Affairs

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

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

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

To reach this vision, the Department and USAID must enhance our public diplomacy and public affairs efforts along three dimensions. The first dimension is regional. A majority of our public diplomacy assets are deployed by country; yet many issues transcend national borders. Many issues are shaped by cultures and media networks that function regionally rather than nationally. Middle East peace, terrorism, and HIV/AIDS are but three examples. In addition to bilateral outreach efforts at our Missions, the Department and USAID must develop regional and transregional programs to address the cultural and media influences that reach across borders. Equally as important, we must constantly take the national and regional pulse to understand whether our program messages resonate. We must understand regional environments and their openness to U.S. policies and initiatives.

The second dimension is to maintain the dialog and build support at home. We must inform and engage the American public on the importance of relations with other nations and share the lessons that come from interacting in diverse country cultures, and tell our successful stories of development assistance. Since the American people and civil society are the broadest and most vital assets we have to engage the people of other nations, we must make domestic public affairs efforts all the more vigorous.

The third dimension is outreach to both younger and wider audiences. While harnessing the modern technologies of television and the Internet, we must make broader and deeper use of life transforming exchanges—people-to-people contacts—that can change hearts and minds. Ultimately, public diplomacy depends on practitioners who have a deep understanding of foreign countries and cultures, are proficient in host country languages, and possess the skills needed to connect with audiences on the substance of our policy.

To put this three-dimensional strategy in place, the Department and USAID will:

- ***Communicate with younger audiences through content and means tailored to their context.*** The Department and USAID must tap into younger audiences' hopes and aspirations for freedom. The content of the message must explicitly express U.S. commitment to stability and development that will ensure aspirations of freedom can be reached. The strongest vehicle to communicate this positive message is not from U.S. policy-makers, but via testimonials that current State Department diplomacy and USAID development assistance provide. We will particularly focus on the Muslim and Arab worlds.

- ***Quickly counter propaganda and disinformation.*** We will alert senior officials and Embassies to hostile propaganda and disinformation and offer counterstrategies through both public statements and diplomatic intervention with media and governments. We also will sensitize our diplomats in the field to watch for skewed portrayals of the United States and proactively seek to clarify the truth. To better communicate U.S. positive involvement in the world, we also will use positive foreign citizen testimonials that share successful development and humanitarian assistance stories.

- ***Listen to the foreign audiences.*** In addition to pushing information out to foreign audiences, the Department and USAID must improve our ability to hear the messages being returned. We will inform the policy process through accurate readings of public opinions in foreign countries. We will continue to analyze public opinion, identifying what foreign publics care most deeply about and how our diplomacy can speak to those issues while remaining constant to our interests and values. Exchanges, foreign polling, public affairs focus groups, and dialog with foreign press will hone our explanation of our interests and policies.

USG Partners and Cross-Cutting Programs

The following are key USG partners with whom we will coordinate to achieve this goal:

- *White House Office of Global Communication:* The White House and the Department coordinate the dissemination of accurate and up-to-date information to foreign audiences.
- *Broadcasting Board of Governors:* Provides media support for U.S. policy objectives and programs abroad.

External Factors

The following are key factors, external to the Department and USAID, which could significantly affect the achievement of the goal:

- Cultural and social receptivity of foreign audiences to Department's message.
- Policies of foreign governments on dissemination of information and use of media, especially relating to the unrestricted use of communication technologies.
- Technological development of communications as well as media competition in targeted areas.
- Conduct and policies of U.S. and allied governments amenable to foreign audiences.
- Security concerns prohibit the free exchange of visitors.

- ***Use advances in communications technology, while continuing to employ effective tools and techniques.*** We will deploy content management and an improved search engine on Department and USAID Web sites, enabling Embassies and Missions to reach and distribute electronic media about the United States more effectively. Furthermore, we will maintain and broaden our private-sector media and advisory links to ensure that our public diplomacy efforts leverage these partnerships in distributing our message. Advancing communications technology only resonates where modern technology is widespread and easily accessible. To this end, we will share our know-how and technologies with our international partners deriving universal access and benefit.

- ***Promote international educational exchanges and professional exchanges.*** By bringing emerging foreign leaders, younger influentials from communities at risk, and students to the United States, and by sending our emerging leaders, experts, students, and scholars abroad, we will communicate the authenticity of our pluralistic society and the ways in which it harnesses the potential of a free people to satisfy universal non-negotiable demands for human dignity. In doing so, the Department and USAID will build enduring relationships with influential foreign citizens that will persist despite disagreements over policies. Programs such as the Fulbright as well as other academic, professional, and cultural exchanges can change institutional behavior and shape the view of the United States and the civic ideals of a rising generation. We will particularly focus on expanding English-teaching initiatives and seeking partners to promote English-language study globally as a means of reaching wider and younger audiences, utilizing the Department's Regional English-Language Officers and USAID's provision of basic education and English-language programming.

Strengthen Diplomatic and Program Capabilities

Management and Organizational Excellence

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

The fulfillment of the Department's and USAID's joint mission and the achievement of our policy goals are inextricably linked to a foundation of sound management and organizational excellence required by the President's Management Agenda (PMA). This foundation is essential to support the work of America's Embassies, Consulates, and USAID Missions abroad. The Department and USAID share the lead in ensuring a well-qualified, well-trained workforce supported by modern infrastructure and systems that provide the environment and tools to achieve our diplomatic and development goals, worldwide and at each post. Building this foundation will require significant continuing investments in people, systems, business processes, and facilities. This section describes the major priorities needed to achieve management and organizational excellence during the plan period.

The challenge in the coming years will be to implement our shared goals as seamlessly as possible. Our guiding principle is that we should pursue opportunities where the Department and USAID can create more integrated management structures to execute our goals and support our employees. We will reduce redundancies and costs for the taxpayer where possible. We embrace these principles mindful that we remain two separate organizations, with distinct legislative mandates and budgets, often requiring different management structures. We include concrete activities where we hope to explore greater coordination and, in some instances, integration. Our priorities cover five main areas: Human Resources; e-Government; Facilities; Security; and Planning and Resources.

Human Resources: Successful diplomatic activity and development assistance rely on hiring, training, and retaining the highest quality workforce. Our workforce must stay on the cutting edge through professional development and distance learning that fosters the diplomatic, technical, managerial, and leadership skills needed to meet the challenges of the future. We will:

- ***Continue the Department's Diplomatic Readiness Initiative.*** The Diplomatic Readiness Initiative, begun in FY 2002, is a 3-year plan to hire 1,158 additional staff over attrition for the Department to ensure we can respond to crises and emerging priorities, cover staffing gaps, and provide employees appropriate training. The Department will continue to institutionalize improved workforce planning methods such as the Domestic Staffing Model and focus on building a management and planning culture, provide career-long training especially in leadership and management, and ensure quality of life, especially with regard to hardship posts. Where appropriate, the Department and USAID will work to achieve uniformity in personnel practices, including pay levels, covering Foreign Service, Civil Service, Foreign Service Nationals, and other Locally Engaged Staff and to provide opportunities for family members overseas.

- ***Launch a USAID Development Readiness Initiative.*** Increasing requirements for surge capacity to respond to critical new demands while maintaining programs elsewhere are seriously taxing USAID's capabilities given current workforce constraints. Therefore, USAID will develop parallel and complementary human capital strategies to support a Development Readiness Initiative that will ensure the right people at the right time to solve tomorrow's development and humanitarian assistance challenges. This effort may require increases in the total size, as well as the composition, of USAID's workforce. We will continue to rationalize overseas direct-hire staff allocation through a staffing template.

- ***Joint Department - USAID training of our employees.*** Closer alignment of foreign policy and development assistance can only occur if our employees are armed with the professional training needed to carry out our mission. When appropriate, the Department and USAID will collaborate on developing curriculum in shared areas such as management, leadership, and language courses. When possible, the National Foreign Affairs Training Center should be the first choice for training of officers and other employees of the U.S. foreign affairs community, including American diplomats and USAID development experts. The Department and USAID will explore a variety of new training methods, including distance-learning opportunities, technology-enabled training, and potential synergies with the Federal E-Training Initiative.

- ***Establish formal Department - USAID Cross-Assignments.*** The critical alignment of U.S. foreign policy and development assistance points to an increased need for the cross-pollination of skillsets across both organizations. Having Department and USAID employees work together in the same office on specific topics, such as HIV/AIDS, will reduce redundancies and encourage greater cooperation. A pilot program will be established to develop a formal detailee exchange program where Department and USAID employees have the opportunity to undertake tours at critical offices in alternative agencies. Both organizations' Human Resource departments will determine how to encourage and reward these cross-assignments.

- ***Rightsize and Regionalize the U.S. Government's overseas presence.*** The Department and USAID will work together with OMB and other U.S. Government agencies to align the number and location of staff assigned overseas with foreign policy priorities, security, and other constraints. Rightsizing may result in the addition or reduction of staff, or a change in the mix of staff at a given Embassy, Consulate, or USAID Mission.

- ***Employ competitive sourcing.*** The Department and USAID's commercial activities will be reviewed continually to ensure the best possible service at the best possible price, regardless of the source. The Department has established an Executive Steering Committee led by the Assistant Secretary for Administration to make strategic and investment decisions for competitive sourcing, align goal activities, resolve policy issues, and track progress in meeting the Department's PMA goals. USAID's Assistant Administrator for Management is represented on the Steering Committee. USAID's Business Transformation Executive Committee (BTEC) will oversee USAID's competitive sourcing activities. Department and USAID staff will participate in each others' committees to facilitate information sharing and to enhance coordination and collaboration whenever possible. These Committees also will review the use of contractors across the Department and USAID in order to streamline contracts and minimize duplication and costs.

- ***Improve small business procurement.*** President Bush and the Office of Management and Budget are directing agencies to scrutinize contract needs to ensure small businesses can be partners in performing all federal contract work. We will provide opportunities for small businesses, including minority-serving institutions, and increase their participation in our competitively sourced activities. Each contracting officer in the Department and USAID is charged with improving our performance in this area.

E-Government: The Department and USAID's global operations require secure and modern information technology (IT) to ensure that information is collected, analyzed, communicated, presented, and retained efficiently and effectively. The Department and USAID have the ability to make great progress in IT coordination and integration, not simply because of shared goals, but because of shared global locations. We are committed to implementing the requirements of the Federal E-Government Initiative under the PMA, ensuring broad internal use of Web-based technology and support for electronic interaction with citizens, other government agencies, private businesses, and NGOs. We will:

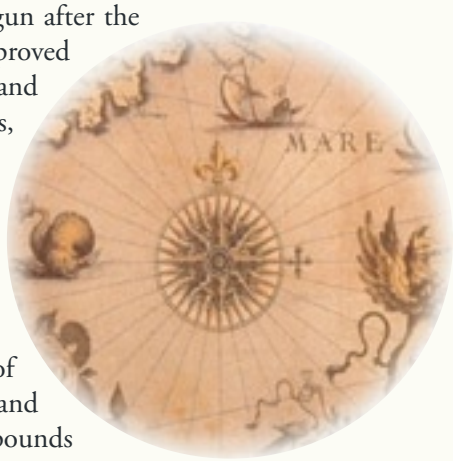
- ***Exploit our recently established infrastructure.*** We will strengthen our administrative systems and pursue collaborative solutions to Web-base, centralize, and integrate our IT systems. We will base our activities on commercial best practices and standards in deploying and maintaining a centrally managed IT enterprise. A key goal is to merge all Department "sensitive but unclassified" and unclassified networks into OpenNet Plus. We will expand OpenNet Plus and classified network infrastructures (ClassNet) to accommodate USAID's distinct communications requirements. We will continue improvements to our joint IT enterprise to ensure adequate critical infrastructure protection. We will focus on securing modern Department and USAID office automation platforms and tools, global enterprise networks (unclassified and classified), access to information resident on external networks and the Internet, and collaboration with foreign affairs partners, the public, and business.

- ***Coordinate IT planning and common use of architecture and infrastructure.*** The Department and USAID will develop and implement a joint IT Strategic Plan to support our common policy objectives. The Plan will outline joint IT priorities and analyze the feasibility and costs/benefits of integrating technical systems. We will develop and implement a joint Enterprise Architecture to guide both organizations' future IT investments. We will work together to strengthen our IT Capital Planning process and produce consolidated OMB business cases and Exhibit 300 submissions in order to enhance our ability to make joint decisions regarding IT priorities and investments. Finally, we will develop a joint security architecture and a uniform and unified certification and accreditation process.

- ***Strengthen core information management systems and collaboration.*** We will implement one modern messaging system for the Department and USAID headquarters, posts, and missions worldwide. We also will strengthen each organization's knowledge management systems and investigate the feasibility of common enterprise portal technology, and standard IT security solutions for both agencies. We will strengthen each agency's core business and administrative systems and pursue collaborative solutions to integrate our IT systems in such areas as personnel, finance, budget, logistics, and real property to the maximum extent practical. We also will work collectively toward combining decentralized IT servers and related infrastructure into centralized server centers.

- ***Consolidate technical and operational support.*** The Department and USAID hope to achieve economies of scale for overseas IT support and network management through better coordination, streamlined management, and consolidation of operations if appropriate. We will work to increase efficiency and merge network operation centers, help desks, technology upgrades, IT training, technical support, software licensing, and related areas to the maximum extent possible, sensitive to the geographic separation and network capacity limitations facing the Department and USAID facilities.

Facilities: The Department is responsible for building and maintaining the facilities for our 260 diplomatic and consular posts and also owns or maintains facilities in the United States. Many of those facilities are in poor condition, overcrowded, and poorly equipped. As a result of efforts begun after the 1998 Embassy bombings in Nairobi and Dar es Salaam, all Embassies have improved security, but most posts still do not meet essential security standards for setback and blast protection. In some locations, USAID is responsible for separate facilities, although new USAID facilities are included, whenever feasible, in all new embassy compound construction. USAID rents many of its facilities and, as a result, some maintenance is covered through rental payments. We will:



- ***Execute the Long-Range Overseas Buildings Plan.*** The Department and USAID develop staffing projections and provide those requirements to the Department's Bureau of Overseas Buildings Operations (OBO) in support of the long-range overseas buildings plan. The Secure Embassy Construction and Counterterrorism Act of 1999 requires co-location on new embassy compounds for all personnel under the authority of the Chief of Mission, so USAID facilities needs must be fully integrated with OBO's plans. The Department and USAID will work with Congress and OMB to augment funding for construction of new overseas facilities, ideally through the Capital Security Cost-Sharing Program. The Secretary of State, as the single real property manager for all nonmilitary U.S. Government property overseas, is ultimately responsible for the security of all U.S. Government personnel, and the Department and USAID will work together to address funding requirements to ensure foreign policy may be conducted from secure buildings overseas.

- ***Implement Capital Security Cost-Sharing.*** The Department currently pays the costs for overseas buildings. USAID also has a capital program that pays for some of its capital requirements. We will seek the support of the Congress to allocate to U.S. Government agencies a share of the cost of building the overseas facilities they need to do their work. This will encourage all U.S. Government agencies with staff overseas to pay their fair share of the capital cost of maintaining staff and to take these costs into account when considering placing staff overseas, thus, advancing the goal of rightsizing the overseas presence.

Security: Our plan to execute the Long-Range Overseas Buildings Plan and implement the Capital Security Cost-Sharing Program is intended to improve the security for all employees and operations in countries where new facilities are constructed. However, until all Federal operations work in co-located environments overseas, the Department and USAID will continue to face additional security challenges in areas where crime and political instability are high. In high national priority programs, such as Afghanistan and Iraq, we will undoubtedly subject employees to an even higher level of risk. Close coordination and cooperation between the Department and USAID security professionals will be key to maximizing our effectiveness and determining acceptable levels of security risk versus our ability to operate. We will:

- ***Leverage Diplomatic Security (DS) contract support to enhance USAID security.*** Use DS contracts for armored vehicles, technical equipment, local guards, bodyguards, and other services to the extent possible to minimize separate contracting requirements and maximize efficiency. This includes updating the Memorandum of Understanding between the Department and USAID to outline security responsibilities between the two organizations.

- ***Enhance worldwide security operations.*** The Department will recruit and train the cadre of personnel necessary to provide sound and rational security programs to support the Department and USAID overseas programs.

- ***Improve protection of soft targets (locations and persons outside diplomatic grounds that may be targets for anti-American violence) and improve personal security.*** Although improving physical security at overseas buildings is essential, we must also focus on threats to all personnel associated with the Embassy and Consulates, including contractors, as well as organizations and people away from official facilities deemed at risk due to their real or perceived association with American interests. As official building facilities become hardened, we must work jointly to ensure that adequate and appropriate security advice and counsel is provided to all families and program partners overseas, to reduce to the extent possible their vulnerability as "soft targets."

- ***Enhance security infrastructure:*** The Department will implement a global information enterprise that allows timely and accurate exchange of security information to enhance protection of our personnel, information, and facilities overseas.

Planning and Resources: To improve our accountability to the American taxpayers, the Department and USAID will improve our financial performance and integrate budgeting with strategic and performance planning. Our challenge is to move forward together, instead of pursuing this priority area as separate organizations. We will:

- ***Integrate financial systems.*** The Department and USAID will implement a joint financial management system during the *Strategic Plan* timeframe. Both organizations currently are reviewing elements including software, data standards, account coding structure, fund control policies, accounting and fiscal services, cash management, and financial processing of acquisition and assistance transactions to determine a timetable and resource requirements.

- ***Increase budget process transparency.*** Similar to Foreign Assistance funding reviews, the Department and USAID will institute operations budget review meetings to ensure both organizations understand each other's workforce, technology, and policy programs. With the completion of the new joint strategic goal framework, both organizations will explore developing a joint methodology to allocate resources by strategic goal to better understand how much funding and human resources are devoted to achieving our goals.

- ***Integrate annual performance planning.*** The first-ever joint strategic framework that governs this *Strategic Plan* offers the Department and USAID a unique opportunity to better coordinate or merge annual planning in the future. Although there is already collaboration in planning at the field level, we will explore utilizing one common tool, such as the Department's automated Mission Performance Plans, to best capture both Embassy and Mission strategic planning. We also will explore the possibility of developing joint Performance Plans at the Department/Agency level.

- ***Combine Selected Administrative Support Services.*** The Department and USAID jointly will review their operations at U.S. diplomatic missions abroad to implement a pilot project in which selected administrative support operations would be combined to reduce costs and/or enhance the quality of services. In some instances, dual providers may still be necessary. The combined service(s) would operate under the agency best able to offer the service through International Cooperative Administrative Support Services to all U.S. Government entities under the Chief of Mission authority.

Organizational Impacts

If the Department and USAID are to realize our objectives, we must execute this *Strategic Plan* together as well. Although we remain two separate organizations under the Secretary of State, the future of the Department and USAID must be based on the foundation of required coordination and integration when it best serves the American public. For all our joint goals, we will ensure that our policy priorities are aligned with programs, performance, and funding. Together, the Department and USAID will collaborate to ensure focus on both short-term diplomatic issues as well as longer-term institutional and capacity building efforts. We will ensure that U.S. assistance programs reach as many people as possible.

The Department and USAID have a demonstrated track record of a successful working relationship in the field. Many Missions have established *ad hoc* coordination mechanisms to ensure diplomatic and development alignment. To achieve our shared goals and priorities, the Department and USAID need to replicate the best practice models of field coordination and decision-making and establish a more institutionalized process and structure for all key joint policy and program issues. To accomplish this task, we will establish joint policy and management councils comprising senior Department and USAID officials to oversee the implementation of this *Strategic Plan.*

Department - USAID Policy Council

With the development of a joint Strategic Planning Framework, the Department and USAID share the same goals. Our next step is to ensure that our foreign policy and development assistance programs are fully aligned to achieve these goals. The primary role of the Policy Council is to establish a roadmap in key goal areas that will inventory our current work, identify any gaps in aligning our policy and programs, and establish concrete coordination mechanisms that can be implemented in a short timeframe. The Policy Council will ensure that the linkages between the Department and USAID programs are captured in each agency's follow-on performance plans, operational guidelines, and processes so as to maximize opportunities for coordination and impact.

The Department's Deputy Secretary will chair the Policy Council with USAID's Administrator as co-chair. The Policy Council will be composed of the Department's Under Secretaries for Political Affairs, Global Affairs, and Economic and Agricultural Affairs, the Department's Director for Policy Planning Staff, and USAID's Deputy Administrator, Assistant Administrator for Policy and Program Coordination, and Counselor. The regional bureaus also will play a critical role in the work of the Policy Council. A Senior Adviser reporting to the Under Secretary for Political Affairs will be responsible for working with the respective Department and USAID bureaus to review policy and programs and develop implementation recommendations for increased alignment. USAID also will provide a Senior Adviser detailed to the Department to staff the Council. The Department's Office of Strategic and Performance Planning and USAID's Office of Policy and Program Coordination will assist the Senior Adviser to establish operating guidelines and ensure that resulting management impacts from increased policy coordination are presented to the Management Council.

Key high-level priorities, in particular, require the most effective policy coordination between the Department and USAID. Official "Coordinators" traditionally have been created to ensure major policy priorities receive the diplomatic and development assistance required. In some cases, this Coordinator plays a larger arbitration role among a number of U.S. Government agencies. This structure has been helpful to ensure increased oversight of programs including both foreign policy and development assistance elements. The successful elements of these models could be applied more broadly to the Department's and USAID's shared policy goals and help reduce any duplicative roles and responsibilities.

Department - USAID Management Council

Although several joint Department and USAID management projects are under way, there is no established central body to help move these projects to a unified end. The role of the Management Council is to set the direction for increased management coordination, help develop and implement strategies and priorities articulated in this Strategic Plan, and to monitor progress.

The Department's Under Secretary for Management will chair the Management Council with USAID's Deputy Administrator as co-chair. Other Management Council members will include the Department's Assistant Secretary for Resource Management, USAID's Assistant Administrator for Management, and a Deputy Assistant Secretary (DAS) and Deputy Assistant Administrator (DAA) from each management area who will lead working groups in the areas of human resources, training, e-government, resource management, and administrative services, overseas facilities, and security. The working groups will develop detailed work plans that outline the steps and timelines for the joint initiatives in their areas. The groups will present these work plans, with concrete milestones, to the Management Council for prioritization. The working groups will then be responsible for implementation and regular performance reporting. The Department's Office of Strategic and Performance Planning and USAID's Bureau for Management will charter and launch the Management Council and ensure that management decisions are presented to the Policy Council.

Appendices

Appendix A: Strategic Planning Framework

Mission

Create a more secure, democratic, and prosperous world for the benefit of the American people and the international community.

Values

Loyalty: Commitment to the United States and the American people.

Character: Maintenance of high ethical standards and integrity.

Service: Excellence in the formulation of policy and program management with room for creative dissent. Implementation of policy and management practices, regardless of personal views.

Accountability: Responsibility for meeting the highest performance standards.

Community: Dedication to teamwork, professionalism, diversity, and the customer perspective.

Strategic Objectives	Strategic Goals		Performance Goals
Create a more secure…			
	Regional Stability	Avert and resolve local and regional conflicts to preserve peace and minimize harm to the national interests of the United States.	• Close, strong, and effective U.S. ties with allies, friends, partners, and regional organizations. • Existing and emergent regional conflicts are contained or resolved.
Achieve Peace and Security	**Counterterrorism**	Prevent attacks against the United States, our allies, and our friends, and strengthen alliances and international arrangements to defeat global terrorism.	• Coalition partners identify, deter, apprehend, and prosecute terrorists. • U.S. and foreign governments actively combat terrorist financing. • Coordinated international prevention and response to terrorism, including bioterrorism. • Stable political and economic conditions that prevent terrorism from flourshing in fragile or failing states.
	Homeland Security	Protect the homeland by enhancing the security of our borders and infrastructure.	• Denial of visas to foreign citizens who would abuse or threaten the U.S., while facilitating entry of legitimate applicants. • Implemented international agreements stop the entry of goods that could harm the U.S., while ensuring the transfer of bona fide materials. • Protection of critical physical and cyber infrastructure networks through agreements and enhanced cooperation.
	Weapons of Mass Destruction	Reduce the threat of weapons of mass destruction to the United States, our allies, and our friends.	• Bilateral measures, including the promotion of new technologies, combat the proliferation of WMD and reduce stockpiles. • Strengthened multilateral WMD agreements and nuclear energy cooperation under appropriate conditions. • Verification integrated throughout the negotiation and implementation of nonproliferation and arms control agreements and commitments, and rigorous enforcement of compliance with implementation and inspection regimes.
	International Crime and Drugs	Minimize the impact of international crime and illegal drugs on the United States and its citizens.	• International trafficking in drugs, persons, and other illicit goods disrupted and criminal organizations dismantled. • States cooperate internationally to set and implement antidrug and anticrime standards, share financial and political burdens, and close off safe-havens through justice systems and related institution building.
	American Citizens	Assist American citizens to travel, conduct business, and live abroad securely.	• U.S. citizens have the consular information, services, and protection they need to reside, conduct business, or travel abroad. • Effective and timely passport issuance, with document integrity assured.

Strategic Objectives	Strategic Goals		Performance Goals
…democratic and prosperous world…			
Advance Sustainable Development and Global Interests	**Democracy and Human Rights**	Advance the growth of democracy and good governance, including civil society, the rule of law, respect for human rights, and religious freedom.	• Measures adopted to develop transparent and accountable democratic institutions, laws, and economic and political processes and practices. • Universal standards protect human rights, including the rights of women and ethnic minorities, religious freedom, worker rights, and the reduction of child labor.
	Economic Prosperity and Security	Strengthen world economic growth, development, and stability, while expanding opportunities for U.S. businesses and ensuring economic security for the nation.	• Institutions, laws, and policies foster private sector-led growth, macroeconomic stability, and poverty reduction. • Increased trade and investment achieved through market-opening international agreements and further integration of developing countries into the trading system. • Secure and stable financial and energy markets. • Enhanced food security and agricultural development.
	Social and Environmental Issues	Improve health, education, environment, and other conditions for the global population.	• Improved global health, including child, maternal, and reproductive health, and the reduction of abortion and disease, especially HIV/AIDS, malaria, and tuberculosis. • Partnerships, initiatives, and implemented international treaties and agreements that protect the environment and promote efficient energy use and resource management. • Broader access to quality education with emphasis on primary school completion. • Effective and humane international migration policies and systems.
	Humanitarian Response	Minimize the human costs of displacement, conflicts, and natural disasters.	• Effective protection, assistance, and durable solutions for refugees, internally displaced persons, and conflict victims. • Improved capacity of host countries and the international community to reduce vulnerabilities to disasters and anticipate and respond to humanitarian emergencies.

Strategic Objectives	Strategic Goals		Performance Goals
…with the international support…			
Promote International Understanding	**Public Diplomacy and Public Affairs**	Increase understanding for American values, policies, and initiatives to create a receptive international environment.	• Public diplomacy influences global public opinion and decision-making consistent with U.S. national interests. • International exchanges increase mutual understanding and build trust between Americans and people and institutions around the world. • Basic human values embraced by Americans are respected and understood by global publics and institutions. • American understanding and support for U.S. foreign policy, development programs, the Department of State, and USAID.
…and the means necessary…			
Strengthen Diplomatic and Program Capabilities	**Management and Organizational Excellence**	Ensure a high quality workforce supported by modern and secure infrastructure and operational capabilities.	• A high performing, well-trained, and diverse workforce aligned with mission requirements. • Modernized, secure, and high quality information technology management and infrastructure that meet critical business requirements. • Personnel are safe from physical harm and national security information is safe from compromise. • Secure, safe, and functional facilities serving domestic and overseas staff. • Integrated budgeting, planning, and performance management; effective financial management; and demonstrated financial accountability. • Customer-oriented, innovative delivery of administrative and information services, acquisitions, and assistance.
…to achieve the mission.			

Appendix B: Department of State Program Evaluation Plan

Consistent and timely program evaluation is critical to making informed decisions based on analysis of how U.S. foreign policy can best be carried out around the globe. In the past two years, the Department's focus has been two-pronged: 1) to increase the level and quality of the Department's performance planning at the Bureau and Embassy level; and 2) to institutionalize regular evaluation within the Department culture. In the timeframe of this *Strategic Plan*, the Department's focus will be to reinforce this planning culture and further develop and evaluate timely, useful, and reliable performance information that assists Department executives to make policy and resource decisions. The Department used evaluation information from the processes identified here in preparing this *Strategic Plan.*

EVALUATION TOOLS AND METHODS

The Department will continue to use a variety of methods and tools to evaluate its work. The tools and methods offer varying levels of detail based on their intended audience, but each tool or method is critical to ensure the Department evaluates all of its programs and is wisely spending its resources to reach the tenets of this *Strategic Plan.* The following are the different tools and methods the Department will continue to use:

- ***Mission Performance Plans (MPP) and Annual Reviews.*** Each Mission, in collaboration with other U.S. Government agencies located in the country, develops an annual performance plan that outlines the intended goals, priority initiatives, and performance indicators for the country team. The Assistant Secretary for Resource Management and staff hold detailed annual reviews with approximately 25 percent of Missions each year to evaluate past progress and program execution changes needed in the coming year. These reviews result in detailed messages to posts outlining how the Mission needs to improve its operations.

- ***Bureau Performance Plans (BPP) and Senior Reviews.*** The Department also requires each Bureau to develop an annual performance plan that identifies a specific business plan for success, including budget and human resource requests related to specific goals and priorities. The Bureau of Resource Management evaluates each BPP and provides specific recommendations to improve the Bureau's programs. Ongoing analysis and evaluation of the administration of Foreign Affairs programs, International Organizations, International Commissions, Related Appropriations, and Foreign Assistance appropriations is conducted by RM to ensure that resource allocation decisions are mated with Department priorities and lead to improved performance. In addition to these BPP evaluations, the Deputy Secretary of State holds comprehensive annual reviews with each Assistant Secretary on progress in reaching stated goals and targets and reviews major priorities for the coming budget year in order to make informed resource decisions. Other U.S. Government agencies, including USAID, participate in these Senior Reviews.

- ***Internal Bureau Assessments.*** With a new emphasis on using performance information to make resource decisions, many bureaus within the Department have moved to strengthen their current monitoring and evaluation. Beginning with the *FY 2002 Performance and Accountability Report*, the Department's program managers applied a self-evaluation rating tool to assist program managers assess performance results. This analytical tool included specific instructions and objective performance assessment parameters to assign a rating for each result. The rating reflected the extent to which a given target was achieved. Rating information at the result level provides a more accurate gauge of program performance for decision-makers. In addition to this self-evaluation, many bureaus hire external consultants to conduct detailed program reviews.

- ***Performance Assessment Rating Tool (PART).*** The Department also uses the methodology and results from the Office of Management and Budget's Performance Assessment Rating Tool (PART). Beginning in FY 2003, the BPPs included informtion relating to the identified PART programs. The questions PART poses are critical and will be increasingly included in our internal MPP and BPP reviews.

- ***Office of Inspector General (OIG) and General Accounting Office (GAO) Evaluations.*** The OIG and the GAO are two independent bodies that also drive evaluation within the Department. OIG is required by law to inspect and evaluate all Department diplomatic missions and domestic bureaus. Each year, OIG inspects approximately 35 to 50 overseas missions and domestic bureaus. In addition, OIG audits and evaluates some 20 to 30 Department programs and operations, including mandated annual audits of the Department's financial statements, protection of classified information, and implementation of the Federal Information Security Management Act. OIG also conducts reviews of specific programs, grants, and contracts at the request of the Department. These reviews and evaluations provide the Department an objective assessment of program performance and recommend specific actions to be taken in meeting the challenges ahead. A partial list of prior evaluations and major findings can be found in the Department's *FY 2002 Performance and Accountability Report.* The GAO initiates an average of seven new program reviews involving the Department per month covering a spectrum of issues such as right-sizing, embassy construction, information systems, recruiting, nonproliferation, and trade agreements.

In addition to our current evaluation tools and methods, the Bureau of Resource Management will play the lead role in managing the Department's program evaluations under this *Strategic Plan.* The Department will work on two additional evaluation tools:

- ***Comprehensive Program Identification and Evaluation.*** The Department will utilize the newly automated MPP and BPP as the primary tools for implementing program evaluations. The MPP and BPP currently require performance indicators and target information at the performance goal level. Working with OMB, the Department will refocus this tool to require Missions and Bureaus to identify major initiatives/programs and relevant performance indicators and annual targets.

The Department is committed to evaluating 100 percent of programs during the timeframe of this *Strategic Plan* using the tools and methods described above. In addition to the previously described reviews, the following chart highlights additional evaluations. OMB PART programs are listed for the fiscal year first published in the budget.

Preliminary Program Evaluation Schedule

Bureau / Office	Review
Fiscal Year 2004	
• African Affairs (AF) • Consular Affairs (CA) • Diplomatic Security (DS) • Educational and Cultural Affairs (ECA) • European and Eurasian Affairs (EUR) • Overseas Buildings Operations (OBO) • Political-Military Affairs (PM)	• OMB PART: Security Assistance to Sub-Saharan Africa • OMB PART: Visa and Consular Services/Border Security • OMB PART: Antiterrorism Assistance • OMB PART: Educational Exchanges in NEA and SA • OMB PART: Military Assistance to New NATO and NATO Aspirant Nations • OMB PART: Capital Security Construction • OMB PART: Peacekeeping Operations (including East Timor and OSCE)
• Population, Refugees, and Migration (PRM)	• OMB PART: Refugee Admissions to the U.S. • OMB PART: Refugees-Resettlement in Israel
• Resource Management (RM)	• Mission Performance Plans/Bureau Performance Plans • Senior Policy, Performance, and Resource Reviews
• Office of Inspector General (OIG Annual Inspections and Audits)	• Mission and Bureau Inspections • Selected Program, Grantee, and Contract Audits • Protection of Classified Information at HST • Implementation of the Federal Information Security Management Act • Various Financial Statement Audits
Fiscal Year 2005	
• Counterterrorism (S/CT) • Democracy, Human Rights, and Labor (DRL) • Diplomatic Security (DS) • European and Eurasian Affairs (EUR)	• OMB PART: Terrorist Interdiction Program • OMB PART: Human Rights and Democracy Fund, Global Democracy Programs • OMB PART: Worldwide Security Upgrades • OMB PART: Support for East European Democracy • OMB PART: Assistance for the Independent States of the Former Soviet Union
• International Organizations (IO) • Nonproliferation (NP) • Political-Military Affairs (PM) • Population, Refugees, and Migration (PRM) • Western Hemisphere Affairs (WHA)	• OMB PART: UN Development Program (UNDP) • OMB PART: Nonproliferation and Disarmament Fund • OMB PART: Demining • OMB PART: UN High Commissioner for Refugees (UNHCR) • OMB PART: Economic Support Fund • OMB PART: Foreign Military Financing, Int'l Military Education and Training
• Resource Management (RM)	• Mission Performance Plans/Bureau Performance Plans • Senior Policy, Performance, and Resource Reviews
• Office of Inspector General (OIG Annual Inspections and Audits)	• Mission and Bureau Inspections • Selected Programs, Grantee, and Contract Audits • Protection of Classified Information at HST • Implementation of the Federal Information Security Management Act • Various Financial Statement Audits
Fiscal Year 2006	
• Resource Management (RM)	• OMB PART • Mission Performance Plans/Bureau Performance Plans • Senior Policy, Performance, and Resource Reviews
• Office of Inspector General (OIG Annual Inspections and Audits)	• Mission and Bureau Inspections • Selected Program, Grantee, and Contract Audits • Protection of Classified Information at HST • Implementation of the Federal Information Security Management Act • Various Financial Statement Audits

Bureau / Office	Review
Fiscal Year 2007	
• Resource Management (RM)	• OMB PART • Mission Performance Plans/Bureau Performance Plans • Senior Policy, Performance, and Resource Reviews
• Office of Inspector General (OIG Annual Inspections and Audits)	• Mission and Bureau Inspections • Selected Program, Grantee, and Contract Audits • Protection of Classified Information at HST • Implementation of the Federal Information Security Management Act • Various Financial Statement Audits
Fiscal Year 2008	
• Resource Management (RM)	• OMB PART • Mission Performance Plans/Bureau Performance Plans • Senior Policy, Performance, and Resource Reviews
• Office of Inspector General (OIG Annual Inspections and Audits)	• Mission and Bureau Inspections • Senior Policy, Performance, and Resource Reviews • Selected Program, Grantee, and Contract Audits • Implementation of the Federal Information Security Management Act • Various Financial Statement Audits
Fiscal Year 2009	
• Resource Management (RM)	• OMB PART • Mission Performance Plans/Bureau Performance Plans • Senior Reviews
• Office of Inspector General (OIG Annual Inspections and Audits)	• Mission and Bureau Inspections • Senior Policy, Performance, and Resource Reviews • Selected Program, Grantee, and Contract Audits • Implementation of the Federal Information Security Management Act • Various Financial Statement Audits

Appendix C: USAID Program Evaluation Plan

Over the past 8 years, USAID has embraced new evaluation and review models to ensure the use of robust and accurate data in USAID's budget and performance planning and reporting. Beginning in FY 2000, USAID has made particular efforts to provide explicit policy guidance, extensive training, and supportive technical assistance to establish these data collection and analysis systems into all aspects of program management. With these new systems, we now have the capacity to turn from merely tracking inputs and outputs to being able to assess whether we are achieving our overall objectives. Program evaluation and special studies are important tools used to determine whether our programs have reached their objectives, as well as being tools providing objective inputs to policy and planning decisions.

EVALUATION TOOLS AND METHODS

USAID will continue to use a variety of methods and tools to evaluate its work. The tools and methods offer varying levels of detail based on their intended audience, but each tool or method is critical to ensure USAID evaluates all of its programs and is wisely spending its resources to reach the tenets of this *Strategic Plan.* The following are the different tools and methods USAID will continue to use:

- ***"Foreign Assistance in the National Interest."*** USAID commissioned this study to fully evaluate all aspects of foreign assistance and make recommendations for how best to proceed in this decade-full review. Together with this *Strategic Plan,* this study will continue to act as a high-level strategic document as USAID plans for its future.

- ***Business Transformation Executive Committee (BTEC).*** Early in the Bush administration, USAID established the Business Transformation Executive Committee (BTEC) to evaluate and make recommendations to improve USAID management. This ongoing effort has already made many changes in the way the USAID does business. One of the BTEC's major efforts included a pair of worldwide staff surveys (baseline and follow-up) to determine which management systems were rated best and worst. The second survey demonstrated that progress had been made in several service areas, but much work remains to be done. The BTEC will continue to be a vital and necessary mechanism to review management programs.

- ***Agency Level Evaluations.*** The Development Evaluation and Information Division of the Policy and Program Coordination Bureau (PPC/DEI) also conducts evaluations of topics germane to Agency overall performance and policy-making. To capitalize on the considerable amount of evaluation research that is being supported at the Bureau, Mission, and Contractor/partner levels, this division will establish the *Evalnet* Web site where evaluation agendas can be posted and findings disseminated widely.

- ***Internal Mission Assessments.*** USAID's internal Mission evaluation system focuses on four critical elements: (1) careful planning to ensure that programs have clear, attainable, and verifiable objectives; (2) explicit performance monitoring systems built into the objective management systems themselves; (3) extensive surveys (in appropriate sectors) that measure changes that are occurring in USAID supported areas; and (4) formal evaluations as appropriate to understand changes and to guide future policy and programming. A majority of this work is done at the individual operating unit level (country Mission), with oversight and technical support by the regional bureaus, the pillar (technical) Bureaus, and the Bureau for Policy

and Program Coordination. All foreign missions submit annual reports providing information about their accomplishments. The regional Bureaus analyze the reports and use them in Bureau decision-making. To augment this process, recognizing that development only occurs over a longer term, there is a mandatory triennial Washington review of every Mission program. These reviews are used to guide the next 3 years' program implementation. The Bureau for Policy and Program Coordination and the pillar (technical) bureaus also participate in these evaluations.

- ***Performance Assessment Rating Tool (PART).*** USAID also utilizes the results from the Office of Management and Budget's Performance Assessment Rating Tool (PART) to inform how we will improve performance. USAID will include information relating to the identified PART programs in internal annual performance reviews.

- ***Office of Inspector General (OIG) and General Accounting Office (GAO) Evaluations.*** The OIG and the GAO are two independent bodies that drive evaluation within USAID. These evaluations and reports provide the *Strategic Plan* with an independent assessment of performance and specific recommendations for improvement. A list of those conducted and major findings can be found in the USAID's *FY 2002 Performance and Accountability Report.* Currently, the FY 2004 OIG audit schedule is being prepared.

- ***Special Studies.*** In addition to formal evaluations, USAID conducts a number of special studies to determine program impact. The most well-known of these is the Demographic and Health Survey, which USAID conducted in numerous countries and is often the primary mechanism to measure status and change in a variety of health, child survival, population, and HIV/AIDS indicators.

Collectively, all of USAID's program evaluation elements enable the Agency to track key program results, aggregate them in a single *Performance and Accountability Report,* and disseminate them to internal and external audiences. Except for security or procurement sensitive sections, Mission annual reports are published on USAID's internal and external Web sites and available in hard copy. This leads to transparency in reporting, and to making USAID's lessons learned widely available to all interested parties.

Preliminary Program Evaluation Schedule

Type	Review
Ongoing	
Demographic and Health Surveys	• Bangladesh, Bolivia, Burkina Faso, Ghana, Kenya, Madagascar, Morocco, Mozambique, Nigeria, Philippines
Fiscal Years 2003 – 2004	
Demographic and Health Surveys	• Cameroon, Guinea, Haiti, India, Kazakhstan, South Africa, Tanzania, Zimbabwe
Development Evaluation and Information Division	• Education in the Islamic World • Media and Its Role in Development • The Role of Transition Assistance • Poverty Evaluations: Uganda, Mali, Honduras • Land Markets • Trade Capacity Building • Anticorruption • Effectiveness of the Global Development Alliance
OIG Audits and Inspections	• TBD • Various Financial Statement Audits
OMB PART	• PL 480-Title II Food Aid • USAID Climate Change • Development Assistance (DA)—Population
Fiscal Years 2004 – 2005	
Demographic and Health Surveys	• Armenia, Cambodia, Egypt, Malawi, Rwanda, Uganda
Development Evaluation and Information Division	• Economic Growth in the Islamic World • Engaging Moderate Islamic Groups in Building Civil Society • Budget Support vs. Project Assistance • Anticorruption Follow-up Study • Scaling-up Child Survival Programs • Global Development Alliance
OIG Audits and Inspections	• TBD • Various Financial Statement Audits
OMB PART	• Latin America and Caribbean (LAC)—All Accounts • Assistance to Eastern Europe and the Baltics • Freedom Support Act • Office of Transition Initiatives
Fiscal Years 2005 – 2006	
Demographic and Health Surveys	• Benin, Eritrea, Mali, Senegal, Nepal, Nicaragua, Turkmenistan, Zambia, Dominican Republic, Indonesia, Jordan, Uzbekistan
OIG Audits and Inspections	• TBD • Various Financial Statement Audits
OMB PART	• TBD

Type	Review
Fiscal Years 2006 – 2007	
OIG Audits and Inspections	• TBD • Various Financial Statement Audits
Demographic and Health Surveys	• TBD
OMB PART	• TBD
Fiscal Years 2007 – 2008	
OIG Audits and Inspections	• TBD • Various Financial Statement Audits
Demographic and Health Surveys	• TBD
OMB PART	• To be determined
Fiscal Years 2007 – 2008	
OIG Audits and Inspections	• TBD • Various Financial Statement Audits
Demographic and Health Surveys	• TBD
OMB PART	• TBD

Note: Additional Demographic and Health Surveys which may be done in the next 5 years include Afghanistan, Pakistan, Tajikistan, and Sudan, depending on country conditions and availability of funds.

Appendix D: Acronym Guide

APEC: Asia-Pacific Economic Cooperation
BPP: Bureau Performance Plan
BTEC: Business Transformation Executive Committee
CD: Community of Democracies
CIA: Central Intelligence Agency
DAA: Deputy Assistant Administrator
DAS: Deputy Assistant Secretary
DHS: Department of Homeland Security
DOD: Department of Defense
DOE: Department of Energy
DOJ: Department of Justice
DS: Diplomatic Security
EU: European Union
FBI: Federal Bureau of Investigation
FTAA: Free Trade Area of the Americas
G–8: The Group of Eight
GAO: Government Accounting Office
HHS: Department of Health and Human Services
HIV/AIDS: Human Immunodeficiency Virus/ Acquired Immune Deficiency Syndrome
HSC: Homeland Security Council
HST: Harry S Truman Building
IAEA: International Atomic Energy Agency
ICTs: Information and Communications Technologies
IDP: Internally Displaced Person
IMF: International Monetary Fund
INS: Immigration and Naturalization Service
IT: Information Technology
MCA: Millennium Challenge Account
MEPI: Middle East Partnership Initiative
MPP: Mission Performance Plan
NASA: National Aeronautics and Space Administration
NATO: North Atlantic Treaty Organization
NEPAD: New Partnership for Africa's Development
NGO: Nongovernmental Organization
NOAA: National Oceanic and Atmospheric Administration
NSC: National Security Council
OBO: Overseas Buildings Operations
OIG: Office of Inspector General
OMB: Office of Management and Budget
PART: Program Assessment Rating Tool
PMA: President's Management Agenda
RM: Bureau of Resource Management
RM/SPP: Bureau of Resource Management, Office of Strategic and Performance Planning
S/P: Policy Planning Staff
UN: United Nations
UNESCO: United Nations Educational, Scientific, and Cultural Organization
U.S.: United States
USAID: United States Agency for International Development
USDA: United States Department of Agriculture
USG: United States Government
USTR: United States Trade Representative
WMD: Weapons of Mass Destruction
WTO: World Trade Organization

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