UNITED STATES DEPARTMENT OF STATE

FY 2005 Budget

Performance Summary

Fiscal Year 2005

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Mission and Values

United States Department of State

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 management practices with room for creative dissent. Implementation of policy and management practices, regardless of personal views.

Accountability: Responsibility for achieving United States foreign policy goals while meeting the highest performance standards.

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

Introduction

Purpose

The Department of State Fiscal Year 2005 Performance Summary, submitted to the President, the Congress, and the American public, describes what the Department plans to accomplish to achieve its mission, vision, long-term strategic goals, and performance goals during FY 2005. This plan satisfies the reporting requirements of the Government Performance and Results Act of 1993 (GPRA).

Structure

The Performance Summary is divided into the following seven sections:

1. **Benefit to the American Public:** This section summarizes the benefits provided to the American people through pursuit of each of the Department's twelve strategic goals.

2. **Major Crosscutting Efforts:** This section describes the major issues on which the Department works with other agencies to resolve.

3. **Management Landscape:** This section describes the Department's major management/ organizational priorities including the following:

   - **President's Management Agenda (PMA) Initiatives:** This section provides an update as to how the Department is addressing the PMA initiatives designed to create a results-oriented and efficient federal government.
   - **Program Assessment Rating Tool (PART) Status:** This section provides an update on the PART evaluations conducted by the Office of Management and Budget.
   - **Management Challenges**: The General Accounting Office and the Department's Office of the Inspector General have identified Management Challenges that specify areas where the Department needs to improve. This section describes the challenges and the actions that the Department has initiated to make the necessary improvements.

4. **Performance Management - A Leadership Priority**: This section describes the performance management methodology or approach used by the Department.

5. **Strategic Planning Framework**: This section presents the Department's strategic planning framework. The framework enables the Department to more effectively prioritize its work in a constantly changing international environment, with particular emphasis on the role of the Department's leadership within the Performance Management process.

6. **Strategic Goal Chapters:** Each of the Department's twelve strategic goals is presented in a separate chapter organized as follows:

    - **Public Benefit**: This narrative summarizes how the pursuit of the strategic goal benefits the American people.
    - **Resource Summary**: Aggregate funding and staffing totals devoted to activities that support the strategic goal.
    - **Strategic Goal Context**: A matrix showing the relationship between the performance goals, initiatives/programs, resources, bureaus and partners that contribute to accomplishment of the strategic goal.
    - **Performance Summary**: The performance summary section is divided as follows:
        - **Annual Performance Goals**: These represent the Department's priorities and more specifically, the medium term goals that lead to accomplishment of the longer-term strategic goals.
            - **Initiatives/Programs (I/P)**: Specific functional and/or policy areas, including OMB PART programs within which significant and tangible indicators and performance targets can be identified.
                - **Indicators**: Each I/P contains specific indicators used to measure progress and targets that represent the specific desired level of performance to be achieved. Those that measure progress related to specific PART programs are specifically and clearly identified with the following symbol: **(P)**
                - **Means for Achieving FY 2005 Targets:** For each target outlined within the indicator section, a description of the steps to be taken to achieve the given FY 2005 target.
    - **Illustrative Examples of FY 2003 Achievements**: Examples of key achievements in FY 2003 that are typical of the Department's work in support of the goal.
    - **Data Verification/Validation by Performance Goal**: This explains how the results data used to measure FY 2005 performance will be verified and validated.
    - **Resource Detail**: Tables showing the funding levels related to activities supporting the given strategic goal. Funding levels are shown for FY 2003, 2004, and 2005 for both State Appropriations and Foreign Operations funding. Information shown identifies the level of Department support by Bureau and by funding account.

7. **PART Tables**: A series of tables describing the status of the PART Programs thus far.
8. **Resources by Strategic Goal**: The final section of the Performance Summary consists of two spreadsheets depicting resources and staffing for all strategic goals. The first spreadsheet depicts the Appropriation Act resources and the second the Foreign Operations resources.

Benefit to the American Public

U.S. Department of State Mission Statement

CREATE A MORE SECURE, DEMOCRATIC, AND PROSPEROUS WORLD FOR THE BENEFIT OF THE AMERICAN PEOPLE AND THE INTERNATIONAL COMMUNITY

Diplomacy remains the primary tool to maintain and strengthen America's bilateral and multilateral relationships, which are critical to America's national security. As the lead agency for U.S. foreign policy and interaction with foreign governments and international organizations, the Department stands in the front lines of America's national security. Diplomacy, however, is a product inherently difficult to measure. How does one quantify the benefits of something that has never occurred? Lives saved because of battles that were never fought, diseases that were never contracted, illicit drugs that were never produced or famine that was never endured? The Department's efforts benefit the United States and echo the system of values that promote stability throughout the world.

Human suffering due to poverty, authoritarian rule, conflict and natural disasters can foster extremism, destabilize individual countries and entire regions, and as we have seen, pose a threat to U.S. and global security. The Department and USAID lead U.S. diplomatic and programmatic efforts to prevent and alleviate such suffering. The Department also works to achieve peace and security by promoting conflict resolution and prevention, combating the proliferation of weapons of mass destruction, and countering international terrorism that threatens vital U.S. interests at home and abroad. In the wake of the events of 9/11, such efforts are increasingly critical.

The Department continually utilizes its resources and influence to assist Americans who travel and live abroad. The Department issues United States passports, facilitates overseas voting in federal elections, evacuates Americans from conflict areas, and deters the entry into the United States of those who seek to threaten the nation, while approving the entry of qualified foreigners. The Department meets important homeland security responsibilities, such as combating visa and passport fraud, and protecting foreign diplomats in the United States so that terrorists do not hinder the day-to-day conduct of diplomacy.

The Department and USAID advance sustainable development and solutions to global problems that cannot be solved by any one nation. For example, the Department works diligently to support the spread and adoption of democratic ideals worldwide, promoting fundamental American values such as religious freedom and worker rights, and helping create a more secure, stable, and prosperous world economy through accountable governance. While contributing to American prosperity, the opening of foreign markets to U.S. goods and services results in higher standards of living and poverty reduction in other countries. The Department also works with other countries to promote a sustainable global environment, a healthy world population, effective migration systems, and strong international health capabilities, enhancing American security by protecting the United States from the effects of environmental degradation and deadly disease in an increasingly interconnected world.

The Department's promotion of international understanding aims to increase foreign acceptance of American values and efforts. Since international understanding is a two-way street, not only will people of other nations come to understand, if not accept, American values, but Americans will gain greater understanding of foreign cultures and values.

To maintain the U.S. role as a world leader in the twenty-first century, the Department requires sufficient resources to attract and retain the outstanding employees who serve as America's foreign policy representatives. The Department also requires adequate infrastructure and operating capacity to enable its employees to implement policy objectives. All Americans will benefit from strengthening the Department's diplomatic and programmatic capabilities.

Major Crosscutting Efforts

Challenges to U.S. and global security, freedom and prosperity often transcend the bounds of a single geographic or functional bureau. The Department addresses such crosscutting issues through effective collaboration among its bureaus and/or other USG agencies.

The War on Terrorism

The events of 9/11 have made combating international terrorism a key U.S. priority. The Department pursues multifaceted efforts to prosecute the global war on terror. Under the President's and the Secretary's leadership, the Office of the Coordinator for Counterterrorism (S/CT), Diplomatic Security (DS), Consular Affairs (CA), the Bureau of Economic and Business Affairs (EB), the Bureau of International Organization Affairs (IO), the Bureau of International Narcotics and Law Enforcement Affairs (INL), and the regional bureaus, are reorienting their priorities to fit new realities. USAID has also focused its efforts on the underlying causes of extremism in frontline states in the war on terrorism. In the countries of the former Soviet Union, the Bureau of Arms Control and the Bureau of Nonproliferation have worked with the Bureau of European and Eurasian Affairs to focus attention on controlling nuclear material.

On a broader scale, the Department has also cooperated with other agencies to combat terrorism. Coordinating with the Departments of Homeland Security, Justice, the FBI, CA has worked to strengthen its visa screening to prevent terrorists from entering the United States. EB and S/CT have worked closely with the Treasury Department to combat terrorist financing, leading efforts to build an international coalition. The Department also has combined its efforts with those of the military to establish key bases and build essential alliances. In Afghanistan and Pakistan, the Bureau of South Asian Affairs has led Department-wide and interagency efforts to support Operation Enduring Freedom, promote accountable democratic governance, establish security forces in Afghanistan, and promote economic recovery and growth to combat extremism and instability.

Public Diplomacy

The Office of the Under Secretary for Public Diplomacy and Public Affairs and related bureaus are working to ensure understanding and a gain in acceptance of U.S. values and polices. In the wake of the events of 9/11, the need for a unified and positive American message has never been as critical.

The Department is therefore expanding the scope of public diplomacy by identifying younger and broader audiences, especially youth in Arab and Muslim environments and broader audiences; tailoring programs and messages to reach these targets; using all available channels of communication to expand our reach; maximizing resources among the Department's domestic bureaus and overseas posts; and coordinating interagency communication activities for the development and dissemination of the President's USG messages across the globe. To this end, the Department coordinates closely with the White House, Department of Defense and other USG agencies.

Under a joint five-year strategy with the Agency for International Development, Department public diplomacy activities focus more on bringing attention to U.S. assistance activities, showing how these programs offer hope for a brighter future.

Homeland Security

The Department works on the frontlines to provide homeland security. Since the events of 9/11, the Department has taken steps to coordinate more effectively with other USG agencies on improving overall U.S. border security. Department consular officers at more than 200 overseas posts adjudicate the majority of visa applications of those who seek entry into the United States. Among these applicants are those who wish to harm the United States, as shown by the events of 9/11. The Department strengthened its visa screening system by vastly increasing the size of its name check database, conducting more visa interviews, and instituting interagency clearances for additional categories of applicants from specific countries.

The Department has provided U.S. ports of entry with real-time access to visa issuance data and has worked closely with the Departments of Homeland Security and Justice, the intelligence community, the FBI, and other USG agencies on other border-security issues.

The Department works closely with specialized USG and international agencies such as the FAA and the International Maritime Organization, and with elements of the private sector such as the telecom industry to strengthen the security of transportation and communication infrastructure and networks both domestically and internationally.

The Department also works with domestic and international law enforcement organizations to minimize the negative impact of drugs and crime on American citizens. The Bureaus of Consular Affairs and Diplomatic Security play a critical role in homeland security efforts to control visa and passport fraud. The Department is intent upon ensuring that its visa system is strong and secure, while allowing and encouraging qualified applicants to come to the United States. Finally, the Department works with other U.S government agencies to strengthen foreign governments' capability for screening people and goods at key entry and exit points.

State and USAID Coordination and Collaboration

To help achieve the diplomatic, development, and management priorities of the President, Secretary of State, and USAID Administrator, the Department and USAID have established joint policy and management councils.

The Joint Policy Council is ensuring that development programs are fully aligned with, and fully inform, foreign policy goals. The Deputy Secretary and USAID Administrator co-chair the Executive Committee, which also includes: the Under Secretaries for Political Affairs (as overall coordinator), Global Affairs, and Economic, Agricultural and Business Affairs; the Director of Policy Planning; and USAID's policy leadership. Twelve regional and functional policy groups, led by senior Department and USAID officials, are addressing ways to improve coordination on key policy and program issues. A Directors' Office, co-led by Ambassador Donald Steinberg and assisted by the Office of Strategic and Performance Planning (RM/SPP), serves as a liaison between the Executive Committee and policy groups and helps to address crosscutting issues.

The Joint Management Council is overseeing efforts to create more integrated structures to advance the goals of both institutions, support employees, and reduce costs to the taxpayer. The Under Secretary for Management and USAID's Deputy Administrator co-chair the Executive Committee, which also includes the Assistant Secretary for Resource Management and Assistant Administrator for Management. Seven senior-level working groups are implementing joint business plans that are addressing the following issues: resource management; management processes; information and communication technology; E-government, facilities, security, and human capital. Examples of specific collaborative issues include: budget and planning cycles; common financial management systems; shared administrative support services; long-range overseas building plans; cross training and assignments; and communication networks. A Secretariat, composed of the Department's Office of Management Policy (M/P) and RM/SPP, assists the working groups to frame key issues for Executive Committee consideration.

Iraq Reconstruction

The challenge of helping Iraqis liberated from the tyranny of Saddam Hussein to build the unified, stable and prosperous country that they deserve is one of the Department's highest priorities. The Department supports reconstruction efforts inside Iraq, and through diplomacy, is assisting Iraqis to make clear and strong progress toward economic reconstruction to ensure a free, sovereign, and democratic Iraq.

The Bureaus of Near Eastern Affairs (NEA), Economic and Business Affairs (EB), Oceans Environment and Science (OES), and Non-Proliferation (NP will work with the Departments of Energy, Commerce and Agriculture, and the Environment Protection Agency to help build Iraq's agribusiness, develop its scientific capacity, rehabilitate its oil production, telecommunications system and export capacity, and restore its marshlands.

The Department (NEA, DRL and L) will work with USAID to assist Iraqis develop pluralistic and democratic government institutions framed by rule of law and based on guaranteed civil liberties, including a free press and equal rights for all Iraqis without regard to ethnicity, religion or gender. Joint State (NEA and EB) and USAID efforts will help award Iraqi firms subcontracts as well as provide Iraqis with short and long-term job programs. Our efforts are aimed at building political institutions and transforming Iraq's centralized economic system to a market-based economy, benefiting the Iraqi people, setting an example for the region and providing increased opportunities for American exporters and businesses. EB will play a leading role in successfully mobilizing substantial foreign participation through grants and loans to aid in Iraq's reconstruction and recovery of its economy. NEA, INL and Justice will continue to work with the Iraqi people to build police forces that will protect the people and respect the democratic system and the people's human rights.

The Department will play a leading role in working closely with Iraq's transitional government by working with the Transitional National Authority to support a process of national reconciliation, including an effort to hold Saddam and his regime accountable for their crimes against the Iraqi people and their neighbors. The Department will work with the international community to ensure that the country receives the maximum feasible international debt relief. Coordinated efforts with the Bureaus of Near Eastern Affairs, Diplomatic Security, and Overseas Buildings Operation will result in the construction of a new embassy. Through the U.S. mission, the Department and other agencies will work with Iraq's transitional government to establish strong and lasting relationships with Iraq's new generation of free leaders, promoting tolerance, freedom, and hope in the region.

The Management Landscape

To achieve its strategic goals and ultimately provide benefit to the American public, the Department must have an effective organizational structure, established management capabilities, and core infrastructure in place to ensure the diplomatic readiness of the entire Department. Unlike other

> *"As Secretary of State, I wear two hats -- one as CEO of the Department, the other as the President's principal foreign policy advisor. And being successful in both roles is important because we must be properly organized and equipped and manned to conduct America's foreign policy, as well as formulate good policy."*
>
> ***Secretary of State Colin L. Powell***

federal agencies, this capability is made increasingly complex by the Department's presence in more than 150 countries. Nevertheless, the Secretary and the entire leadership team always have maintained that better management is a critical element in the Department's overall effectiveness and remain committed to successful implementation of all its management initiatives.

While the Department has always been committed to success on a broad range of management priorities, the President's Management Agenda (PMA) has focused the Department's efforts across five government-wide initiatives to improve management. Management also is focusing on several other key priorities, three of which are depicted below.

Three Key Management Priorities

People: Diplomatic Readiness Initiative (DRI)

The Department of State endorses the General Accounting Office's definition of rightsizing: "Rightsizing [is] aligning the number and location of staff assigned overseas with foreign policy priorities and security and other constraints." As such, the Department is working closely with the Office of Management and Budget on the OMB-led interagency rightsizing initiative in the President's Management Agenda. With regard to its own staffing, the Department's Diplomatic Readiness Initiative is part of a strategic human capital plan to ensure through recruitment, retention, and development that the Department has the people it needs to meet its mission. This three-year initiative includes the hiring of 1,158 people over attrition from FY 2002 through FY 2004. DRI also brought about fundamental reforms in all aspects of recruitment and hiring. The DRI has filled critical staffing gaps and made possible essential training and has begun to build the capacity to respond to crises and emerging priorities. The FY 2005 challenge will be to ensure that capacity is strengthened.

Facilities: Embassy Security, Construction, and Maintenance

The Department seeks to provide U.S. Diplomatic and Consular missions with secure, safe, and functional facilities to assist them in achieving the foreign policy objectives of the United States. If facilities cannot be made secure through compound and physical security upgrades (e.g., perimeter walls, fences, ballistic-resistant doors and windows), the facility must be replaced to meet fully the Department's security standards. The Department uses the Long-Range Overseas Buildings Plan (LROBP) to schedule the design and construction of new embassy compounds (NECs) overseas on a priority basis. For FY 2005, the plan calls for the award of 14 new capital security construction projects.

Systems: SMART (State Messaging and Archive Retrieval Toolset)

SMART is a simple, secure, and user-driven system intended to support the conduct of Foreign Affairs through the use of a modern, web-based technology platform giving users a powerful tool for creating and sharing information. It will replace the outmoded cable system and will provide diplomats and managers with significantly enhanced communications and the building blocks for knowledge management. SMART will support interagency collaboration as well as the records management requirements of NARA. In FY 2002 and FY 2003, the Department determined and prioritized system functions and assessed alternatives, completed a prototype/proof of concept and developed and released a Request For Quotation (RFQ). In FY 2004, one vendor was selected to develop a solution for a design/demonstration, which will be piloted to over 3,000 users in domestic and overseas locations. In FY 2005, SMART worldwide deployment will be initiated.

The President's Management Agenda

Progress	Strategic Management of Human Capital	Status

Goal

- Build, sustain, and deploy effectively a skilled, knowledgeable, diverse, and high-performing workforce aligned with mission objectives

Progress

- Documented Comprehensive Human Capital Plan
- Implemented second year of the Diplomatic Readiness Initiative that increases personnel strength, improves recruitment, and streamlines hiring process
- Completed second year of mandatory leadership and management training initiative; expanded training in public diplomacy, consular affairs, and foreign languages
- Integrated Human Capital elements in all Bureau Performance Plans (BPPs)
- Enhanced Domestic Staffing Model (DSM) and provided data to managers. Updated Overseas Staffing Model (OSM). Developed Civil Service succession model. Refined skills/competency criteria.
- Continued to use workforce planning tools for budget preparation, financial plan implementation, and intake planning
- Developed new Foreign Service (FS) employee evaluation form, and disseminated guidance on Civil Service (CS) evaluation
- Development of an Accountability System

Upcoming Action

- Implement Central Personnel Data File reporting action plan
- Use enhanced Domestic Staffing Model (DSM) to evaluate level of staff dedicated to administrative functions throughout the Department
- Expand Accountability System to cover additional management processes
- Begin third-year of leadership and management training initiative
- Continue strategies to address CS succession needs

Progress	Improved Financial Performance	Status

Goal

- Improve accountability through audited financial statements
- Increase accuracy of benefit and assistance payments
- Strengthen management controls
- Implement financial systems that produce timely, accurate and useful financial information

Progress

- New Regional Financial Management System (RFMS) was implemented for all overseas posts, providing daily updates of worldwide spending and accounting information
- The Department's FY 2002 Financial Statements were timely and received an unqualified opinion, marking the sixth consecutive unqualified opinion
- Received the prestigious Certification of Excellence for Accountability Reporting (CEAR) for the "FY 2002 Performance and Accountability Report." The Department was also honored to receive the Platinum 2002 Vision Award for the "Performance and Accountability Highlights," placing fourth overall from among more than 900 entrants
- Submitted timely interim (i.e., quarterly) Financial Statements
- Resolved all material weaknesses and material non-conformances, as defined by the Federal Managers' Financial Integrity Act, allowing the Secretary to issue an unqualified Statement of Assurance for FY 2003 regarding the Department's systems of management control
- Prepared and submitted monthly performance metrics as established by the CFO Council
- Relocated the Department's financial operations from the Paris Financial Service Center (FSC) to the Charleston, South Carolina and Bangkok, Thailand FSCs
- Developed a methodology to evaluate and report on the extent of erroneous payments within the Department's financial assistance programs. The OMB has cited the Department's methodology as a "best practice"
- With USAID, developed a joint Enterprise Architecture and joint Business Case (i.e., Exhibit 300) for a common financial systems platform

Upcoming Action

- Resolve the independent auditor-identified weakness of IT Security
- On-going consolidation of headquarters financial operations to the Charleston FSC
- On-going collaboration with USAID to establish a joint financial platform for the beginning of FY 2006
- Streamline financial reporting policies, systems, and procedures to permit accelerated annual audited financial statement reporting by November 15th for FY 2004 and beyond

Progress	Budget & Performance Integration	Status

Goal

- Improve the performance and management of the federal government by linking performance to budget decisions and improve performance tracking and management. The ultimate goal is to have better control over resources and greater accountability over results.

Progress

- Developed first-ever joint State-USAID Strategic Plan
- Reduced Strategic Objectives by 55%, reduced strategic goals by 40%, and developed outcome-oriented performance goals that directly link to the strategic objectives and goals
- Allocated resources at both the strategic and performance goal levels for both State and non-State administered accounts
- Developed PART ratings and substantive analyses for all completed PARTs for inclusion in the President's Budget to justify funding requests
- Created efficiency measures for all completed PART programs
- Developed a Performance Indicator and Analysis catalogue
- Addressed FY 2004 PART findings/recommendations, including taking key management actions to address identified deficiencies
- Completed automation of Mission and Bureau Performance Plan Modules (MPP - Version 1 and Version 2) and (BPP Module - Version 1), and Statement of Net Cost for the Central Financial Planning System (CFPS)

Upcoming Action

- Develop efficiency measures for all programs
- Devise methodology to demonstrate the marginal cost of achieving a performance goal
- Complete Bureau Performance Plan (Version 2)
- Develop Bureau Resource Management System CFPS Module

Progress	Competitive Sourcing	Status

Goal

- Achieve efficient, effective competition between public and private sources and establish infrastructure to support competitions

Progress

- Competitive Sourcing Official designated to implement the PMA objectives and OMB Circular A-76
- Established Competition Council consisting of all bureau executive directors
- Established Office of Competitive Sourcing with 5 full-time equivalents, in addition to Program Manager
- Established Bureau-based FAIR Act Inventory Coordinators
- Completed first streamlined competition
- Established training curriculum for competitive sourcing
- Developed competition candidate selection process and tools

Upcoming Action

- Complete challenge and appeals process on 2003 Inventory
- Finalize candidate selection process
- Identify feasible competition candidates
- Initiate preliminary planning and business case analysis for feasible candidates
- Establish post competition monitoring system
- Develop web presence for Competitive Sourcing

Progress	Expanded Electronic Government	Status

Goal

- Expand the federal government's use of electronic technologies (such as e-procurements, e-grants, and e-regulation), so that Americans can receive high-quality government service

Progress

- Completed Systems Authorization (also known as Certification and Accreditation) for 56 out of 139 systems, thereby meeting FY 2003 milestones. This is a remarkable accomplishment, as State had authorized only three percent of systems as of September 2002.
- Department and USAID completed a joint As-Is Enterprise Architecture
- Submitted the first Federal Information Security Management Act (FISMA) report (previous report was GISRA)
- Completed Classified Connectivity project ahead of schedule and under budget
- Designed and began implementing a full-scale Select, Control and Evaluate process for Capital Planning and Investment Control (CPIC)

Upcoming Action

- Joint State/USAID Management Council agrees on an implementation plan for the joint "To-Be" Enterprise Architecture with milestones for lines of business
- IRM Bureau reports on percentage of systems authorized and transitions from a System Authorization project to a comprehensive Information Assurance Program
- OIG verifies that there is a Department-wide IT Security Plan of Action and Milestones
- All project managers review data required for each stage of the system development life cycle and report cost/schedule/performance results to OMB in annual business cases
- State Messaging and Archive Retrieval Toolset (SMART) Program Management Office (PMO) will coordinate with the E-government initiatives to ensure the project is not redundant or agency-unique
- IRM Bureau reviews Government Paperwork Elimination Act non-compliant issues for possible modification and E-government project collaboration
- State continues to participate in 20 of OMB's 25 "Quicksilver" initiatives that will consolidate and improve various functions government-wide.

President Bush emphasized the importance of security, efficiency, and accountability in U.S. Government staffing overseas by identifying Rightsizing as part of the President's Management Agenda (PMA). Rightsizing is ensuring that the mix of U.S. Government agencies and personnel overseas is appropriately aligned with foreign policy priorities, security concerns, and overall resource constraints. The Office of Management and Budget (OMB) is leading this PMA initiative. It is included in this report due to its importance to the Department.

Progress	**Right-Sized Overseas Presence** (OMB Lead)	Status

Goal

- Reconfigure U.S. government overseas staff allocation to the minimum necessary to meet U.S. foreign policy goals
- Have a government-wide comprehensive accounting of total overseas personnel costs and accurate mission, budget, and staffing information
- Use staffing patterns to determine embassy construction needs

Progress

- OMB and Department's Overseas Building Operations office developed a cost-sharing program to fully implement the first year of the program. All affected agencies' budget requests include funding for their share of the FY 2005 cost
- The Department completed an assessment of all staff currently in and planning to move to the Frankfurt "Creekbed" regional facility
- State Department, with OMB guidance, developed a set of staffing guidelines in preparing estimates for new embassies. These improved estimates will shape budget decisions on embassy size and configuration
- OMB published guidance requiring agencies with staff overseas to submit overseas cost and staff data with their budget request submission to OMB

Upcoming Action

- Take next step in Frankfurt regionalization pilot to ensure that the facility is fully utilized
- Convene interagency working group to discuss how to uniformly estimate cost of staff overseas and release staffing guidelines
- Complete follow-up with agencies on Sec. 58 A-11 submissions and input data from agency submissions into rightsizing database to include in printed Budget
- Department and OMB to work to expand Frankfurt pilot; engage in rightsizing exercises at larger embassies using GAO rightsizing criteria

Program Assessment Rating Tool (PART) Status

The results from the PART reviews conducted by the Office of Management and Budget are summarized below by strategic goal. Information on how bureaus have addressed and implemented findings and recommendations for each of the PARTs also is provided.

FY 2004 PART PROGRAMS

Strategic Goal 1	Regional Stability
Program Name	**Peacekeeping Operations - OSCE**
Rating	• FY 2004: Results Not Demonstrated • FY 2005: Moderately Effective
Lead Bureau	• European and Eurasian Affairs (EUR)
Major Findings/ Recommendations	• Does not contain adequate annual targets or baseline information. • Performance goals are overly broad and dependent on numerous factors. • Information in performance reports is not linked to performance plan measures or compared against baseline data. • Program managers not held accountable for program performance.
Actions Taken/Planned	• USOSCE, EUR and PM developed detailed performance indicators for PKO-funded OSCE Missions and Activities. • Performance indicators developed for OSCE-brokered political settlements in Moldova, Nargorno-Karabakh conflict between Armenia and Azerbaijan and U.S. initiatives to improve financial management of the OSCE Secretariat. • FY 2005 USOSCE Mission Performance Plan (MPP) praised by OMB as a model for clarity of performance-based foreign policy objectives.
Program Name	**Security Assistance to Sub Saharan Africa**
Rating	• FY 2004: Results Not Demonstrated • FY 2005: Moderately Effective
Lead Bureau	• African Affairs (AF)
Major Findings/ Recommendations	• Programs did not differentiate between annual and long-term goals, or include targets and baseline information. • Performance goals are overly broad and dependent on numerous factors. • Information in performance reports is not linked to performance plan measures or compared against baseline data. • Program managers not held accountable for program performance.
Actions Taken/Planned	• Provide proposed measures to OMB for review. • Provided performance data for use in Department's Performance and Accountability Report. • Incorporated responses to recommendations in FY 2005 BPP.

Strategic Goal 1	Regional Stability
Program Name	**Military Assistance to New NATO and NATO Aspirant Nations**
Rating	• FY 2004: Moderately Effective • FY 2005: Moderately Effective
Lead Bureau	• European and Eurasian Affairs (EUR)
Major Findings/ Recommendations	• There is no regularly scheduled evaluation of program effectiveness by independent parties. • DoS and DOD differ on priorities and do not produce coinciding budget schedules.
Actions Taken/Planned	• DoD goals are discussed in interagency meetings to balance DoD requirements with Department goals. This produces a single, agreed upon recommendation.

Strategic Goal 2	Counterterrorism
Program Name	**Anti-Terrorism Assistance**
Rating	• FY 2004: Moderately Effective • FY 2005: Effective
Lead Bureau	• Diplomatic Security (DS)
Major Findings/ Recommendations	• Long-term goals do not have performance indicators or other long-term targets. • Program should establish measures to gauge progress toward long-term goals.
Actions Taken/Planned	• Establish long-term goals and targets. • Establish measures to gauge progress toward long-term goals.

Strategic Goal 3	Homeland Security
Program Name	**Visa and Consular Services/ Border Security**
Rating	• FY 2004: Moderately Effective • FY 2005: Moderately Effective
Lead Bureau	• Consular Affairs (CA)
Major Findings/ Recommendations	• Annual goals and targets do not adequately link to the long-term goals or provide relevant performance data.
Actions Taken/Planned	• CA is making a concerted effort and working with OMB to ensure that annual goals and targets link to the long-term goals and provide relevant performance data. Revised goals and targets will be reflected in next year's PART.

Strategic Goal 10	Humanitarian Response
Program Name	**Refugee Admissions to the U.S.**
Rating	• FY 2004: Adequate • FY 2005: Moderately Effective
Lead Bureau	• Population, Refugees and Migration (PRM)
Major Findings/ Recommendations	• Program managers at the Department closely collaborate with grantees and state governments to ensure effective use of funds. • Management should focus on strategic planning. 2003 and prior performance plans had overly broad goals that made it difficult to measure effectiveness. • Overlap was found between functions of DoS and HHS programs.
Actions Taken/Planned	• OMB will review the relationship between the Refugee Admissions program at the Department of State and the Office of Refugee Resettlement at HHS. • The Department will continue ongoing efforts to improve strategic planning and ensure that goals are measurable and mission-related.
Program Name	**Humanitarian Migrants to Israel**
Rating	• FY 2004: Adequate • FY 2005: Moderately Effective
Lead Bureau	• Population, Refugees, and Migration (PRM)
Major Findings/ Recommendations	• Program needs continued focus on strategic planning; needs more ambitious targets. • PRM has been working with the United Israel Appeal (UIA) and the Jewish Agency for Israel to create annual performance goals that meaningfully reflect program purpose. • The program is making some progress toward achieving its long-term and short-term goals.
Actions Taken/Planned	• In FY 2003, the Department and UIA developed an agreed-upon set of long-term and short-term goals for UIA.

Strategic Goal 11	Public Diplomacy and Public Affairs
Program Name	**Educational Exchanges in Near East Asia and South Asia**
Rating	• FY 2004: Results not demonstrated • FY 2005: Effective
Lead Bureau	• Education and Cultural Affairs (ECA)
Major Findings/ Recommendations	• Interim FY 2004 Finding: Program needs to strengthen strategic planning by taking the following actions: 1) set long-term goals relative to baseline, 2) clearly define targets and timeframes for which to measure annual progress, 3) create regional long-term goals, 4) tailor its planning by regional/country to effectively reach target audiences.
Actions Taken/Planned	• Department provides proposed performance measures and goals as well as a proposed planning process to OMB for review. • Long-term and annual goals are set to established baselines, with targets and timeframes now included in performance indicators. • Regional goals established through coordination with regional bureaus • Program planning tailored by region/country and target audience. Partnerships for Learning (P4L) initiative launched. • Performance measurement system, based on PART recommendations in development. FY 2003 pilot testing includes NEA and SA exchanges. • Department hired an exchanges coordinator, started an exchange working group, and hired a Middle East Initiatives evaluation officer.

Strategic Goal 12	Management and Organizational Excellence
Program Name	**Capital Security Construction**
Rating	• FY 2004: Moderately Effective • FY 2005: Effective
Lead Bureau	• Overseas Buildings Operations (OBO)
Major Findings/ Recommendations	• At the time of the FY 2004 PART review, the effects of management changes undertaken in OBO were not yet known. However, the effects of management changes were fully documented in the FY 2005 PART and were shown to be highly successful as evidenced by outstanding results demonstrated by the Capital Security Construction program.
Actions Taken/Planned	• The Department developed annual and long-range performance goals, which are closely integrated with the budget - one of the positive results from management changes made over the past two years in OBO.

FY 2005 PART PROGRAMS

Strategic Goal 1	Regional Stability
Program Name	**Security Assistance for the Western Hemisphere**
Rating	• Moderately Effective
Lead Bureau	• Western Hemisphere Affairs (WHA)
Major Findings/ Recommendations	• The program purpose is clear: to reduce instability caused by illicit drug production and terrorism and to increase contributions by Western Hemisphere nations to peacekeeping and counterterrorism operations. • Evaluation of certain performance measures is difficult, as some programs with annual goals have recently been re-designed to better address specific problems (e.g., combining anti-terror and anti-drug efforts in Colombia) • Long-term goals need more definition, with specific targets and timeframes. • Annual resource needs and budget requests of the State and Defense Departments could be presented in a more complete and transparent manner.
Actions Taken/Planned	• Continue to cooperate with Colombia and other nations to reduce the level of drug activity and associated violence. • Press nations that are lagging in support of peacekeeping and counterterrorism efforts. • Work to coordinate annual budgets and develop more specific long-term goals with timeframes. • Performance goals will be evaluated as newer programs are implemented. • The budget proposes FMF and IMET funding levels that will allow the counterdrug program in Colombia and regional personnel exchanges to achieve their annual goals.

Strategic Goal 2	Counterterrorism
Program Name	**Terrorist Interdiction Program (TIP)**
Rating	• Results Not Demonstrated
Lead Bureau	• Counterterrorism (S/CT)
Major Findings/ Recommendations	• Program needs to improve its long-term performance measures and strengthen its program management staff. The S/CT has taken steps in both of these areas while the program assessment was underway. • Areas where TIP did not meet program assessment requirements relate in part to the fact that the program is new. For example, no independent evaluations by the Department's Inspector General have yet taken place. • The Program tracks the number of installations and number of border control officials that have been trained. Program assessments and system data reporting also track usage of the system by the host country. • Coordination with other complementary U.S. Government programs is improving and could be better described in budget justifications and long-term performance goals to ensure that a comprehensive approach is presented to meet the outcome goal of improving a host nation's border control capabilities.
Actions Taken/Planned	• Work to improve performance measures and program management. • Complete program management staff improvements. • Develop targets for long-term goal of system installations. • Seek to improve long-term outcome measure to capture qualitative improvements in host country capabilities. • Demonstrate progress on newly developed efficiency measures and incorporate refined measures into the PART for the FY 2006 budget.

Strategic Goal 4	Weapons of Mass Destruction
Program Name	**Nonproliferation and Disarmament Fund (NDF)**
Rating	• Results Not Demonstrated
Lead Bureau	• Non-Proliferation (NP)
Major Findings/ Recommendations	• NDF has documented successes in achieving its nonproliferation goals but development of long-term goals has proved difficult because the fund is subject to an annual interagency review process led by the Department of State. • The following draft long-term measure is included in the PART reflecting the overall management goal of the program: to achieve and maintain a capability to respond as often as needed to unanticipated nonproliferation and disarmament priorities. • Each NDF project, while not on an annual schedule, has specific performance measures that clearly support the purposes of the NDF. • NDF tightly monitors ongoing projects, often using on-site NDF staff to provide day-to-day supervision of contractors, and verifies that work is being performed in consistency with the approved project performance goals.
Actions Taken/Planned	• Continue to support the NDF work to establish a long-term performance measure. • Further develop long-term goals for the program for the FY 2006 budget. • Demonstrate progress on newly developed efficiency measures and incorporate into the PART for the FY 2006 budget.

Strategic Goals 7 & 8	Democracy and Human Rights / Economic Prosperity and Security
Program Name	**Support for East European Democracy (SEED) and Assistance for the Independent States of the Former Soviet Union (FSA)**
Rating	• Results Not Demonstrated
Lead Bureau	• European and Eurasian Affairs (EUR)
Major Findings/ Recommendations	• While the Office of the Coordinator (OC) has taken numerous steps to overcome management deficiencies, it is difficult to evaluate the overall performance of the program because of a lack of annual and long-term performance goals and measures at the Coordinator's level. The Coordinator's office has committed to developing such measures and, once in place, OMB expects considerable improvement in strategic planning and program results, including a corresponding improvement in the PART rating. • In recent years, the OC has implemented a more structured and consistent budgeting process for agencies that implement FSA programs. A similar process is starting for SEED programs in FY 2004. • Bureau-level or mission-level performance measures have not been specific or meaningful enough to assist in the management and allocation of funds. • There is no strong evidence that regional accounts are the most effective means of delivering bilateral assistance. Because the transition period for many of the countries appears to be similar to other developing countries, it is reasonable to ask whether and how long special accounts will continue to be necessary.
Actions Taken/Planned	• Continue to work with the OC to complete the process of developing long-term and annual goals, measures, baselines, and targets. These measures should be integrated into all planning and reporting documents, including annual reports and bureau and mission performance plans, and used universally in order to streamline and rationalize the process of performance monitoring and funding allocations. • Continue to participate in country assistance reviews in order to support a standard approach to performance measurement across all agencies that implement SEED and FSA programs, and to manage rational graduations or terminations of assistance to countries in the region.

Strategic Goal 8	Economic Prosperity and Security
Program Name	**United Nations Development Program (UNDP)**
Rating	• Results Not Demonstrated
Lead Bureau	• International Organizations (IO)
Major Findings/ Recommendations	• The Department Performance Plan does not identify measurable annual targets for the program. • Budget requests are not explicitly tied to accomplishment of annual and long-term performance goals. • Federal managers and program partners do not appear to be held accountable for achieving key program results and explicit performance standards have not been set for these managers. • The performance plan does not currently include any efficiency measures.
Actions Taken/Planned	• The Department submitted and OMB approved an efficiency measure for UNDP in the Performance Plan. • Will hold consultations with OMB to address questions regarding whether the targets should be those of the USG regarding UNDP or UNDP targets regarding its own work, which is influenced by numerous Member States (not just the United States). Results of discussions will affect follow-up actions on recommendations.

Strategic Goal 10	Humanitarian Response
Program Name	**Humanitarian Demining**
Rating	• Effective
Lead Bureau	• Political-Military Affairs (PM)
Major Findings/ Recommendations	• The humanitarian demining program addresses a continuing need to address the problem posed by an estimated 45 to 50 million buried landmines worldwide. The program's annual goals include a target for percentage reduction of landmine casualties and square meters of land returned to productive use in mine-affected countries. While these goals are measurable and demonstrate progress, annual goals could be improved to tie more closely to the long-term target that measures the number of countries achieving an indigenous mine action capacity with little external funding support. • Individual country plans are developed and updated annually that specifically outline the landmine problem and mine actions goals and objectives. The country plans are used by the program manager to measure and assess progress. • The bureau acted proactively to address allegations of mismanagement by hiring an independent contractor to review management practices and the Department's Inspector General conducted a follow-up review in 2003. The OIG report stated that, by and large, the allegations of mismanagement were misleading and inaccurate.
Actions Taken/Planned	• Revised strategic plan with measurable performance indicators has been developed. • Effectiveness of new strategic plan, component country plans and feedback mechanisms will be evaluated after one budget cycle. • Revised country-planning process implemented for FY 04 budget cycle creating direct linkages between resource inputs and expected outputs. • Initiated office process mapping, information needs assessment and user requirements to support revision of existing IT systems and software to allow direct tracking of all financial resources against country-specific objectives.

Strategic Goal 10	Humanitarian Response
Program Name	**United Nations High Commissioner for Refugees (UNHCR)**
Rating	• Moderately Effective
Lead Bureau	• Population, Refugees, and Migration (PRM)
Major Findings/ Recommendations	• The program purpose is clear and program managers work closely with UNHCR to ensure that U.S. goals are understood and included in the organization's planning. • The long-term and annual measures for this program are ambitious and mission-related. • The Department and UNHCR have agreed to goals in a signed "Framework for Cooperation," showing the degree to which UNHCR and the Department coordinate with regards to goals for the program. • UNHCR needs a more integrated financial system to ensure that program funds are being used effectively.
Actions Taken/Planned	• The budget request includes a level of funding that will allow the U.S. to continue to contribute its traditional share of approximately 25% of UNHCR's regular budget. • The State Department is working closely with UNHCR to implement a better financial management system.

Strategic Goal 12	Management and Organizational Excellence
Program Name	**Worldwide Security Upgrades**
Rating	• Moderately Effective
Lead Bureau	• Diplomatic Security (DS)
Major Findings/ Recommendations	• The managers continually strive to reach their long-term goals. However, clear annual budget and performance targets are lacking. • The WSU programs administered by Diplomatic Security (DS) are frequently evaluated and monitored. However, due to the nature of these programs and the necessity to provide immediate assistance to posts, cost effectiveness and an evaluation of costs are not always completed prior to acquisition of a good or the provision of a service.
Actions Taken/Planned	• Work closely with the Bureau of Diplomatic Security (DS) to develop effective annual goals and targets. • Work to develop performance measures for major programs to support annual performance goals and ensure long-term effectiveness.

Management Challenges

The General Accounting Office and the Department's Office of Inspector General have identified several management challenges that represent areas where the Department must improve operations. The table below lists, by strategic goal, the major challenges and corresponding actions that the Department is taking in response to them.

Strategic Goal	Homeland Security
Challenge	**Visa Processing and Border Security**
Findings	• Since 9/11, the Department has introduced changes to strengthen the visa process, but there continues to be a divergence of opinions concerning visa policies and procedures that are appropriate, given the need for heightened border security. (GAO Report 03-132NI) • The USG has no specific written policy on the use of visa revocations as an antiterrorism tool and no written procedures to guide State in notifying the relevant agencies of visa revocations on terrorism grounds. (GAO Report 03-798) • Appropriate units within INS and the FBI do not always receive notifications of all the revocations. (GAO Report 03-798) • Names were not consistently posted to the agencies' watch lists of suspected terrorists. (GAO Report 03-798) • Consular Affairs still has shortcomings that include: Lack of uniformity in visa processing, lack of a planning staff to develop options for consular input into border security initiatives and directions. (ISP-I-03-26)
Recommendations	• Develop a clear policy on the priority attached to addressing national security concerns connected with the visa process; develop more comprehensive guidance on how posts should use the visa process to screen against potential terrorists; assess staffing requirements for visa operations; expand consular training. (GAO Report 03-132NI) • Ensure that appropriate units within INS and the FBI receive notification of visa revocations. (ISP-I-03-26) • Visa process must be considered as part of a larger process of admitting and tracking visa recipients. (ISP-I-03-26) • Department must re-think its approach to issuing visas and devote the needed human and financial resources. (ISP-I-03-26)

The information on the "Visa Processing and Border Security" Management Challenge is continued on the next page..

Strategic Goal	Homeland Security
Challenge	**Visa Processing and Border Security**
Actions Being Taken	• Issued a "visa roadmap" outlining new visa priorities and policies. Issued over 40 standard operating procedures to ensure that consular officers abroad properly review visa applications, effectively fulfill their critical national security responsibilities, and have a step-by-step, unambiguous guide for all procedures. Added staff, including a Senior Advisor for Strategic Planning, and expanded consular training. (GAO Report 03-132NI and ISP-I-03-26) • Visa revocation problems were fixed. Written instructions provided in the Foreign Affairs Manual. Notice of visa revocation is provided to DHS/CBP, DHS/ICE, and FBI. Visa revocation lookout code is shared between DOS and DHS lookout systems. (GAO Report 03-798) • Added staff, including a Senior Advisor for Strategic Planning, in the Visa Office and established 39 new overseas positions funded by visa fees and 51 new consular positions under the Diplomatic Readiness Initiative in FY 2003. Additional positions are planned for FY 2004. (OIG-1-03-26) • Introduced new training on interviewing techniques, with additional emphasis on ethics and terrorism and expanded Chief of Mission, DCM, and Principal Officer training. In FY 2004, five days will be added to the 26-day basic consular course. (GAO Report 03-132NI) • New leadership in the Bureau of Consular Affairs is committed to minimizing the vulnerabilities in visa processing. (ISP-I-03-26)
Expected Result	• MOU between DHS and DOS has provided/will provide a framework for better coordination of border security; integrated entry/exit/tracking systems with DHS; series of instructions specifying standard operating procedures (SOP) contributes to implementation of Visa Roadmap. Consular Management Assistance Teams will reinforce SOPs and sound management practices. Resource needs are under constant review; missions that are most impacted by post 9/11 changes in visa processing are receiving assistance.

Strategic Goal	International Crime and Drugs
Challenge	**Strategic Planning**
Findings	• Although the U.S.-backed counternarcotics program in Colombia has begun to achieve some of the results originally envisioned, Colombia and the United States must deal with financial and management challenges. Three years into Plan Colombia, the Departments of State and Defense have yet to develop estimates of future program costs, define their future roles in Colombia, identify a proposed end state, or determine how they plan to achieve it. (GAO-03-783)
Recommendations	• Establish clear objectives, including developing specific performance measures, and estimate future U.S. funding requirements for the programs with the Colombian Army and the Colombian National Police. (GAO-03-783)
Actions Being Taken	• Beginning with the FY 2005 budget cycle, the Department intends to establish clear objectives, develop performance measures and estimate future funding requirements. This is now possible due to the maturation of "Plan Colombia" over three years.
Expected Result	**General** • Coca and poppy cultivation drops to a lower level. • Colombianization of program increases as more Colombia pilots are trained and ownership of aircraft is gradually transferred. • Demobilization of para-military and insurgent groups lowers level of violence but there will be reintegration costs to be sustained. Estimate is not clear as of yet. **Program** Colombian Army o Through increased aviation support, operations areas of three battalions expanded from Putamayo region to all regions of Colombia during 2005. o Expanded use of Mobile Brigade into a quick strike force against high-value narcotics terrorists. Colombian National Police o Aggressive spraying campaign enters a maintenance phase with success measured by the absence of mature coca and a lowered rate of replanting. Infrastructure support allows anti-narcotics brigade to operate in remote Eastern, Southern and Western zones. Alternative Development o Over 5,000 hectares of licit crop established and assistance provided to 5,000 rural families. Through mental health, income generation and urban infrastructure development, employment assistance provided to over 300,000 internally displaced persons. Rule of Law o Municipal police units inserted into newly liberated municipality areas and new Carabineros squadrons dispersed as rural police.

Strategic Goal	Democracy and Human Rights
Challenge	**Interagency Coordination**
Findings	• Although U.S. democracy assistance programs in Latin America have shown modest results, several management issues have hampered effectiveness. Poor coordination among the key U.S. agencies has been a long-standing management problem, and cooperation with foreign donors has been limited. (GAO-03-358)
Recommendations	• The Department and other agencies should develop more comprehensive strategic plans at the regional and country level to address cooperation among agencies and other major donors. • Establish a strategy for evaluating projects. Establish a mechanism to share information among U.S. agencies and project implementers. (GAO-03-358)
Actions Being Taken	• Interagency discussions are now underway that will lead to increased USG cooperation in implementing democracy assistance programs. The immediate objectives of interagency meetings will be to share information, avoid duplication and ensure optimal use of available funds from all sources.
Expected Result	• Freedom House and Department polling data demonstrate measurable rise in: o Public confidence in democratic institutions o Respect for human rights and the rule of law o Perceived transparency and accountability of government institutions

Strategic Goal	Management and Organizational Excellence
Challenge	**Financial Management**
Findings	• Improvement made with respect to travel card payments by implementing procedures aimed at decreasing the number of travel card payment delinquencies in the 90-day or 120-day past due categories. There is, however, inadequate response prior to delinquencies reaching the 90-day past due category. (OIG Report AUD/FM-03-22) • Despite recent strides, insufficient internal controls to prevent/detect travel card misuse. (OIG Report AUD/FM-03-22)
Recommendations	• Address delinquencies before they reach the 90-day past due category by putting into place a process to address delinquencies in the 60-day past due period before the cards are automatically suspended. (OIG Report AUD/FM-03-22) • Provide program coordinators with clear written guidance on an Intranet site; provide adequate formal training. • Improve oversight of travel card program by checking for multiple accounts and transferring/canceling travel cards when an employee leaves a bureau. (OIG Report AUD/FM-03-22)
Actions Being Taken	• Implementing a process to deal with travel card payment delinquencies in the 90- and 120-day past due categories. (OIG Report AUD/FM-03-22) • Launching a preliminary effort to detect and prevent misuse of travel cards. (OIG Report AUD/FM-03-22)
Expected Result	• Improved administrative oversight of travel card program. • Improved internal control and reduced vulnerability card misuse • Increased volume-based refund from credit card provider.

Strategic Goal	Management and Organizational Excellence
Challenge	**Overseas Building Security**
Findings	• GAO found that the Department has done much over the past four years to improve physical security at overseas posts; however, most office facilities do not meet security standards. (GAO Report 03-557T)
Recommendations	• Because of the high costs and importance of the Capital Security Construction program, GAO believes the program merits continued oversight (GAO Report 03-557T)
Actions Being Taken	• Constructing perimeter walls, anti-ram barriers, and access controls at many facilities. Funding the construction of new buildings and other such capital projects to improve overseas facilities (GAO Report 03-557T)
Expected Result	• The construction of new embassy/consulate compounds fully meet current security standards. • Successful implementation of the proposed capital security cost-sharing (CSCS) program will accelerate completion from over 20 years to 14 years and encourage rightsizing.

Strategic Goal	Management and Organizational Excellence
Challenge	**Knowledge Management/Leadership**
Findings	• The Department has ensured senior management oversight for implementation of its Knowledge Leadership (KL) program. (IT-A-03-08) • The Office of e-Diplomacy is working to develop an action plan to implement KM Department-wide having compiled ideas from extensive networking with public and private sector organizations. (IT-A-03-08)
Recommendations	• Identify business requirements, such as core diplomatic functions, as a basis for shaping KL approach. (IT-A-03-08) • Implement KL through community building, IT tools, commitment and support structures such as training. (IT-A-03-08) • Identify and counteract cultural barriers to KL. (IT-A-03-08) • Move ahead on broad front (people, process, technology, organization) to instill Knowledge Leadership practices and capabilities throughout the Department. (KL briefing to U/S Green 07/22/03)
Actions Being Taken	• Improving DOS intranet site to collect, integrate and share knowledge more efficiently. (IT-A-03-08) • Strengthening collaboration and information sharing with USAID through new connection between State and USAID intranets. • Creating global task force on New Diplomacy to exploit technology in new diplomatic and public diplomacy engagement strategies. • Exploiting key technologies to improve the Department's performance worldwide. (IT-A-03-08) • Making greater use of classified and unclassified government networks for information exchange and collaboration. (IT-A-03-08) • Developing State Messaging and Archive Retrieval Toolset (SMART), a system to provide diplomats and managers with significantly enhanced communications and knowledge management tools. • Selecting vendor to develop a solution for a design/demonstration. The messaging solution will be piloted to over 3,000 users in domestic and overseas locations. • In FY 2005, SMART will begin worldwide deployment.
Expected Result	• The Department's institutional knowledge is available to its own professionals and to other foreign affairs, intelligence and homeland security agencies. • Special expertise is easier to locate. • Employees are more productive, and applications more efficient.

Performance Management - A Leadership Priority

The Department uses strategic and performance planning to ensure the organization achieves its objectives and goals, and is committed to utilizing the funds it receives from the American people through the Congress to produce successful results. Under the strong leadership of the Secretary and Deputy Secretary, the Department also has implemented organizational innovations. For the first time, the State Department and USAID have developed and issued a joint Strategic Plan that governs the planning efforts for both agencies for fiscal years 2004-2009. This historic new Strategic Plan utilizes a revised strategic goal framework that better captures and articulates the Department's high priority goals and objectives, shortening the number of goals to better focus policy and management direction. Guided by the new Strategic Plan, the planning and resource allocation process receives the personal attention of the Deputy Secretary on an ongoing basis as he personally leads senior level Policy, Performance and Resource Reviews of all bureau performance and resource plans. Another significant organizational improvement has been the creation of joint State/USAID policy and management councils as recommended in the Strategic Plan. The Secretary's leadership in establishing these councils is ensuring the alignment of 'foreign policy and development assistance, and is improving the necessary management and organizational coordination and collaboration between the two agencies.

The Department's ongoing performance management process is driven by senior leadership direction and coordination. Each year, the Department's diplomatic missions and Washington-based bureaus submit Mission Performance Plans (MPPs) and Bureau Performance Plans (BPPs), respectively, that describe their policy and program goals, priorities and resource requirements, and evaluate performance. During the past year, the Department has improved the MPPs and BPPs, and fully automated the process. Missions, bureaus and senior officials now have the benefit of software applications that better support decision-making. Based on planning and performance information in the MPPs and BPPs, as well as additional budget information, the Department develops its annual Performance Budget, which focuses on the highest priority issues and is consistent with the high-level Strategic Plan. The annual Performance and Accountability Report demonstrates how well the Department performed in meeting the goals and targets described in the Performance Budget. The graphic at right shows the relationship between the key components of the performance landscape.

The Department's public planning documents can be found on the worldwide web as follows:

- FY 2003 Performance and Accountability Report: http://www.state.gov/m/rm/rls/perfrpt/2003/
- FY 2004-2009 State/USAID Strategic Plan: http://www.state.gov/m/rm/rls/dosstrat/2004/
- FY 2004 Performance Plan: http://www.state.gov/m/rm/rls/perfplan/2004/

Performance Assessment Enhancing Budgetary Decisions

The Department is committed to utilizing the funds it receives from taxpayers through the Congress to produce successful results. To assess performance, the Department employs a *performance management methodology* depicted in the pyramid below. Each of the six components of the pyramid is defined below:

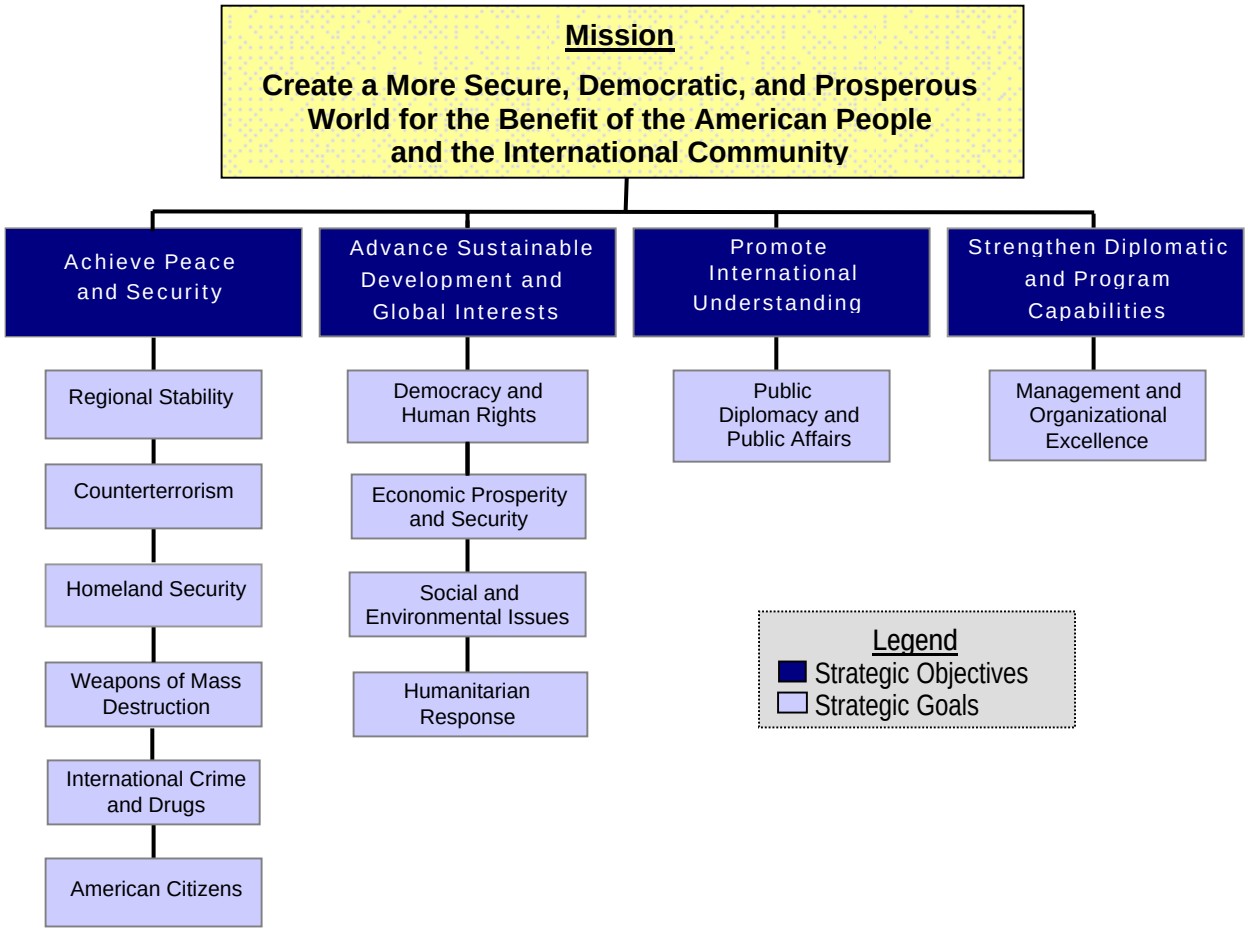
Strategic Objectives	High level, broad categories of action through which the Department will achieve its strategies and performance goals.
Strategic Goals	The Department's long-term goals as detailed in the Strategic Plan.
Performance Goals	The desired outcomes the Department is planning to achieve in order to attain its strategic goals. The Department has thirty-eight performance goals.
Initiatives/Programs	Specific functional and/or policy areas, including programs as defined by the OMB Program Assessment Rating Tool (PART), to which the Department of State devotes significant attention.
Performance Indicators	Values or characteristics that the Department utilizes to measure progress achieved towards stated annual performance goals. The indicators are drawn from bureau and mission performance plans.
Performance Targets	Expressions of desired performance levels or specific desired results targeted for a given fiscal year. Achievement of targets defines success. Where possible, targets are expressed in quantifiable terms. The FY 2003 Performance and Accountability Report reports on how well the Department achieved its targets.

Performance Management Model
-Hierarchy-

Strategic Planning Framework

Consistent with its performance management methodology shown on the previous page, the Department focuses its work around twelve strategic goals that capture both the breadth of its mission and its specific responsibilities. The Department's twelve strategic goals are centered around four core strategic objectives:

- Achieve Peace and Security
- Advance Sustainable Development and Global Interests
- Promote International Understanding
- Strengthen Diplomatic and Program Capabilities



Shown below are each of the Department's four Strategic Objectives together with their corresponding Strategic Goals and Performance Goals.

Strategic Objective #1 - Achieve Peace and Security-	
Strategic Goals	**FY 2005 Performance Goals**
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.
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 flourishing 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 to 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 anti-drug and anti-crime 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 Objective #2 - Advance Sustainable Development and Global Interests -	
Strategic Goals	FY 2005 Performance Goals
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 Objective #3 - Promote International Understanding -	
Strategic Goals	**FY 2005 Performance Goals**
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 the U.S. Agency for International Development.

Strategic Objective #4 - Strengthen Diplomatic and Program Capabilities -	
Strategic Goals	**FY 2005 Performance Goals**
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.

Strategic Goal 1: Regional Stability

Avert and Resolve Local and Regional Conflicts to Preserve Peace and Minimize Harm to the National Interests of the United States

I. Strategic Goal Public Benefit

The United States must provide for the safety of Americans at home and abroad, protect against threats to its interests worldwide, and honor commitments to its allies and friends. The activities of the Department are cost-effective means for enhancing and ensuring stability in all regions of the world. Through diplomatic means, the United States builds and strengthens relations with neighbors and allies worldwide by shaping regional environments and by educating foreign audiences in ways that can prevent, contain, or resolve conflicts, and foster cooperative efforts. The benefits to the U.S. are greatest when the world is safer and more stable. Factors that contribute to regional instability include, but are not limited to economic instability, health crises, the illegal trade in toxic chemicals and dumping of hazardous wastes, exploitation of natural resources, trafficking in persons and in illegal conflict diamonds and systemic, state-sponsored denial of women's political and legal rights. The Department also advances U.S. national security interests through the resolution of regional instability, so that Americans, at home and abroad, are safe from violence. The Department achieves these regional stability objectives by focusing on two main performance goals: "Close Ties with Allies and Friends" and "Resolution of Regional Conflicts."

II. Resource Summary ($ in Millions)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Change from FY 2004	
				Amount	%
Staff [1]	1,247	1,246	1,239	(7)	(0.6%)
Funds [2]	$8,424	$5,870	$5,943	$72	1.2%

[1] Department of State direct-funded positions.
[2] Funds include both Department of State Appropriations Act Resources and Foreign Operations Resources, where applicable, which include resources for other USG agencies to which the Department provides foreign policy guidance (e.g., USAID, EXIM, OPIC, TDA, Peace Corps).

III. Strategic Goal Context

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

Strategic Goal	Performance Goal (Short Title)	Initiative/ Program	Major Resources	Lead Bureau(s)	External Partners
Regional Stability	Close Ties with Allies and Friends	Transatlantic Relationship	D&CP, FMF, IMET, ESF	EUR	N/A
		International Military Education and Training	D&CP, IMET, FMF	PM	Office of the Secretary of Defense (OSD)/Defense Security Cooperation Agency Joint Staff, OSD/DSCA
		Military Assistance for New NATO/NATO-Aspirant Nations	D&CP, FMF, IMET	EUR	DoD, Joint Staff
		Regional Stability in East Asia and the Pacific	D&CP	EAP	DoD
	Resolution of Regional Conflicts	Conflict Management and Resolution	D&CP, PKO, IMET, FMF	AF	DoD, UNDPKO[1], France, UK, Belgium, ECOWAS, Nigeria, Senegal, Ghana, Kenya, Benin, Mali
		Indo-Pak Relations - Kashmir	D&CP, FMF, INCLE, ESF, DA, PD	SA	USAID, NSC, DoD, UN Agencies
		Enhanced and Expanded Euro-Atlantic Partnership	D&CP	AC, EUR	OSD, JCS, IC, NSC Joint Consultative Group (JCG) in Vienna, NATO
		Peacekeeping Participation	D&CP, FMF	PM	OSD/Special Operations and Low Intensity Conflict
		Implementation of the Road Map	D&CP, ESF	NEA, EB	NSC, USAID, CIA
		Iraq & Gulf Security	D&CP, FMF, IMET,ESF, INCLE, HRDF, IRRF	NEA	NSC, USAID, DoD, Treasury, Commerce, Agriculture, FAA, Education, HHS, International Broadcasting Bureau, DOJ, Energy, UN
		PKO - OSCE	D&CP, FMF, IMET, INCLE, FSA	EUR	OSD, Joint Staff, CIA, NSC
		Security Assistance – Sub-Saharan Africa	D&CP, PKO, ESF, IMET, FMF	AF	Norway, DoD, ECOWAS, UNDPKO, Netherlands, Belgium, France, UK, Nigeria, Senegal, Ghana, Kenya, South Africa, Benin, Mali, Ethiopia, Malawi
		Restrict ACW Transfers	D&CP	NP	32 Member States of Wassenaar

[1] United Nations Department for Peacekeeping Operations

IV. Performance Summary

For each Initiative/Program that supports accomplishment of this strategic goal, the most critical FY 2005 performance indicators and targets are shown below.

Annual Performance Goal #1
CLOSE, STRONG, AND EFFECTIVE U.S. TIES WITH ALLIES, FRIENDS, PARTNERS, AND REGIONAL ORGANIZATIONS

I/P #1: Transatlantic Relationship

An enhanced and expanded Euro-Atlantic Partnership to promote stability, security, democracy, and prosperity within the region and build support for U.S. strategic goals beyond Europe.

Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
Indicator #1: Status of Transatlantic Security Relationships				
2000: Allies revised Transatlantic Framework for Strategic Concept, European Security and Defense Initiative (ESDI) elements, and Open Door Policy. Membership Action Plan launched. NATO-Russia relationship expanded beyond Stabilization Force (SFOR) and Kosovo Force (KFOR). **2001:** Minimal progress on the Defense Capabilities Initiative, protracted discussion on NATO-EU arrangements. Redefined European Security and Defense Program (ESDP) goals. Expansion of NATO ties to Partner States. Significant progress on MAP.	Europeans made pledges at Prague to improve their capabilities. Seven new members invited at Prague. Berlin Plus would have allowed the EU to borrow NATO assets and capabilities for European-led operations, but was not agreed upon. Allied Heads of State and Government committed at Prague to enhance military capabilities by filling key shortfalls through the New Capabilities Initiative. The initiative will encourage pooling and specialization, introduce the NATO Response force (NRF) and reform NATO's Command Structure. U.S. export controls with key European allies streamlined to promote transatlantic defense industrial integration. NATO-Russia Council (NRC) and 2002 work plan established in May 2002.	Agreement reached with Allies to reform NATO's command structure. European partners committed themselves to boosting European capabilities. NATO Response Force in process of development. Seven new members invited to join Alliance. Ratifications by Allies on track to welcome new members by May 2004. Progress made on NATO-Russia projects, including military-to-military cooperation. Retooling Partnership for Peace to better meet the needs of the Central Asia/Caucasus partners. NATO-Ukraine Action Plan launched in which Ukraine, with NATO's assistance, agreed to undertake necessary reforms.	ESDP capable of substantial operations. Initial operating capability of NRF. Allies complete full integration into NATO as MAP cycle continues for aspirants. Progress on Partnership-for-Peace (PfP) projects tailored to needs of individual partners.	Full operating capability of the NATO Response Force. Increase in European military capabilities through continued investment to fill remaining shortfalls. Consideration of EU-led mission in Bosnia, subject to Balkan policy consideration, and with appropriate NATO-EU agreement and interagency consensus. NATO operations continue in Afghanistan and Iraq as needed.

I/P #2: International Military Education and Training

Strengthen the military capabilities of allies, friends, partners, and international organizations, which in turn serves U.S. national interests in many ways.

Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
(P) Indicator #2: Number of Individuals Receiving Training Under IMET				
2000: N/A **2001:** 8,386 individuals	10,417 individuals	10,736 individuals	11,689 individuals	11,484 individuals

I/P #3: Military Assistance for New NATO and NATO Aspirant Nations

U.S. military equipment, services, and training for the governments of the ten new NATO countries recently offered NATO membership - Czech Republic, Hungary, Poland, Estonia, Latvia, Lithuania, Bulgaria, Romania, Slovakia, and Slovenia.

Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
(P) Indicator #3: Percentage of Aspirants Making Progress Achieving NATO Defined and Measured, Country-Specific Membership Action Plans				
2000: N/A **2001:** Numerous countries' participation in OEF, ISAF, SFOR, and KFOR; in Afghanistan and in the Arabian Gulf. Among others, the Baltic countries, Bulgaria, and Romania have contributed forces to the Balkans and /or Central Asia/Caucasus; Czech medical unit in OEF.	Sixty percent of NATO aspirants are making progress toward achieving NATO-defined and measured, country-specific Membership Action Plans. Prague Summit issues membership invitations to seven countries: Estonia, Bulgaria, Latvia, Lithuania, Romania, Slovakia, and Slovenia. Three continuing NATO aspirants -- Croatia, Albania and Macedonia -- continue to participate in NATO's Membership Action Plan.	Accession Protocols signed by 19 Allies in March; U.S. Senate ratification in May. Invitees' reforms take place, in line with NATO requirements for membership. Aspirants continue MAP process and, with the U.S., sign the Adriatic Charter, where all parties pledge to work together to move reform efforts towards NATO and EU membership.	One hundred percent of NATO aspirants are making progress toward NATO-defined and measured, country-specific Member Action Plans. Formal entry of New Allies, who complete full integration into NATO, and assist mentoring of aspirants. MAP cycle continues for aspirants; Adriatric Charter cooperation takes shape.	All new allies contribute to each aspect of alliance activities, including mentoring of aspirants, and are integrated into revised command arrangements. Three aspirant nations accelerate their reform efforts through MAP; intensify Adriatic Charter cooperation

I/P #4: Regional Stability in East Asia and the Pacific				
Use diplomacy to foster stability in the EAP region.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
Indicator #4: Status of Chinese Cooperation on Regional Stability				
2000: Cooperation on regional security selective and episodic. **2001:** Limited Chinese tension-reducing diplomatic efforts toward North Korea and South Asia. China cooperated in encouraging North Korean openness and dialogue.	China encouraged North Korean openness and multilateral dialogue to end its nuclear weapons program. China's public statements at APEC ministerial were helpful in maintaining a nuclear weapons-free Korean Peninsula.	China discussed its bilateral border disputes with South Asian officials. China played a crucial role in facilitating multilateral talks with North Korea on maintaining a nuclear weapons-free Korean Peninsula.	China increases coordination with United States and international community regarding the Korean peninsula, South Asia, and the Middle East.	Full Chinese cooperation with U.S. and international community in reaching settlement of Korean peninsula, South China Sea and Burma issues.
Outcome Indicator				
Indicator #5: Status of U.S.-South Korean Relations				
2000: N/A **2001:** Baseline: Began interagency discussion of the Future of U.S.-South Korean Alliance.	Begin Phase II of Joint Study on Future of U.S.-South Korean alliance.	Talks between the U.S. and ROK on the FOTA produced a timetable and division of costs for the reconfiguration of U.S. Forces in Korea during 2004 – 2008.	Start USFK relocation.	Continue USFK relocations from Yongsan and other facilities as jointly agreed with the ROKG on a timeline to complete moves as new ROK-funded acquisition/construction projects are completed.

NATO (PART Program Efficiency Measure)				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Efficiency Indicator				
Indicator #6: Number of Countries Reaching Sustainable State of Niche Capacities				
2000: N/A **2001:** N/A	Baseline: 2/10	2/10	3/10	4/10

Means for Achieving FY 2005 Targets

Full operating capability of the NATO Response Force. Increase in European military capabilities through continued investment to fill remaining shortfalls. Consideration of EU-led mission in Bosnia, subject to Balkan policy consideration, and with appropriate NATO-EU agreement and interagency consensus. NATO operations continue in Afghanistan and Iraq as needed.

- Engage at all levels and in all fora to realize our vision of a Europe whole, free, and at peace.
- Ensure that ties with neighbors and key Allies are close, strong, utilized, and effective so that our European partners are ready, willing, and able to complement U.S. efforts in the region and beyond.

11,484 individuals receive training under IMET.

- Work with regional bureaus to assess how best to use military assistance as a tool for achieving bilateral and regional objectives.
- Work with DoD on military requirements and needs of foreign militaries.

New Allies contribute to all aspects of Alliance activities, including mentoring of aspirants, and are integrated into revised command arrangements. Three aspirant nations accelerate their reform efforts through MAP; intensify Adriatic Charter cooperation.

- Monitor progress toward meeting key goals in concert with our Missions at NATO, to the OSCE, to the EU, and embassies in the field.
- Continued coordination will be necessary to monitor issues to be discussed in a number of venues.

Full Chinese cooperation with U.S. and international community in reaching settlement of Korean peninsula, South China Sea and Burma issues.

- China's role in working to ensure that North Korea ends its nuclear program completely, verifiably, and irreversibly cannot be understated. China has already helped to facilitate and hosted multilateral talks in April 2003, and we look forward to China's continued proactive efforts in this regard.
- China and ASEAN entered into the preliminary Code of Conduct on the South China Sea, concluded on November 4, 2002, designed to avoid hostilities over competing claims there. Since then, there have been no major conflicts or new occupations in the disputed areas. Continued restraint and the absence of provocative actions are key to peace and stability in the area.

Continue USFK relocations from Yongsan and other facilities on a timeline to complete moves as new ROK-funded acquisition/construction projects are completed.

- Negotiate bilateral agreements to move USFK contingents from Yongsan.
- Initiate facilities acquisition and construction projects for future reconfiguration of USFK forces.
- Implementation of agreements reached in 2003 with interventions at working, senior or political levels as necessary/appropriate and resolve differences of interpretation or other roadblocks.

Annual Performance Goal #2

EXISTING AND EMERGENT REGIONAL CONFLICTS ARE CONTAINED OR RESOLVED

I/P #5: Conflict Management and Resolution

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

Results			Targets	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #1: Number of African Armed Conflicts Resolved and Peace Support Missions Concluded				
2000: Baseline: Six armed conflicts ongoing. Four peace missions active. **2001:** One conflict resolved (Ethiopia-Eritrea).	South Africa, an African Union member, provided personnel to the Joint Military Commission responsible for working with the UN Observation Mission in the (Democratic Republic of the) Congo to further the Congolese peace process. The war in Sierra Leone was effectively over and the peacekeeping mission was being phased out; peace building activities continue using U.S. and other funding. Program activities such as the West Africa Stabilization Program and ACOTA have ensured that ECOWAS troop contributors are better able to meet the demands of peacekeeping operations.	Conflicts Resolved: Democratic Republic of Congo – Large-scale conflict resolved with inauguration of a transitional Government of National Unity in July 2003. Burundi – Conflict partially resolved; fighting continues. Ceasefire reached with the largest rebel group, the Forces for the Defense of Democracy (FDD); agreement in first quarter FY 2004. Liberia – The Liberian civil war deteriorated starting in May 2003. Peace talks began in Ghana in June 2003 and a comprehensive peace agreement was signed on 18 August. The U.S. provided nearly $26 million in logistics support to enable the deployment of ECOWAS peacekeeping forces.	Two conflicts resolved (Congo-Great Lakes, Sudan). Two peace support missions withdrawn (Sierra Leone and Ethiopia/Eritrea).	Peacekeeping mission in Cote d'Ivoire withdrawn and Liberia preparing for final year of peacekeeping operations following elections.

I/P #6: Indo-Pak Relations/Kashmir				
Indo-Pak tensions are reduced and stability is advanced in Kashmir.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
Indicator #2: Status of Relations Between Pakistan and India on Kashmir				
2000: Continued military action by both sides along the line of control (LOC). Existing CBMs ignored. Pakistan providing material assistance and training to groups fighting in Kashmir. Poor channels of communication. **2001:** From November 2000 to May 2001, Indian offensive security force operations suspended; militant infiltration and attacks continued. Agra Summit broke down over communiqué wording.	Major terrorist attacks brought India and Pakistan close to war, but U.S. and U.K. diplomatic intervention helped ease tensions, and Pakistan took actions against Kashmiri jihadist militants. India successfully held elections in Kashmir. Pakistan provided assurances in June that support for infiltration across the Line of Control would cease permanently. Infiltration decreased initially, but appeared to pick up again in the fall, as did violence inside Kashmir. India began to demobilize forces following Kashmiri elections. Pakistan followed suit. USG avoided programming to state of Jammu and Kashmir up to present because of political sensitivity of Kashmir issue and security concerns.	Infiltration continued throughout the year, though at a lower level than in recent years. Militant-initiated violence in Indian-administered Kashmir was low during the summer, but increased sharply in late August and September. Militant training camps and related infrastructures in Pakistan were not substantially disbanded, although some were deactivated for periods over the summer. Militant groups in Pakistan have been and remain proscribed. Military forces on both sides returned to pre-crisis locations and readiness levels. India and Pakistan renewed diplomatic contact. Indian PM Vajpayee launched a major new peace initiative in April, which Pakistani PM Jamali welcomed. India and Pakistan returned High Commissioners, restored some transportation links, and engaged in numerous people-to-people, including legislative, exchange. However, official talks have not started.	Infiltration declines significantly. Most terrorist groups in Pakistan disband. India and Pakistan effectively implement existing nuclear and conventional CBMs, and agree to implement new ones, including non-traditional CBMs, such as cooperation on shared water resources. Only if politically feasible, USG examines the potential impact of USG assistance in helping to bring normalcy to Jammu and Kashmir; and what types of assistance would be most suitable for USG funding.	Infiltration further declines. Terrorism inside Kashmir declines further. Terrorist groups not permitted to operate in Pakistan. India and Pakistan effectively implement existing nuclear and conventional CBMs, and agree to implement new ones. Polling indicates Kashmiris believe their everyday lives are improving.

I/P #7: An Enhanced and Expanded Euro-Atlantic Partnership				
Promote stability, security, democracy, and prosperity within the region and build support for U.S. strategic goals beyond Europe.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #3: Implementation of Adapted Conventional Forces in Europe (CFE) Treaty				
2000: CFE adaptation negotiations continued. Adapted Treaty and Final Act signed at Istanbul. **2001:** Second Review Conference of CFE Treaty successfully concluded and advanced U.S. and NATO interests. NATO remained firm in demanding Russian compliance with Istanbul commitments. Russia made initial progress towards implementing Istanbul commitments.	Russia fulfilled its Istanbul commitment on the flank issue, reduced its flank equipment to Adapted Treaty levels, and discharged its Istanbul commitments for CFE equipment in Georgia and Moldova. Russia needs to reach agreement with Georgia on remaining issues re: Gudauta base and its future use, and the duration of Russian presence in Batumi and Alkhalkalai. Russia also needs to complete the removal and destruction of munitions and small arms in Moldova. Conditions for U.S. ratification of Adapted CFE Treaty have not yet been met.	The situation in Moldova, which had been improving earlier in 2003, then installed at mid-year, is now again proceeding toward resolution; however, the trains moving ammunition and equipment out of Moldova are running only on a modest schedule. Russia did not meet the December 31, 2003 deadline to withdraw forces from Moldova. Progress on Georgia has been stalled for most of 2003, though there are now indications that Georgia and Russia will meet soon to resume discussions on implementing the commitment on Georgia. Russia remains in compliance with Adapted CFE Treaty Flank Limits.	U.S. and NATO allies agree that Russia has fulfilled all Istanbul commitments, allowing for U.S. ratification and, after all other CFE States Parties ratify, entry into force of the Adapted CFE Treaty. On-going effort improves overall compliance.	No major problems in implementing the Adapted CFE Treaty. Accession by additional European states wishing to join. On-going effort improves overall compliance.

I/P #8: Peacekeeping Participation

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

Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
(P) Indicator #4: Percentage of EIPC-funded. PKO-Trained Countries That Pledge Military Units or Participate in the UN Peacekeeping Standby Arrangement System or Multinational Military Operations of High U.S. Foreign Policy Interest				
2000: N/A **2001:** Baseline: 85%	85%	85.1%	88%	90%

I/P #9: Implementation of the Road Map

Implement the President's vision for a permanent, peaceful, two-state solution of the Israeli-Palestinian problem, leading to a comprehensive peace on all tracks, including Israel and its neighbors.

Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
Indicator #5: Full Implementation of the Road Map Leading to an Independent, Democratic Palestinian State, Existing Side by Side With Israel in Peace and Security				
2000: N/A **2001:** U.S. has encouraged both sides to reach a ceasefire and resume dialogue.	Periodic, often large-scale, Palestinian terrorist attacks targeted at Israel, often followed by harsh preventive, retaliatory, or deterrent Israeli military actions. Significant civilian casualties on both sides.	Roadmap to peace introduced. Intermittent cessation of violence. Dialogue between the President and Palestinian and Israeli Prime Ministers. Deployment of a full-time senior representative to the region who has coordinated efforts to implement the roadmap.	Work toward an independent Palestinian state with provisional borders. Continued implementation of road map provisions. Reduction of Palestinian poverty and malnutrition to pre-intifada levels. After successful conclusion of Palestinian elections, Quartet convenes international conference. Arab states restore pre-intifada links with Israel. Multilateral track revived. Israeli, Palestinian and regional Arab non-official experts resume dialogue on political, security, arms control, and other regional issues. In Gaza, active public diplomacy and public affairs programming resumes, pursuant to improvement in security situation with NGOs, professional associations, and academic institutions. Provide assistance for economic development in the Palestinian area under the Middle East Partnership Initiative	Implementation of prior agreements. Enhanced international monitoring of road map implementation. Second international conference convened by Quartet. Private Israelis and Palestinians participate freely with full official support in joint meetings, exchange projects, and people-to-people activities and receive coverage in the Israeli and Palestinian media.

I/P #10: Iraq and Gulf Security				
Work with our allies in the Gulf to confront any threats to the region, including weapons of mass destruction and terrorism from al-Qaida or others.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #6: Free, Democratic, and Whole Iraq at Peace with Itself and Its Neighbors				
2000: N/A **2001:** Saddam regime entrenched in Iraq; UN sanctions remain in effect.	Saddam Hussein still in power; UN sanctions remain in effect.	Saddam Hussein's regime overthrown. The Department worked closely with DoD and CPA to stabilize and rebuild Iraq. NEA continues to support the development of strategies to move Iraq towards democracy, rule of law, build free market economy, including non-oil sector; build Iraqi security forces, subordinate to constitutional authority, capable of relieving U.S. and Coalition forces. The Department's engagement at the UN is consistent with the responsibilities outlined in UNSCR 1483. UNSCR 1500 reaffirms the UN's support for the GC and fortifies the important role for the UN in Iraq by establishing a United Nations Assistance Mission to support the work of the UN Special Representative in Iraq. UN agencies have been making critical contributions in humanitarian assistance and economic reform in Iraq.	Iraqi GC assumes additional responsibilities; Transitional Administrative Law drafted and approved; transitional Iraqi government assumes full sovereignty; continued political, legal and economic reform. Democratic institutions, rule of law, civil society, free media started. Accountability and anti-corruption efforts take hold.	Elections for constitution convention held; constitution drafted and ratified; elections for new, permanent government held; rule of law and civil society take root; free media serves as responsible watchdog on governmental power. Iraq assumes primary responsibility for own security, able to defend itself without being a threat to neighbors.

I/P #10: Iraq and Gulf Security, cont'd				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
Indicator #7: Iraq Reconstruction and Economic Development Improve Living Conditions				
2000: N/A **2001:** Purchasing power parity per capita GDP is $2500; GDP growth rate is 5.7 per cent. Estimated infant mortality rate is 57.61 per 1000 (CIA Fact Book).	Data not available.	No significant results due to recent end of conflict	Per capita GDP increases by 10 per cent. Infant mortality rate declines to 45 per 1000.	Per capita GDP increases by 10 per cent. Infant mortality rate declines to 35 per 1000.

I/P #11: Peacekeeping Operations - OSCE				
Ensure regional and sub-regional stability in the independent states of the former Soviet Union.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
(P) Indicator #8: Implementation of New Police Training Programs in Former Soviet States				
2000: N/A **2001:** No OSCE training programs in former Soviet States.	No OSCE training programs in former Soviet States.	Police Unit conducts assessment mission needs assessments, develops project proposals, and obtains seed money for project implementation in Kyrgyzstan as a model.	First projects are implemented in Kyrgyzstan. Police Unit conducts separate assessment missions to the Caucasus and Central Asia and to Belarus, Ukraine and Moldova. Based on results, projects are developed and funding obtained for border training programs throughout the former Soviet Union.	OSCE Police Unit oversees implementation of border training programs throughout the former Soviet Union. Police Unit begins work on a program to create model police stations throughout the former Soviet Union.
Output Indicator				
(P) Indicator #9: Withdrawal of Russian Forces from Moldova and Georgia; OSCE Voluntary Fund Status				
2000: N/A **2001:** Moldova Voluntary Fund has been in place since December 1999, with mandate based on 1999 Russian Istanbul Commitments with regard to Moldova. All declared Russian CFE Treaty Limited Equipment was withdrawn from Moldova ahead of the December 31, 2001 deadline.	Work began on withdrawal and disposal of remaining non-TLE equipment and 42,000 tons of ammunition. On Georgia, U.S. pressed sides to resume withdrawal talks. Russians claimed they needed financial help to close remaining bases.	Georgia: Russia and Georgia held one round of discussion regarding withdrawal of Russian forces from Georgia, with no results. Moldova: following the imposition of a U.S./EU visa restriction on Transdniestrian leadership, Transdniestria allowed the Russians to resume removal of Russian munitions and equipment. In the first half of 2003, approximately 30 trains of Russian munitions and military equipment left Moldova.	Withdrawal from Moldova completed. Verification of compliance by OSCE Mission to Moldova is ongoing. Voluntary Fund remains until all withdrawal issues settled. Russia reaches agreement with Georgia on duration of its military presence and status of Russian presence at a base in Abkhazia.	Verification continues. Russia's Istanbul commitments on withdrawals from Moldova and Georgia fulfilled; Adapted CFE Treaty ratified, providing basis for new Allies to join NATO. Voluntary Fund ceases operation. Excess contributions in Voluntary Fund returned to donors on a pro rata basis.

I/P #12: Security Assistance Programs in Sub-Saharan Africa				
Continue to invest in efforts to reduce conflict in Africa.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #10: Implementation of Sudan Peace Process				
2000: N/A **2001:** Sudan at war, including gross underdevelopment and humanitarian deprivations in the Nuba Mountains region and the south of the country. Violations of human rights throughout Sudan, especially in the Nuba Mountains and the south.	Both the Government of Sudan and the Sudan People's Liberation Movement/Army began a peace process, resolving two of the most contentious issues: the role of religion and the right of self-determination. Nuba Mountains ceasefire agreement concluded, international monitoring operations begun and humanitarian support provided. Civilian Protection Monitoring Team (CPMT) preparing to stand up. Zones of Tranquility and Slavery Commission work conducted.	USG continued playing a strong role in the IGAD peace process. Talks continued moving toward conclusion. Wide-ranging USG planning in the event of peace undertaken; most planning targets have been identified. Ceasefire monitoring continued; DDR planning underway.	The interim period begins. There is a smooth transition as all elements of the peace agreement are implemented.	A sustained international aid and development program is established to support the implementation of the peace agreement leading up to elections. Refugees and IDPs returning home.
Output Indicator				
(P) Indicator #11: Number of U.S.-Trained African Units Deployed to Peace Support/Humanitarian Response Operations				
2000: N/A **2001:** Five (5) U.S.-trained battalion-sized units successfully participating in peacekeeping or contingency operations.	Five (5) U.S.-trained battalion-sized units successfully participating in peacekeeping or contingency operations.	Seven (7) African contingents trained by the U.S. or U.S.-trained trainers engaged in peace support missions. An additional five contingents planned for Peace Support Operations (PSO) participation in Liberia and Burundi.	Of all African battalions (or their equivalent) deployed in PKO globally, approximately 65 percent will have significant staff and unit training experience under U.S. or U.S.-trained trainers.	Of all African battalions (or their equivalent) deployed in PKO globally, approximately 70 percent will have significant staff and unit training experience under U.S. or U.S.-trained trainers.

I/P #13: Restrict ACW Transfers				
The transfer of advanced conventional arms to states of concern is constrained.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
Indicator #12: Effectiveness of Wassenaar Arrangement (WA) Control Lists				
2000: Control levels/parameters for some WA items are too high. Because some technologies are available globally, they are effectively uncontrolled. U.S. insistence on retaining those control levels has created problems with allies and threatens to undermine the WA as an arms control regime. **2001:** Agreement in the WA to add reporting on two new sub-categories of military vehicles. Within the WA, Russia alone continues to oppose mandatory reporting for small arms and light weapons, Man Portable Air Defense Systems (MANPADS), and warships down to 150 tons.	No new categories were added to WA control lists, but progress was made in this multi-year effort. Within the WA, Russia alone continues to oppose mandatory reporting for small arms and light weapons, Man Portable Air Defense Systems (MANPADS), and warships down to 150 tons.	Within WA control lists, certain categories of weapons are being expanded, some widely available (and thus uncontrollable); dual-use items were dropped, and MANPADS has made considerable progress with energetic cooperation from Russia, the UK, and other countries. Over the past ten years, the value of shipments of conventional weapons to state sponsors of terrorism has fallen by nine-tenths, and illicit shipments to other destinations have also fallen. Tools include bilateral demarches and intelligence liaison, strengthening of norms in the Wassenaar Arrangement and other international for a, sanctions, law enforcement, and (potentially) direct interdiction. Results have been better than expected, especially since Iraq is no longer importing conventional weapons.	Prompt reporting of arms transfers on the WAIS. Reporting of denials of arms transfers, and notification before undercutting a previous dual-use denial. Sharing of "best practices" papers on effective export control practices within the WA. Gain additional support (outside Wassenaar) for Wassenaar's "Elements for Export Controls of MANPADS."	More extensive reporting of conventional arms transfers by member states Expand catch-all (i.e., controls by end-user in addition to controlling the item or technology) Expand denial consultations. (i.e.,, consultation before approving an export of an item or technology already denied for export by another member state) Chinese cooperation on MANPADS (to safeguard and restrict production, storage, transfer, and brokering of Man Portable air Defense Systems, such as Stinger or Igla).

PKO Funding of OSCE Activities (PART Program Efficiency Measure)				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Efficiency Indicator				
Indicator #13: Per Unit Cost of USG-Funded OSCE election observation				
2000: N/A **2001:** N/A	Baseline: $6,500 per long-term observer. $3,700 per short-term observer.	5% below baseline	10% below baseline	15% below baseline
Note: Calculated using average travel and per diem cost per USG-funded observer. Cost per election observer declines due to better utilization of market airfares, standardized per diem rates, closer monitoring of election schedules to minimize per diem days and maximize staffing efficiency for multi-round elections.				

Security Assistance to Sub-Saharan Africa (PART Program Efficiency Measure)				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Efficiency Indicator				
Indicator #14: Rate of Program Country Sustainment — Cost to Train and Equip One Battalion of U.S.-trained or U.S. Trainer-trained African Peacekeeping Troops				
2000: N/A **2001:** Baseline: ($75M to produce 8 battalions)	$15M to produce 4 battalions.	$8M to produce 6 battalions.	$15M to produce 14 battalions.	$15M to produce 15 battalions.

Means for Achieving FY 2005 Targets

Peacekeeping mission in Cote d'Ivoire withdrawn and Liberia preparing for final year of peacekeeping operations following elections.

- ECOWAS mission and talks among Liberian parties lead to transitional government in Liberia.
- UNPKO replaces ECOWAS mission.
- Sustained IC relief and development programs address immediate humanitarian needs and lays foundation for effective government.
- UN Secretary General Special Representative (UNSYGSR) coordinates IC efforts.
- Stability in Liberia and further implementation of the peace plan in Cote d'Ivoire allow return to functioning democratic governments in West Africa.

Infiltration further declines. Terrorism inside Kashmir declines further. Terrorist groups not permitted to operate in Pakistan. India and Pakistan effectively implement existing nuclear and conventional CBMs, and agree to implement new ones.

- Maintain pressure on Pakistan to prevent terrorist groups from rebuilding and infiltrating across the line of control; strengthen counterterror capability and military cooperation and ties (FMF, INCLE).
- Work to support India's ability to monitor the border and to deepen military cooperation and ties; strengthen rule of law and counternarcotics capability (FMF, INCLE).
- Explore non-traditional CBMs, such as cooperation on shared water resources.

Pilot programming in Kashmir results in some tangible benefits (e.g., increased literacy rates, child survival rates, citizen advocacy and/or employment).

- Foster cooperative and confidence-building programs in Kashmir in areas such as employment-generation, and civil society development, and between India and Pakistan in areas such as people-to-people contacts, economic cooperation, and environmental protection (ESF, DA, PD).
- Through regional stability and Muslim Outreach Program, support civic education and development projects in Kashmir (ESF, PD).

Polling indicates Kashmiris believe their everyday lives are improving.

- Conduct polling on Kashmiris' level of satisfaction with their everyday lives.

No major problems in implementing the Adapted CFE Treaty. Accession by additional European states wishing to join. On-going effort improves overall compliance.

- Work with NATO allies to ensure that the Alliance remains firm in demanding that Russia fulfill all Istanbul commitments.
- Work with other CFE States in the Joint Consultative Group to address CFE implementation and compliance issues.

Ninety percent of EIPC-funded. PKO-Trained countries pledge military units or participate in the UN Peacekeeping Standby arrangement system or multinational military operations of high U.S. foreign policy interest.

- The core of the EIPC training program is the PK Training and Education program established by the Center for Civil-Military Relations (CCMR) located in Monterey, California.
- Encourage other countries to establish peacekeeping training centers or dedicated training programs, develop national policies on PK, and increase their involvement in peacekeeping operations.
- Increase the global pool of qualified military peacekeepers so that there is less demand for U.S. military participation when peace support operations are necessary.

Implementation of prior Israeli-Palestinian agreements. Enhanced international monitoring of road map implementation. Second international conference convened by Quartet. Private Israelis and Palestinians participate freely with full official support in joint meetings, exchange projects, and people-to-people activities and receive coverage in the Israeli and Palestinian media.

- Continue to work with our international partners in the Quartet and the parties themselves to encourage full implementation of all steps outlined in the "Performance-Based Roadmap to a lasting Permanent Two-State Solution to the Israeli-Palestinian Conflict."
- Deployed a full-time senior representative to the region to coordinate efforts to implement the roadmap and realize the two-state vision.
- Ensure sufficient resources in the Department's budget will be made available to support senior representative and staff.
- Ensure the U.S. commitment to Israel's security remains ironclad, including maintenance of its qualitative military edge, through ESF ($360 million) and FMF ($2.2 billion) assistance.
- Move forward with U.S. assistance programs in the West Bank and Gaza, pursuant to security situation, to improve the quality of life and support Palestinian Authority reform efforts, as well as to help mitigate the influence of radical elements.

Elections for constitution convention held; constitution drafted and ratified; elections for new, permanent government held; rule of law and civil society take root; free media serves as responsible watchdog on governmental power. Iraq assumes primary responsibility for own security, able to defend itself without being a threat to neighbors.

- Continue to work closely with the transitional Iraqi government to support efforts to reinforce Iraqi democracy and the rule of law. Assistance will be provided to help build an Iraqi military that will serve a democratic society and protect the Iraqi constitution without being a threat to Iraq's neighbors. Democratization, rule of law and anti-corruption efforts must be multi-faceted to overcome decades of authoritarian rule. Develop and promote programs to encourage accountability and reconciliation and develop free media to help achieve transparent, ethical and pluralistic governance.
- Initiatives being considered include a robust IV Program; support for a fair, effective and transparent judicial system; sponsorship of local, state and federal groups to assist in good governance training; and promotion of non-governmental institutions to build respect for human rights, including women's rights, the rule of law and anti-corruption efforts.
- Continue working with other USG agencies, Iraqi government officials, the UN, international financial institutions and mayor foreign donors on fostering reconstruction and economic growth, which are critical to establishing political stability. Facilitate restoration of infrastructure, prudent fiscal and monetary policies, successful privatization of state-owned enterprises and promotion of private sector development. Develop and promote numerous and varied opportunities for engagement, including conferences on economic transition, technical training and cooperation with international financial institutions
- The Department expects that a sovereign Iraqi government chosen through a democratic process will be in place and a permanent constitution will be drafted and ratified in 2005. Political party capacity-building, building a free media, democracy training for Iraqi officials, advancement of the rule of law and democratic institutions, promoting transparency and anti-corruption efforts, developing a vibrant civil society, and support for democracy will be key U.S. policy priorities.
- NEA will continue to work with our counterparts at USAID as well as inter-Departmentally to assure that USG programming priorities are complementary and not duplicative.
- Activities such as the following will be supported:
- Establishment and support of political parties.
- Political party capacity-building.
- Democracy training for Iraqi officials at all levels.
- Programs to promote economic reforms and entrepreneurship.
- Programs to ensure responsible use and stewardship of Iraq's environmental resources especially water for the benefit of all its citizens.
- Promoting transparency and anti-corruption efforts.
- Technical assistance programs in the area of promoting the rule of law and the independence of judicial institutions.
- Programs to develop civil society.

OSCE Police Unit oversees implementation of border training programs throughout the former Soviet Union. Police Unit begins work on a program to create model police stations throughout the former Soviet Union.

- Strengthen OSCE capacity to address policing needs, both in terms of training and crisis response, particularly in the Balkans and the former Soviet Union.

Verification continues. Russia's Istanbul commitments on withdrawals from Moldova and Georgia fulfilled; Adapted CFE Treaty ratified, providing basis for new Allies to join NATO. Voluntary Fund ceases operation. Excess contributions in Voluntary Fund returned to donors on a pro rata basis.

- Press for Russian fulfillment of all Istanbul commitments as prerequisite for ratification of Adapted CFE Treaty, including by offering assistance in implementation.
- Implement all agreed Confidence and Security-Building Measures (CSBMs) and crossover issues resulting from increased FSC cooperation with the OSCE Permanent Council.

A sustained international aid and development program is established to support the implementation of the peace agreement leading up to elections. Refugees and IDPs returning home.

- Engage bilaterally and as part of the troika (U.S., U.K., and Norway) to seek a just peace agreement between the Government of Sudan and the Sudan People's Liberation Movement.
- Support the mediation efforts of General Sumbeiywo, and the Intergovernmental Authority on Development (IGAD).
- Create a peace dividend for both sides to the conflict by continuing peace process planning among donor countries.
- Support ceasefire monitoring, DDR activities, and defense reform and integration of Sudanese military forces.

Of all African battalions (or their equivalent) deployed in PKO globally, approximately 70 percent will have significant staff and unit training experience under U.S. or U.S.-trained trainers.

- In response to issues surrounding the recent Africa trip by President Bush, the African Contingency Operations Training and Assistance program (ACOTA) will be requesting additional funding for FY 2005.
- The ACOTA program, partnered with the militaries of Ghana, Kenya, Ethiopia, Senegal, Botswana, Benin, Malawi, Mali and potentially several additional partners, will continue to train trainers and provide equipment designed to enhance the capacity for African participation in peace support operations.
- Bolster capacity of ECOWAS to undertake conflict management efforts by strengthening command and control communications, training and logistics management and headquarters staff functions. Means to achieve include training and equipment maintenance at ECOWAS Freetown depot, support for tiered peacekeeping training centers in Mali, Ghana and Nigeria, 24/7 internet communications between ECOWAS and member states and staff advisor(s) and training for the military staff at ECOWAS headquarters. Similar efforts in other regional organizations (e.g. African Union, Southern African Development Community) will be undertaken as absorptive capacity allows.

More extensive reporting of conventional arms transfers by member states. Expanded catch-all. Expanded denial consultations. Chinese cooperation on MANPADS.

- Continuous diplomatic cooperation with and pressure on the other 32 Wassenaar member states
- Work within G-8, APEC, OSCE, and other multilateral fora.

V: Illustrative Examples of FY 2003 Achievements

Regional Stability	
Man-Portable Air-Defense Systems (MANPADS)	The State Department led the international effort to prevent terrorists from acquiring MANPADS, more commonly known as shoulder-fired missiles, that could be used to shoot down civilian airliners and government aircraft. Under U.S. leadership the G-8 agreed to: strengthen export controls (including limiting transfers to those between governments); research access controls for newly produced MANPADS; strengthen security of government stocks; and destroy MANPADS that are surplus to defense needs. The State Department led parallel efforts in the Wassenaar Arrangement, which strengthened substantially its control guidelines and includes most producers of MANPADS; and in APEC, which agreed to key commitments and to pursue further efforts in 2004. Also, we are working closely with Russia to support their effort to gain control of MANPADS in the CIS. The State Department secured commitments from 6 countries to destroy nearly 10,000 MANPADS (approximately 1% of the MANPADS that have ever been produced). Almost 1,200 were destroyed by the end of FY 2003.
Enhanced International Peacekeeping Capabilities (EIPC) contribution to U.S. Foreign Policy Goals	Since its inception, EIPC funds have been allocated to 27 nations. More than a third have participated in SFOR or KFOR. In its first five years, EIPC has spent $26.5 million to influence the policies and improve the capabilities of nations that supply 60% of UN peacekeepers (22,357 out of 37, 475 troops currently deployed). Eight of the 12 countries that contribute 1,000 or more personnel to UN peacekeeping operations are EIPC recipients (Bangladesh, India, Ghana, Jordan, Ukraine, Nepal, Uruguay, and Poland. Of the others, two received support for their peacekeeping programs from other USG sources (Kenya – ACRI, and Nigeria – OFR and ACRI).
Sri Lanka	The Department played a significant role in moving the peace process forward by coordinating donor support for a "peace dividend" and by insisting the Liberation Tigers of Tamil Eelam (LTTE) abandon terrorism and reshape itself into a legitimate political organization. In April, the Department hosted a seminar on Sri Lanka attended by 26 countries and 18 international organizations to coordinate support among potential donors to Sri Lanka. In June, the United States co-chaired, along with Norway, the European Union, and Japan, a donors' conference for Sri Lanka held in Tokyo. The United States pledged $54 million over a two-year period, the largest bilateral contribution after Japan's. Total pledges at the conference added up to a staggering $4.5 billion. The Department provided assistance to internally displaced persons and funded a demining program in the war-torn areas. The Department also funded a number of other programs directly supportive of the peace process, which have brought considerable relief to a war-weary populace. At the end of the year, the LTTE presented a proposal to resume peace negotiations, which it had suspended in April, with the Government. Although the Government has been unable to respond effectively to the LTTE proposal due to political infighting between the President and Prime Minister, it is likely that peace negotiations between the government and LTTE will resume in 2004. Although the country remains in transition, there is a sense that peace has returned to the island for good.

VI: Data Verification/Validation by Performance Goal

Performance Goal 1 Close, strong, and effective U.S. ties with allies, friends, partners and regional organizations
• Cable reports and memoranda of communications from U.S. overseas posts, USNATO, USEU, intelligence reporting, and on-site verification. • U.S. Senate committee conference reports, Federal Register reporting on U.S. Senate floor debates, and final ratification of new member accession treaties. • Complete studies exist of the North Korean weapons situation, the U.S.-South Korean alliance, and arms control measures. • U.S., Japanese and South Korean monitoring confirms the status of the North Korean weapons situation and arms control measures.
Performance Goal 2 Existing and emergent regional conflicts are contained or resolved
• Number of attacks is the best, albeit highly imperfect, direct measure of intensity of insurgency in Kashmir. The insurgency is driven largely, though not exclusively, by external support, which can be best measured by level of infiltration, which is in any event very difficult to measure. Force mobilization is the best measure of bilateral tensions, but is a non-incremental process and hence a crude tool. • Number of arrests is a direct but crude measure of the Pakistani Government's crackdown on terrorist groups. • Overall frequency and level of dialogue, stringency of transportation controls, and implementation of CBMs best assess state of the bilateral relationship. Bilateral trade is a good measure of economic cooperation; significant investment is unlikely in this time frame. • Department uses UN and U.S. embassy reporting as well as open sources to verify and validate efficacy of policy and program activities. • Data for measuring performance come from U.S. embassy reporting, reports of JCG meetings, and direct U.S. consultations. The data are sufficient and reliable. • Data to measure performance and progress are derived from direct participation, intelligence, cable reports, Executive Branch Principals and Deputies Committees decisions, decision memoranda, interagency discussion/input, and, where appropriate, WA documents and meetings, and trip reports. Data cover all relevant issues and are reliable. • Through the review of trip reports, cable reports, and on-the-ground military reporting the Department will learn if the ACOTA program has trained African countries for regional peacekeeping. • Department funding is used for the EIPC program, which provides global training to selected countries. Through interaction with the nations involved in EIPC training, the Department will be able to best validate the provision of peacekeeping training. • China plays a significant role in reducing tension in the region and actively collaborates with the USG. • U.S. mission, regional allies (Japan, South Korea, Australia, Thailand, and the Philippines) and NGOs will confirm successful compliance and action.

VII. Resource Detail

Table 1: State Appropriations by Bureau ($ Thousands)

Bureau	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
International Organization Affairs	$694,743	$716,874	$886,688
European and Eurasian Affairs	37,469	38,863	45,796
Near Eastern Affairs	25,922	26,945	30,171
East Asian and Pacific Affairs	19,170	20,046	21,986
Other Bureaus	161,050	261,347	104,612
Total State Appropriations	**938,354**	**1,064,075**	**1,089,253**

Table 2: Foreign Operations by Account ($ Thousands)

Title/Accounts	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
Title I - Export and Investment Assistance			
Export-Import Bank			
Overseas Private Investment Corporation			
Trade and Development Agency			
Title II - Bilateral Economic Assistance			
USAID	53,945	28,254	36,893
Other Bilateral Economic Assistance	1,836,174	699,975	480,530
Independent Agencies			
Department of State	12,400	12,540	15,780
Department of Treasury			
Complex Foreign Contingencies	0	0	50,000
Title III – Military Assistance			
International Military Education and Training	65,181	76,723	71,842
Foreign Military Financing	5,460,850	3,951,639	4,145,985
Peacekeeping Operations	57,126	37,230	52,000
Title IV – Multilateral Economic Assistance			
International Financial Institutions			
International Organizations and Programs	0	0	500
Total Foreign Operations	**7,485,678**	**4,806,361**	**4,853,530**

Grand Total	**$8,424,032**	**$5,870,436**	**$5,942,783**

Strategic Goal 2: Counterterrorism

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

I. Strategic Goal Public Benefit

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

II. Resource Summary ($ in Millions)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Change From FY 2004	
				Amount	%
Staff [1]	905	1,001	1,003	2	0.2%
Funds [2]	$1,332	$2,078	$1,491	(586)	(28.2%)

[1] Department of State direct-funded positions.
[2] Funds include both Department of State Appropriations Act Resources and Foreign Operations Resources, where applicable, which include resources for other USG agencies to which the Department provides foreign policy guidance (e.g., USAID, EXIM, OPIC, TDA, Peace Corps).

III. Strategic Goal Context

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

Strategic Goal	Performance Goal (Short Title)	Initiative/Program	Major Resources	Lead Bureau(s)	External Partners
Counterterrorism	Active Anti-Terrorist Coalitions	Diplomatic Engagement	D&CP, NADR	S/CT	UN
		Anti-Terrorism Assistance	D&CP, NADR	S/CT, DS	N/A
		Terrorist Interdiction Program	NADR	S/CT	N/A
		Meeting International Standards	D&CP	S/CT	N/A
	Freezing Terrorist Financing	Combating Terrorist Financing	D&CP	EB, S/CT, INL	Treasury, DOJ
	Prevention and Response to Terrorism	Foreign Emergency Support Team (FEST)	D&CP	S/CT	DoD, DOE, FBI, CIA, DHS
		Terrorist Financing Initiative	D&CP, NADR	S/CT, EB	Treasury
		U.S.-EU Cooperation on Border Security	D&CP, NADR	S/CT, EUR	DHS
		Frontline States in Global War on Terrorism	D&CP, NADR	SA, S/CT	NSC, DoD, FBI, CIA, Treasury and DoJ
	Diminished Terrorism Conditions	Accomplishment of this performance goal is the responsibility of USAID, and is therefore not reported in the Department of State's FY 2005 Performance Plan.			

IV. Performance Summary

For each Initiative/Program that supports accomplishment of this strategic goal, the most critical FY 2005 performance indicators and targets are shown below.

Annual Performance Goal #1
COALITION PARTNERS IDENTIFY, DETER, APPREHEND AND PROSECUTE TERRORISTS

I/P #1: Diplomatic Engagement				
Ensure that the policies, plans, and activities of foreign governments support the United States' objectives in the Global War on Terrorism(GWOT) through intense diplomatic engagement.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Input Indicator				
Indicator #1: Number of Bilateral and Multilateral CT Consultations with Key Partners.				
2000: 6 **2001:** 9	13	25 Three (3) multilateral counterterrorism conferences and twenty-two (22) bilateral conference/ workshops were completed in FY 2003.	27	27

I/P #2: Anti-Terrorism Assistance				
Develop the capacity of priority CT countries to combat terrorism.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
(P) Indicator #2: Number of ATA Courses Provided to Priority States and the Number of Program Reviews that are Conducted Not Later Than 18 Months After the Training.				
2000: 117 ATA courses provided to forty-two states. Five program reviews conducted. **2001:** 135 ATA courses provided to forty-two states. 14 program reviews conducted.	A total of 180 ATA courses provided to forty-one states. A total of 16 program reviews conducted.	A total of 238 courses provided to 50 states. A total of 14 program reviews conducted.	A total of 210 ATA courses provided to 50 states. A total of 16 program reviews conducted.	Provide a total of 220 training courses and consultations to priority countries.

I/P #2: Anti-Terrorism Assistance, *cont'd*				
Develop the capacity of priority CT countries to combat terrorism.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
(P) Indicator #3: Number of Countries in Which a Quantifiable Needs Assessment and Program Review Rating System for Measuring CT Capacity is Implemented				
2000: N/A **2001:** N/A	N/A	Data pending.	Quantifiable needs assessment and program review rating system is applied to 12 countries. Country Assistance Plans (CAPs) are developed with 12 countries. CAP objectives are achieved as scheduled in 12 countries. Progress is measured in 12 countries.	Quantifiable needs assessment and program review rating system is applied to 12 countries. Country Assistance Plans (CAPs) are developed with 12 countries. CAP objectives are achieved as scheduled in 24 countries. Progress is measured in 24 countries.

I/P #3: Terrorist Interdiction Program				
Bolster the border security of countries at a high risk of terrorist transit.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
(P) Indicator #4: Number of TIP Installations at Immigration Points and Number of Immigration Officials Trained to Use TIP.				
2000: N/A **2001:** TIP software is developed.	Installed in Karachi International Airport in Pakistan in November 2001. Installed at 12 immigration points in Yemen (100 workstations) in June 2002 and 125 immigration officials trained to use TIP.	TIP was installed in Afghanistan, Cambodia, Cote D'Ivoire, Ethiopia, Kenya, Ghana, Iraq, Kosovo, Nepal, Nicaragua, Pakistan, Senegal, and Yemen. A total of 430 workstations were installed and approximately 1000 immigration officials were trained to use the TIP system in the aforementioned countries.	5-6 additional installations in selected states and immigration officials are trained.	5-6 additional installations in selected states and immigration officials are trained.

I/P #4: Meeting International Standards

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

Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
Indicator #5: Number of States That Have Periodically Submitted Required Reports to the UN Security Council, Corresponding to the Multiple Stages of Implementation of United Nations Security Council Resolution (UNSCR) 1373.				
2000: UNSCR 1373 was passed in September 2001; it did not exist in 2000. **2001:** UN CTC established to monitor and assist members in implementing UNSCR 1373.	174	191 (all member states of the United Nations)	Member States continue to submit follow-up reports as requested by the CTC	Member States continue to submit follow-up reports as requested by the CTC

Anti-Terrorism Assistance
(PART Program Efficiency Measure)

Results			Targets	
2000 & 2001	2002	2003	2004	2005
Efficiency Indicator				
Indicator #6: Average Length of Time a Country Spends in Basic Training Programs Before Achieving Sustainment of Basic Anti-terrorism Capacities				
2000: N/A **2001:** N/A	N/A	Data pending.	Baseline: 14 years	9 years

Terrorist Interdiction Program (PART Program Efficiency Measure)				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Efficiency Indicator				
Indicator #7: TIP Installations Completed/Yearly Appropriations (in Millions)				
2000: N/A **2001:** N/A	N/A	Baseline: Installations: 6 Appropriation: $5m Measure: 1.2	Installations: 5 Appropriation: $5m Measure: 1	Installations: 5 Request: $5m Measure: 1
Explanation: In FY 2003, the Terrorist Interdiction Program completed 12 installations of the PISCES border control system overseas, but S/CT appropriations provided for only 6 of the FY 03 installations (TIP is a joint USG agency program). These installations represented either the initial installation in a country or an expansion of the program, i.e. installations at additional ports of entry. Installation costs will vary widely due to external factors including geography, political environment and terrorist threat. The expected decline in efficiency between 2003 and 2004 is due to more challenging installation conditions (expanding installations from the main airport to the country's periphery).				

FMF/IMET in WHA (PART Program Efficiency Measure)				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Efficiency Indicator				
Indicator #8: Ratio of FMF Program Costs to the Number of Days a Year that the Cano Limon Pipeline is Fully Operational				
2000: N/A **2001:** Baseline: 164 Days operational	Actual: 304	Cost: $93M Goal: >300 days Measure: 0.31	Cost: $4M Goal: >325 Measure: 0.01	Cost: TBD Goal: >335 Measure:
Explanation: FMF funds are being used to enhance the Colombian armed forces' capabilities to suppress and deter attacks on the Cano Limon pipeline since the 170 attacks during 2001 forced pipeline shutdowns that reduced Colombian government income by an estimated $480 M. The FMF program in WHA is relatively new, since FMF funds were not applied to Colombia until the FY03 Supplemental [hence the $93 M in start up costs]. The efficiency shown is that decreasing and even static levels of FMF program costs will still allow that the Cano Limon pipeline remains fully operational for more days a year as the Colombian Armed Forces increase their capacity to patrol the region and protect the pipeline. As the program costs go down and the pipeline is open longer, the measure will continue to decrease as the program becomes more efficient. The measure is calculated as follows: FY FMF Costs ÷ [# of Days Pipeline is Open]				

Means for Achieving FY 2005 Targets

Undertake twenty-seven bilateral and multilateral CT consultations with key partners.

- Assign an employee to coordinate CT policy consultation opportunities, and provide logistic support on a full time basis. This will ensure continuity, efficiency, and consistency of message, and effectiveness of those consultations.
- Maintain close cooperation and coordination with the governments of key partners to ensure that bilateral and multilateral exchanges continue at which U.S. officials and their counterparts further specific counterterrorism goals and priorities, share concerns, and overcome challenges.

Provide a total of 220 training courses and consultations to priority countries.

- Maintain mobile training units to provide emergency training to police units these priority countries when a CT-related situation exists.
- Establish counterterrorism priority states through the Department-chaired, interagency Training and Assistance Sub-Group.
- Increase the flexibility of ATA training through development of the Mobile Antiterrorism Training Team (MATT) concept;
- Develop the ability to present domestic-based ATA courses, as needed, in participant countries.

UN Security Council receives reports from 191 states on their efforts to implement United Nations Security Council Resolution (UNSCR) 1373.

- The importance of a country reporting on its implementation of UNSCR 1373, as called for by the Resolution, and in general giving high priority to CT, will be included in the talking points for each and every CT engagement and presentation.
- Press delinquent Member States to submit their reports.

Quantifiable needs assessment and program review rating system is applied to 12 countries.

- Conduct bi-annual program reviews which measure progress in the areas for which the participating unit was trained and assess additional assistance needs to sustain the country's developing antiterrorism capacity.
- To improve the existing process, ATA has developed a quantifiable assessment rating system which will be used to establish base-line ratings and better measure the impact of the ATA program.

Country Assistance Plans (CAPs) are developed with 12 countries.

- Develop Country Assistance Plans for each participating nation containing specific and achievable goals and objectives for ATA training assistance activities.

5-6 additional installations in selected states and immigration officials are trained.

- Continue to improve the capabilities of the PISCES computer system by taking advantage of technological advances to increase TIP's effectiveness in detecting and deterring terrorists.
- Work with INL and other USG agencies to ensure that TIP meshes with other efforts to improve border security of partner nations.

Annual Performance Goal #2

U.S. AND FOREIGN GOVERNMENTS ACTIVELY COMBAT TERRORIST FINANCING

I/P #5: Combating Terrorist Financing

Combat terrorist financing by designating Foreign Terrorist Organizations (FTOs), supporters of terrorism under E.O. 13224, and submitting al-Qaeda-related individuals and entities to the UN 1267 Committee.

Results			Targets	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #1: Yearly Number of Names Designated Under E.O. 13224 for Terrorist Asset Freezing				
2000: N/A **2001:** Baseline: 136 names were designated by the U.S.	Eighty-nine names were designated.	Eighty additional terrorist-related individuals and entities were named.	Designate additional terrorist-related individuals and entities as appropriate.	Designate additional terrorist-related individuals and entities as appropriate.
Output Indicator				
Indicator #2: Number of Countries Submitting Names to the UN 1267 Sanctions Committee's Consolidated List				
2000: N/A **2001:** Baseline: No foreign countries submitted names to the 1267 Sanctions Committee.	A total of 68 foreign countries submitted al Qaeda-related names to the 1267 Sanctions Committee.	A total of 39 foreign countries submitted al Qaeda-related names to the 1267 Sanctions Committee.	Submission of additional names by foreign governments, as appropriate.	Foreign governments submit additional names, as appropriate.
Input Indicator				
Indicator #3: Yearly Number of Names Added to the UN 1267 Sanctions Committee's Consolidated List				
2000: N/A **2001:** Baseline: 153 Taliban-related and 117 al Qaeda-related names were added to the 1267 Committee's List.	Fifty-four al Qaeda names were added to the 1267 Committee's List.	Sixty-three names (thirteen entities and fifty individuals) were added between October 2002 and September 2003.	Add al Qaeda-related individuals and entities as appropriate.	Add al Qaeda-related individuals and entities as appropriate.

I/P #5: Combating Terrorist Financing, *cont'd*				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #4: Number of U.S. Training and Assistance Programs and Assessments Delivered to Priority States to Help Combat the Financing of Terrorists				
2000: N/A **2001:** N/A	Ten of the nineteen CT finance priority assistance countries have been assessed by U.S. interagency financial assessment teams (FSAT) and ten training and technical assistance plans developed. Some form of training and technical assistance delivered to fifteen of the nineteen countries (training in one of the five functional areas: legal framework, financial/regulatory, financial intelligence unit, prosecutorial/judicial, financial investigations)	Fifteen assessments completed. Fifteen of the targeted nineteen states are now receiving training and technical assistance.	Two countries assessed by FSATs and two training and technical assistance plans developed. Ten countries fully implement technical assistance and training plans (training received in at least all five of the functional areas). Seven countries at least partially implement technical assistance and training plans (training received in at least three of the five functional areas). Six new countries are added to the priority assistance list.	Six countries assessed by FSATs and six training and technical assistance plans developed. Eight countries at least partially implement technical assistance and training plans (training received in at least three of the five functional areas). Seven countries fully implement technical assistance and training plans (training received in at least all five of the functional areas).

I/P #5: Combating Terrorist Financing, *cont'd*				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Input Indicator				
Indicator #5: Number of Groups Designated as Foreign Terrorist Organizations (FTOs) Pursuant to U.S. Law and Timeliness of Review of Such Groups				
2000: Twenty-nine groups designated as FTOs. **2001:** Thirty-one groups designated as FTOs. Twenty-eight FTOs reviewed for redesignation, twenty-five groups redesignated and two other groups dropped from the list.	Six more organizations designated as FTOs, bringing the total to thirty-three. Five groups were under review for possible FTO designation.	Two more new FTOs were designated, bringing the total to thirty-five. One FTO designation was amended to reflect its name change. All 27 FTO designations due to expire during FY 2003 were reviewed and re-designated on time.	Complete all FTO reviews; no new addition pending for more than four months.	Complete all FTO reviews; no new addition pending for more than four months.

Means for Achieving FY 2005 Targets

Designate additional terrorist-related individuals and entities under E.O. 13224 for Terrorist Asset Freezing as appropriate.

- Diplomatic engagement to ensure cooperation with GWOT partners on threat information and intelligence sharing.

Add al Qaeda-related individuals and entities to the UN 1267 Sanction Committee's Consolidated List as appropriate.

- Diplomatic engagement with foreign governments to ensure submissions are accepted by the 1267 Committee. With other State bureaus, ensure UNSC members are thoroughly familiar with 1267 Sanctions Committee process to minimize procedural delays.
- Lead the interagency process though which the USG develops and sustains bilateral and multilateral relationships, strategies and activities to win international support for and cooperation with our efforts to combat terrorist financing.

Foreign governments submit additional names to the UN 1267 Sanction Committee's Consolidated List as appropriate.

- Diplomatic engagement to continue encouragement of other governments to utilize the 1267 mechanism. Raise awareness and serve as a resource for foreign governments on the process to facilitate submissions.

Complete all FTO reviews; no new additions pending for more than four months.

- Indicator will be rendered moot by legislative amendment (note that new additions will still occur).

Six countries assessed by FSATs and six training and technical assistance plans developed.

- Six teams from State, Justice and Treasury will travel to six countries to assess the financial systems and report back to the TFWG (Terrorist Finance Working Group) on vulnerabilities to terrorist financing.
- Develop technical assistance plans tailored to the needs of each country, for approval by the TFWG and earmarking of funding for implementation.

Eight countries at least partially implement technical assistance and training plans (training received in at least three of the five functional areas).

- Identify appropriate training providers within the USG and implement technical assistance plans to partially reduce the vulnerabilities to terrorist financing in the eight countries.

Seven countries fully implement technical assistance and training plans (training received in at least all five of the functional areas).

- Implement technical assistance plans based upon findings of the FSAT using the identified training providers.

Annual Performance Goal #3
COORDINATED INTERNATIONAL PREVENTION AND RESPONSE TO TERRORISM, INCLUDING BIOTERRORISM

I/P #6: Foreign Emergency Support Team (FEST)

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

Results			Targets	
2000 & 2001	2002	2003	2004	2005
Input Indicator				
Indicator #1: The Department's Ability to Respond to Terrorist Incidents and Exercise Its Lead Agency Responsibilities with the NSC-mandated Foreign Emergency Support Team (FEST)				
2000: FEST participated in two of the Combatant Commanders' national- and international-level counter-terrorist exercises. **2001:** FEST participated in two national- and international-level counterterrorist exercises and the CJCS-sponsored, no-notice counterterrorist exercise.	No exercises scheduled because of Operation Enduring Freedom. Co-chaired the CSG Exercise Sub-Group and developed the next 18 month, national- and international-Level exercise schedule. Finalized Exercise Sub-Group's Operating Charter.	FEST participated in Chairman of Joint Chiefs of Staff no-notice counter-terrorist exercise. The Department participated in TOPOFF II. FEST participated in U.S. Pacific Command's counter-terrorist exercise.	Participate in two national- and international-level counterterrorist exercises and the CJCS-sponsored, no-notice counterterrorist exercise.	Integrate and participate in 2 of the Combatant Commanders' full-scale, National- and International-Level CT exercises. (2-4 exercises scheduled by DOD each year). Integrate and participate in the Chairman of the Joint Chiefs of Staff-sponsored, no-notice CT exercise. Integrate and participate in the National Level Top Officials (TOPOFF) Exercise co-chaired by DHS and DoS.

I/P #7: Terrorist Financing Assistance Initiative				
Support the Financial Action Task Force (FATF) and fund the growing demand for assistance from terrorist finance priority countries.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #2: Implementation of Counterterrorism Financing Regimes in the 19 Countries Most Involved in Al Qaeda Financing				
2000: N/A **2001:** N/A	Baseline: USG assessed institutional/legal deficiencies on nine of the nineteen priority countries most heavily involved in funding al-Qaeda. The USG provided technical assistance to two of these countries.	The USG conducted in-country assessments of 6 of the 19 priority countries most heavily involved in funding al-Qaida and conducted a tabletop assessment of 1 priority country. The USG provided technical assistance to 15 of the 19 priority countries, with 3 of these countries receiving technical assistance in at least 3 of the 5 functional areas.	Develop viable anti-terrorist financing legal and regulatory regimes in twelve of the priority countries.	Develop comprehensive anti-money laundering regimes in 5 TF priority countries designated in FY 2002. Provide training to all 2003 designated TF priority countries.

I/P #8: U.S.-EU Cooperation on Border Security

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

Results			Targets	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #3: Regional and Bilateral Counterterrorism Cooperation (As Measured Through Greater Capabilities to Effectively Address Terrorist Threats)				
2000: N/A **2001:** EU deepens justice and home affairs cooperation among the 15 member states. Central Asia counterterrorism discussions deepen within CIS and Shanghai Forum dialogues. U.S. and Russia co-sponsor UNSCR 1333 and discuss elements of a monitoring mechanism. Turkey, only NATO Muslim ally, provides unconditional assistance to Operation Enduring Freedom and global war on terrorism. Continues to support flight ops for ONW.	EU utilizes deepened internal JHA cooperation to strengthen external cooperation with third parties, like the U.S. through signing of the U.S.-EUROPOL agreement. Central Asia and Caucasus become more effective counterterrorism partners with the U.S. Countries of Southeast Europe actively support the international coalition against terrorism. Turkey steps up participation in GWOT by assuming command of the International Security Assistance Force in Kabul for six months to December. ONW operations continue.	The U.S. and EU member states enhanced travel security, especially for commercial air transport, significantly through multilateral and bilateral steps. The U.S. and EU agreed on terms for exchanging passenger name records on incoming flights coming to the United States, allowing the U.S. to screen individuals for security problems. The U.S. worked bilaterally with France, the UK, and others to address specific threats to aviation security. The U.S. and UK agreed to pursue multilateral measures to institutionalize threat response guidelines. The U.S.-EU Counterterrorism Dialogue was reinvigorated to focus on the implementation of UNSCR 1373 by other countries, with an initial focus on the Balkans and North Africa. The U.S.-Russia Working Group on Counterterrorism continued to meet semi-annually. With progress made in intelligence sharing, law enforcement cooperation, and non-proliferation. The USG continued its efforts to assist the Greek Government to prepare for the security challenges of the 2004 Olympics® through training programs, joint exercises, and law enforcement and intelligence exchanges.	EU, U.S. and Russian collaboration in the region result in some political and economic reform and improved infrastructure in Central Asia. Turkey's engagement in region expands beyond Afghanistan as its economy recovers; actively participates in global coalition efforts in the region and elsewhere; enhances its ability to interdict smuggled WMD precursors through increased cooperation with the USG. U.S. and Russian counterterrorism cooperation on Afghanistan and other regions results in closure of terrorist training camps and disruption of arms flows, movement of terrorists within Afghanistan. Greece continues to make arrests of members of "November 17" and other domestic groups. 2004 Olympics are held under tight security. DS/ATA training contributes to improved effectiveness of Spanish interagency counterterrorism forces. Positive responses to most requests for law enforcement assistance from European and Eurasian countries.	Adherence to human rights standards improves in Caucasus and Central Asia. Central Asian and Caucasus states are active partners with U.S., EU, and Russia in supporting and promoting counterterrorism and counter narcotics initiatives. ETA operations made more difficult due to increased U.S.-Spanish CT cooperation and improved GOS internal coordination. Intelligence sharing with European and Eurasian countries speeded up to near real-time. Positive responses to most requests for law enforcement assistance from European and Eurasian countries.

Indicator 3 continued on next page.

I/P #8: U.S.-EU Cooperation on Border Security, *cont'd*				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Indicator #3, *cont'd*				
In addition to Olympic Security Advisory Group (OSAG), some European countries join the U.S. in dialogue with the Government of Greece on importance of dealing effectively with terrorism, particularly in advance of 2004 Olympics. U.S. agencies increase information sharing with Spain on ETA. Cooperation with GOS on investigations, arrests, possible extraditions of Al Qaeda terrorists. Countries of Southeast Europe, emerging from a decade of conflict and ethnic cleansing, begin to address terrorist networks that infiltrated the borders during the Balkan conflicts.	Mandate of U.S.-Russia Working Group on Afghanistan broadened. Renamed U.S.-Russia Working Group on Counterterrorism. U.S. and Russia support the Loya Jirga process, transition to a new Afghan government. U.S. and Russian counterterrorism cooperation on Afghanistan discusses coordination of Russian military assistance to and other regions results in closure of some terrorist training camps and disruption of arms flows, movement of terrorists within Afghanistan. European countries continue to raise the issue on a bilateral basis with Greece. In response to concerted bilateral European and U.S. pressure, Greece vigorously pursues terrorists and effectively addresses terrorism-related concerns related to the 2004 Olympics. Europeans and Eurasians increase information sharing on terrorist groups. During its EU Presidency, Spanish government seeks to minimize transatlantic differences related to war against terrorism. Government of Poland hosts regional counterterrorism conference after September 11.			

I/P #9: Frontline States in the Global War on Terrorism				
Terrorism is eliminated and prevented in Afghanistan and Pakistan.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #4: Capacity of the Afghan National Army to Defend the Legitimately Appointed Afghan Government and its Territory from External and Internal Threats				
2000: N/A **2001:** In early 2001, the Taliban control approximately 80% of Afghanistan. The country is fractured into several regional fiefdoms that regional leaders with personal militias largely control. Significant presence and influence of Al Qaida and other terrorist elements. 9/11 terrorist attacks lead to U.S. resolve to disrupt terrorist networks in Afghanistan.	U.S.-led Operation Enduring Freedom (OEF) drove the Taliban from power and began to destroy the country's terrorist networks. The Bonn agreement requested international assistance to build an Afghan National Army (ANA) to achieve internal security, extend the central Government's authority and prevent the regrouping of Taliban, al Qaida or other potential terrorist organizations or operations. Initial planning to create the ANA began in December 2001 followed by a February 2002 assessment; U.S. Special Forces soldiers began training in early May 2002. Three kanaks (battalions) completed basic training at the Kabul Military Training Center (KMTC) and one began training. However, none were fully equipped nor completed the full training due to lack of weapons, munitions and demined training sites. Other challenges included lack of warlord support, recruiting difficulties, and insufficient funding. No Border Guard battalions were trained. France, UK and Romania made the only international pledges and donations of cash, training and military equipment.	The coalition continued to train ANA battalions, graduating the 11th Battalion on 1 October. Afghan non-commissioned officers are gradually taking over aspects of the training. Two brigades were activated in March, and these units, augmented by the addition of a third brigade, were organized as the Central Corps on 1 September. Elements of the ANA began operations in February, and in July six companies, numbering approximately 1000 soldiers, participated in the ANA's first major operation (Operation Warrior Sweep) in southeastern Afghanistan. By October, ANA strength reached approximately 6,000 men in 11 battalions. The ANA continues to face challenges in recruiting, desertions, and maintaining a balance among the cometing ethnic groups. Warlord support remains questionable, although militias are gradually turning in their weapons to the central government.	Prior to the June 2004 elections, Phase I training completed. Full 3 brigades of "Kabul Corps" fully fielded, including all Combat Support (CS), Combat Service Support (CSS) and combined arms units. Fielding of additional 3 border force brigades. Continued development of Border Command and Support Command. A partially functioning Ministry of Defense (MOD) and General Staff. Kabul Corps capable of providing for all security needs in Kabul; ISAF no longer necessary in Kabul. At least six Central Corps battalions conduct operational deployments in Bamiyan, Paktiya, Khost, Kunduz, Nangarhar, Balkh, Kandahar, and Herat provinces. All planned units fielded at >90% strength; unit equipment and sustainment requirements (barracks, training facilities, follow-on training, etc.) fully met.	ANA presence, influence and capability continue to grow in Kabul. Border command, Ministry of Defense (MOD) and General Staff (GS) continue to develop capability for managing ongoing operations. 15-25 trainers assigned to each battalion to develop U.S. training and operational standards. Additional trainers assigned to help develop an ANA training base. Begin fielding/development of small supporting air corps. Continue fielding of border units. Begin integration of regional militias into ANA structure, through demobilization and accession into ANA. MOD & GS begin to manage their own policy, planning, budget and operations. Central Corps units conduct operational deployments to remaining provinces, as well as routine operational deployments in provinces named in FY 2004 target. Barracks, headquarters, ranges and unit facilities constructed for 12 new infantry battalions and 6 new CS and CSS battalions. 18 new battalions operational and mobile.

I/P #9: Frontline States in the Global War on Terrorism, *cont'd*				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #5: Pakistan's Law Enforcement/Border Control and Counter-Terror Efforts in Support of OEF				
2000: N/A **2001:** Pakistan government supportive of Taliban regime. Madrassahs that recruit terrorists and terrorist training networks operative in Pakistan. Post 9/11, Pakistan agrees to assist USG with OEF and ends official support of Taliban regime in Afghanistan, severs relations. Begins military support for OEF.	As partner, Pakistan intelligence and law enforcement agencies coordinate to hunt Al-Qaida and other terrorists within Pakistan, including its border with Afghanistan. Pakistani Ministry of Interior Air Wing established with operating location in Quetta; five helicopters delivered. Procurement of commodities (vehicles, communications equipment) and fixed wing aircraft delivered and deployed. Aircraft training and technical assistance team deployed in Quetta, with pilot training already begun. U.S. training program for Pakistani border security personnel underway. Joint U.S.-Pakistan Counter-terrorism Working Group meeting held in May 2002, which established counterparts and areas of responsibility for both nations.	Pakistan agencies continue their cooperation in hunting al-Qaida and other terrorists. The Ministry of Interior Air Wing supported by INL achieved operational status and was given "operational control" at the end of 2003. all helicopter pilots are fully trained and certified for day, night and night vision goggle missions. Six helicopter mechanics are at an intermediate level of competence. The Air Wing also has a certified quality control inspector, logistics technician, and avionics technician for rotary wing operations and a team of six qualified aerial gunners, including instructors. Three C-208 surveillance aircraft were delivered in September. Special Investigative Group (SIG) and conducted crisis response training for police in several provinces. The SIG has been involved in several investigations this year and significantly increases Pakistan's CT capability.	214 km of roads completed in FATA, enabling law enforcement to access 30% of previously inaccessible areas. Training and equipment delivered to FATA levies and khassadars to facilitate Government-sponsored reforms and improve law enforcement capabilities. Effective use of air and ground assets and training, expansion of Air Wing to Peshawar, and fortification of ports of entry on the western border results in 25% increase in the seizure of contraband and arrests of terrorists and criminals.	Law enforcement/Intel National Database has been created, linking TIP, fingerprint and national I.D. databases, as well as all relevant GOP entities. All paper fingerprint cards converted into electronic system. FIA training sustained at all national academies. High profile CT arrest or disruption by U.S. trained units. Helicopter, fixed-wing aircraft, and land patrols are expanded along the entire border region between Afghanistan and Pakistan, with a resulting 25% additional increase in interdictions of contraband, criminals and terrorists. National criminal database and AFIS system expanding to district levels.

Indicator 5 continued on next page

I/P #9: Frontline States in the Global War on Terror, *cont'd*				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Indicator #5, cont'd				
Pakistan government supportive of Taliban regime. Madrassahs that recruit terrorists and terrorist training networks operative in Pakistan. Post 9/11, Pakistan agrees to assist USG with OEF and ends official support of Taliban regime in Afghanistan, severs relations. Begins military support for OEF.	Pakistan adopted an important and extensive police reform law aimed at significantly improving law enforcement institutions in Pakistan. The GOP captured September 11 plotter Ramzi bin-al-Shibh. Pakistan ranks third in the world for the amount of terrorist finances seized. Daniel Pearl kidnapper/murderer apprehended and Church bombing suspects detained. Over 500 international terrorists turned over to U.S. custody.	Pakistan security forces have made several terrorist arrests in 2003, including Khalid Shaikh Mohammad, the reported number 3 in al-Qaida and the mastermind of the 9/11 attacks. In October, Pakistan armed forces conducted a major raid of a terrorist stronghold in the country's northwest province of Waziristan. Numerous terrorist were killed or captured. Among those killed was Hasan Mahsum, a leader of the Eastern Turkistan Islamic Movement, a designated terrorist organization. DS/ATA has completed two out of three phases of installing an automated fingerprint identification system in Pakistan. It is currently converting up to 30,000 manual fingerprints into the system.	Border control coordination cell in Quetta established to facilitate information collections/analysis and operational planning National criminal database and AFIS system deployed at federal and provincial levels to improve quality and coordination of investigations. Electronic fingerprint database established. FIA's new Special Investigative Groups (SIGs) establish field offices in all provinces. GOP fingerprints all current inmate population and integrates U.S. standard booking procedures. Effective, international-standard Anti-Money Laundering Law enacted by GOP. DS/ATA continues training for regional CIDs.	Border security coordination cell established in Peshawar. GOP establishes effective control over the tribal areas, measured by arrests of extremists and drug traffickers. Total of 410 km of road completed, opening up 60 % of previously inaccessible areas where road building taking place. U.S. citizens and businesses largely freed from the terrorist threat, as indicated by the number of terrorist incidents directed against American targets. Effective border security Intel/coordination cells operating in NWFP and Balochistan. GOP replicating border security training on its own. Arrests of criminals/terrorists on western border increase by at least an additional 25 percent. Community policing programs are initiated; a police reorganization plan has been developed; system of internal controls to reduce police corruption is being instituted; a common (enhanced) standard of criminal investigation training has been established. Pakistan law enforcement becomes more effective, as demonstrated by increased arrest rates, and wins greater public acceptance, as demonstrated by fewer acts of mass demonstrations nationwide and conviction rates.

Means for Achieving FY 2005 Targets

Fully integrate and participate in 2 of the Combatant Commanders' full-scale, National- and International-Level CT exercises. (2-4 exercises scheduled by DOD each year).

- Dedicate one officer, as the project officer for each exercise, who represents the Department's lead agency role, and attends all exercise related conferences and site surveys.
- Utilize opportune military aviation support to facilitate cost savings in commercial air fare while attending pre-exercise events.
- Deploy the FEST for 10-14 days in each exercise to enhance the Department's ability to respond to terrorist incidents.
- Incorporate lessons learned in each exercise into subsequent exercises to refine policies and procedures required in the Department's lead agency role.

Fully integrate and participate in the Chairman of the Joint Chiefs of Staff-sponsored, no-notice CT exercise.

- Dedicate one officer, as the project manager for each TOPOFF exercise (every two years), who represents the Department's lead agency role for the international aspects of the exercise, and attends all exercise related conferences and site surveys.
- Retain a contract team of exercise planners (2-6 personnel) who work the myriad of TOPOFF activities during the two year work up to the exercise.
- Work with the entire interagency to incorporate lessons learned in TOPOFF into subsequent exercises to refine policies and procedures required in the Department's international role.

Fully integrate and participate in the National Level Top Officials (TOPOFF) Exercise co-chaired by DHS and DOS.

- Dedicate one officer, as the project manager for each TOPOFF exercise (every two years), who represents the Department's lead agency role for the international aspects of the exercise, and attends all exercise related conferences and site surveys.
- Retain a contract team of exercise planners (2-6 personnel) who work the myriad of TOPOFF activities during the two year work up to the exercise.
- Work with the entire interagency to incorporate lessons learned in TOPOFF into subsequent exercises to refine policies and procedures required in the Department's international role.

Adherence to human rights standards improves in Caucasus and Central Asia.

- All CT training provided to European and Eurasian partners will be required to include training modules on respect for human rights in the curriculum.

Intelligence sharing with European and Eurasian countries speeded up to near real-time. Positive responses to all requests for law enforcement assistance from European and Eurasian countries.

- Washington-based intelligence community analysts will be encouraged to create direct communication channels with appropriate personnel at stations/embassies overseas to raise attention to relevant and time-sensitive intelligence items.

ANA presence, influence and capability continue to grow in Kabul. Border command, MOD and GS continue to develop. Begin fielding/development of small supporting air corps. Continue fielding of border units and development of border command. Begin integration of regional militias into ANA structure, through demobilization and accession into ANA. MOD & General Staff (GS) begin to manage their own policy, planning, budget and operations. Central Corps units conduct operational deployments to remaining provinces, as well as routine operational deployments in provinces named in FY 2004 target.

- Rebuild and refurbish the central military facilities in Kabul.
- Re-establish an institutional training base to sustain he ANA's self-sufficiency.
- Continue to develop a cadre of Afghan trainers.
- Support both politically and materially President Karzai's attempts to bring regional leaders under effective control and integrate their militias into the ANA.

Develop comprehensive anti-money laundering regimes in 5 TF priority countries designated in FY 2002.

- The training needs outlined in the interagency implementation plans of 5 priority countries will have been met, and the countries will have received the training and technical assistance needed to put a comprehensive anti-money laundering regime in place.

Provide training to all 2003 designated TF priority countries.

- All priority countries will have received some training in at least one functional area as outlined in the country's interagency approved implementation plan.

Law enforcement/Intel National Database has been created, linking TIP, fingerprint and national I.D. databases, as well as all relevant GOP entities.

- Continue expansion of TIP installation to all identified sites and complete FBI fingerprint computerization program.
- Institute information technology training program to include improved communications and intercept capabilities.

Annual Performance Goal #4
DIMINISHED POLITICAL AND ECONOMIC CONDITIONS THAT PERMIT TERRORISM TO FLOURISH [USAID Goal]

V: Illustrative Examples of FY 2003 Achievements

Counterterrorism	
Afghan National Army (ANA)	Approximately 5,000 soldiers in 10 battalions of the ANA are now operational. In July 2003, elements of the ANA conducted their first major combat operations in the Zormat Valley region in southern Afghanistan.
Terrorist Interdiction Program	During FY 2003, 12 nations expanded their partnership with the United States in the global fight against terrorism by agreeing to accept TIP to strengthen control of their air, land and sea ports of entry. By assisting these nations to secure their borders, TIP has enhanced the security of all Americans, including those who live and travel abroad. TIP has broadened cooperation and strengthened a shared sense of urgency between the United States and these nations in the effort to defeat international terrorism, and in several cases, has served as the cornerstone of an evolving comprehensive mutual counterterrorism strategy. Finally, the information provided by nations operating TIP has significantly broadened our understanding of terrorist movements and methods.
Pakistan Alliance	Pakistan is a key U.S. ally in the war against terrorism. Nearly 500 al-Qaeda suspects have been arrested in Pakistan and many of them have been handed over to the United States. Those captured include senior al-Qaeda suspects, such as Khalid Shaikh Mohammed, who was arrested in March 2003 and is believed to be the No. 3 leader in al-Qaeda and a suspected planner of the September 11 terror attacks. Adil Al-Jazeeri, a suspected Osama bin Laden aide was recently arrested by Pakistani authorities and turned over to the U.S. Pakistan's relationship with India is a crucial element of this complex issue.
"3+1" Counterterrorism Dialogue	Measured diplomatic CT engagement with Argentina, Brazil and Paraguay has led to the creation of the "3+1" Counterterrorism Dialogue including the U.S. The grouping serves to maintain the goals of the war on terrorism as a priority issue among participating states and as an avenue for mutual CT capacity-building efforts. The United States has already delivered regional CT finance seminars in Paraguay and Panama to strengthen regional abilities to identify suspicious financial activity and to take appropriate action.

VI: Data Verification/Validation by Performance Goal

Performance Goal 1 Coalition partners identify, deter, apprehend, and prosecute terrorists.
• The Department's Office of the Coordinator for Counterterrorism (S/CT) conducts program reviews of all bilateral and multilateral consultations to ensure that they occur, assess the accomplishments of the consultations, and review the status of the program. • The ATA program produces an annual report to Congress that details the accomplishments of the program. In order to ensure that training is having its intended effect, ATA conducts program reviews using course-specific evaluations to assess the unit's skills in the areas for which it was trained. • The UN CTC receives and reviews all reports submitted by member states detailing the states' efforts to implement UNSCR 1373. The Department of State (IO) coordinates a USG interagency review of the reports, including input from the Embassies in those countries, and provides comments and suggestions on them to the CTC via the U.S. Mission to the UN.
Performance Goal 2 U.S. and foreign governments actively combat terrorist financing.
• EB monitors the number of names designated under E.O. 13224; EB and IO monitor the number of names submitted to the UN 1267 Sanctions Committee; and EB and IO monitor the number of foreign countries submitting names to the Sanctions Committee. • S/CT conducts program reviews to ensure the status of the FTO list timeliness of the designation. • The financial systems assessment team that conducts the assessment and the service providers that conduct training and/or provide technical assistance produce After Action Reports. S/CT conducts program reviews to review the status of the counterterrorism finance training and technical assistance program.
Performance Goal 3 Coordinated international prevention and response to terrorism, including bioterrorism.
• The Counterterrorism Security Group's Exercise Sub-Group will track the progress of both the domestic and international counterterrorism exercise program. The International Counterterrorism Guidelines, signed by the National Security Advisor in January 2001, provides guidance and instructions on carrying-out international counterterrorism response. • TSWG produces an annual report that assesses the status of current research projects and the ability to accept new projects.

VII. Resource Detail

Table 1: State Appropriations by Bureau ($ Thousands)

Bureau	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
European and Eurasian Affairs	$27,149	$28,278	$45,908
East Asian and Pacific Affairs	19,222	20,057	20,690
African Affairs	18,292	19,179	19,401
Near Eastern Affairs	15,531	15,932	18,402
Other Bureaus	37,079	40,857	42,351
Total State Appropriations	**117,273**	**124,303**	**146,752**

Table 2: Foreign Operations by Account ($ Thousands)

Title/Accounts	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
Title I - Export and Investment Assistance			
Export-Import Bank			
Overseas Private Investment Corporation			
Trade and Development Agency			
Title II - Bilateral Economic Assistance			
USAID			
Other Bilateral Economic Assistance	467,398	1,155,994	422,023
Independent Agencies			
Department of State	101,838	152,669	149,190
Department of Treasury			
Complex Foreign Contingencies			
Title III – Military Assistance			
International Military Education and Training	5,357	6,726	8,483
Foreign Military Financing	505,403	564,561	732,674
Peacekeeping Operations	134,276	72,338	31,200
Title IV – Multilateral Economic Assistance			
International Financial Institutions			
International Organizations and Programs	300	994	1,100
Total Foreign Operations	**1,214,572**	**1,953,282**	**1,344,670**

Grand Total	**$1,331,845**	**$2,077,585**	**$1,491,422**

Strategic Goal 3: Homeland Security

Secure the Homeland by Strengthening Arrangements that Govern the Flows of People, Goods, and Services Between the United States and the Rest of the World

I. Strategic Goal Public Benefit

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

II. Resource Summary ($ in Millions)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Change from FY 2004	
				Amount	%
Staff [1]	638	730	795	65	8.2%
Funds [2]	$89	$94	$200	$106	112.4%

[1] Department of State direct-funded positions.
[2] Funds include both Department of State Appropriations Act Resources and Foreign Operations Resources, where applicable, which include resources for other USG agencies to which the Department provides foreign policy guidance (e.g., USAID, EXIM, OPIC, TDA, Peace Corps).

III. Strategic Goal Context

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

Strategic Goal	Performance Goal (Short Title)	Initiative/Program	Major Resources	Lead Bureau(s)	External Partners
Homeland Security	Proper Visa Adjudication	Visa and Consular Services	D&CP	CA	DHS, DOJ, DOL, FBI, CIA, NARA, DOD, SSA
		U.S.-EU Cooperation on Border Security	D&CP	CA, EB	DHS
	Border Agreements	U.S. Canada Smart Border Action Plan U.S.-Mexico Boarder Partnership	D&CP	EB	DHS
		Container Security Initiative	D&CP	EB	DHS
	Infrastructure Network Protection	Cyber Security	D&CP	PM, EB	DHS
		Protect Transportation Infrastructure	D&CP	CA, EB	DHS, ICAO
		Maritime Security	D&CP	CA, EB	DHS, IMO

IV. Performance Summary

For each Initiative/Program that supports accomplishment of this strategic goal, the most critical FY 2005 performance indicators and targets are shown below.

Annual Performance Goal #1
DENIAL OF VISAS TO FOREIGN CITIZENS WHO WOULD ABUSE OR THREATEN THE UNITED STATES, WHILE FACILITATING ENTRY OF LEGITIMATE APPLICANTS

I/P #1: Visa and Consular Services				
Improve ability to process visas and other services while maintaining the ability to detect when it is appropriate to deny a visa.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Input Indicator				
Indicator #1: Number of Other Agencies With Access to the Consular Consolidated Database (CCD).				
2000: 0 **2001:** 0	1	2	3	Expand data sharing internationally.
Outcome Indicator				
(P) Indicator #2: Development of a Biometrics Collection Program for U.S. Visas.				
2000: Biometric indicators (photo and two fingerprints) were included in non-immigrant Border Crossing Card (BCC). All posts in Mexico collected biometric indicators from applicants, both on- and off-site, and transmitted data electronically to Immigration and Naturalization Service. **2001:** Biometric BCC program continued. Facial recognition technology was used to disqualify duplicate entries in Diversity Visa lottery.	Biometric BCC program continued. Production of BCCs at U.S. Embassy in Mexico supplemented BCC production by INS in periods of great demand. Use of facial recognition (FR) technology expanded.	Developed recommendations on biometric standards for visas. Used Facial Recognition (FR) technology to disqualify over 20,000 from the annual Diversity Visa lottery for filing duplicate entries. To evaluate FR's full potential for combating visa and passport fraud, launched a facial recognition pilot for nonimmigrant visas. Began worldwide deployment of biometric NIV software, with Brussels as the first pilot post, going live with fingerprint collection on September 22, 2003. Fingerprint capture equipment and new software for NIV production was also deployed at Frankfurt, Guatemala City, and San Salvador.	Deployment of biometric collection capability to consular posts worldwide.	All posts collect biometrics from visa applicants by October 2004.

I/P #2: U.S.-EU Cooperation on Border Security

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

Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
Indicator #3: Passenger Name Record (PNR) and Advanced Passenger Information (APIS) Requirements				
2000: Voluntary program to provide the U.S. Customs Service (USCS) and the Immigration and Naturalization Service with passenger information. **2001:** Passenger manifest information taken from visas and passports made mandatory by the USCS.	The Department assisted foreign carriers, particularly air carriers, to meet the high performance requirements of 97 percent accuracy. APIS program expanded to cruise vessels.	Reached a provisional agreement with EU, allowing European carriers to provide PNR data beginning in March 2003. The Department of Homeland Security offered a number of proposals to meet EU privacy requirements; negotiations have yielded some concessions from the Europeans, but differences remain.	Assist in the implementation of programs tied to the Entry-Exit program to track visitors to the United States. Work with DHS to negotiate an agreement with the EU that gives CBP and TSA permanent access to PNR data.	Opinions by the public and political leadership in Europe and Eurasia soften on USG use of PNR. Ensure access to PNR data for border and passenger screening on a global basis.

Border Security
(PART Program Efficiency Measure)

Results			Targets	
2000 & 2001	2002	2003	2004	2005
Efficiency Indicator				
(P) Indicator #4: Number of Posts Assessed by Consular Management Assistance Teams (CMAT) to Ensure Proper Visa Practices.				
2000: N/A **2001:** N/A	N/A	Baseline: 16 assessments of high-priority or special-needs posts	30 assessments	30 assessments

Means for Achieving FY 2005 Targets

Expand datasharing/access to the Consular Consolidated Database (CCD) internationally.

- Negotiate agreements or MOUs.
- Establish datasharing arrangements and formal database interface.

All posts collect biometric data from visa applicants by October 26, 2004.

- Based upon decisions made by the USG interagency community, the Department will play a role in developing software and designing and implementing new procedures to allow secure and efficient collection of biometric information.
- Procure equipment to capture, store, and transmit biometric data.
- Provide posts with equipment, staff, guidance, and training to collect biometric data and produce associated visas.

Opinions by the public and political leadership in Europe and Eurasia soften on USG use of PNR.

- Work with the Department of Homeland Security in negotiations with the European Commission on access to Passenger Name Record (PNR) data, which the USG needs for border and passenger screening purposes.

Ensure access to PNR data on a global basis for border and passenger screening.

- Use demarches, high-level meetings, conferences, and all other appropriate occasions to disseminate information about the USG's data and privacy protection regimes.
- Work with DHS to negotiate agreements for access to these data.

Annual Performance Goal #2
IMPLEMENTED INTERNATIONAL AGREEMENTS STOP THE ENTRY OF MATERIALS THAT COULD HARM THE UNITED STATES, WHILE ENSURING THE TRANSFER OF BONA FIDE MATERIALS

I/P #3: U.S.-Canada Smart Border Action Plan/U.S.-Mexico Border Partnership				
Strengthen the controls over goods that enter the United States.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #1: Status of the Border Security Initiatives				
2000: N/A **2001:** Baseline: Dialogue started with the Canadian Government to work together on border issues.	The 30-point Canadian plan and the 22-point Mexican plan were launched.	All programs proceeding largely on schedule. Slight delay in Advanced Passenger Information/ Passenger Name Record (API/PRN) program with Canada.	Mexican law enforcement and equipment will be significantly upgraded to assist in screening potentially illegal or dangerous movements of goods and persons to the United States. This will include increased SENTRI access and Non-Intrusive Inspection Equipment (NIIE) being installed along road and track crossings into the United States. Assess needs for further improvements. In Canada, frequent traveler (NEXUS) and frequent shipper (FAST) programs are in place at all major border crossings; information sharing agreements are fully implemented; visa coordination plans ongoing; plans are developed for infrastructure improvements, joint facilities and critical infrastructure protection.	Evaluate Border Wizard results/ recommendations; complete SENTRI Lanes; APIS working full force; cooperate with Mexico on visa policy coordination. No incidents of terrorist exploitation of Mexican territory to attack the U.S. or its interests. Implement the Border Accord in full, and successfully implement any new initiatives developed in FY 2004.

I/P #4: Container Security Initiative				
Increase capability of using digital information for pre-boarding screening and post-arrival tracking of people and goods.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #2: Participation in the Container Security Initiative				
2000: N/A **2001:** N/A	Baseline: Launch of the CSI. Nine countries signed on, encompassing fourteen of the initial twenty large ports. CSI "pilot phase" deployment begins in two countries.	19 of the top 20 (large) ports that ship to the United States have signed Declarations of Principles (DoPs) to participate in the CSI program. Additional "pilot phase" deployments begin at 16 ports.	CSI continues to expand. Previous "pilot phase" deployments become permanent and additional ones are launched as new DoPs are signed. Where appropriate or necessary negotiations are conducted on immunities and other issues.	Additional partner countries deploy teams to the U.S. under the reciprocity aspects of CSI. CSI best practices adopted at non-CSI ports.
Output Indicator				
Indicator #3: Cargo Manifest Requirements				
2000: Paper manifests sent to United States Customs Service (USCS), sometimes arriving a month after being sent. **2001:** USCS began electronic manifest programs with U.S. exporters.	USCS expanded electronic manifesting to Canadian and Mexican borders to speed clearance. USCS requires cargo manifest data 24 hours before loading for ocean borne imports.	All vessel cargo manifest information is provided to the Bureau of Customs and Border Protection (CBS, formerly the USCS) either in electronic or paper format at least 24 hours prior to loading unless exempted. Regulations are being finalized for electronic submission of data for all modes of transport.	Continue implementation and screening. Work with foreign governments and U.S. importers to implement cargo manifest rules for U.S. imports and exports; 100% of U.S.-bound cargo to be covered.	Implement advance manifest data standards. 85% of all container traffic to be covered by CSI.

Means for Achieving FY 2005 Targets

Submit final report by consultant; evaluate Border Wizard results/recommendations; complete SENTRI Lanes; APIS working full force; cooperation with Mexico on visa policy coordination. No incidents of terrorist exploitation of Mexican territory to attack the U.S. or its interests.

- Complete the installation of equipment and technology for the border/transportation security programs and begin transition to full GOM sustainability. Border cooperation mechanisms (Border Liaison Mechanisms, Bi-national Commission, etc.) in place to provide continual oversight of border programs.

Partner countries deploy teams to the U.S. under the reciprocity aspects of Container Security Initiative.

- Partner countries deploy teams to the U.S. under the reciprocity aspects of the Container Security Initiative (CSI); 85% of all container traffic to be covered by CSI.

Implement advance cargo manifest requirements for U.S. imports and exports. Promote international standards on advance cargo manifest reporting with major trading partners.

- Work with CBP on bilateral and multilateral discussions with major trading partners to establish and implement common standards on cargo manifest requirements.
- Identify resources for technical assistance to developing countries to update customs procedures and to implement advance cargo manifest requirements.

Annual Performance Goal #3
PROTECTION OF CRITICAL PHYSICAL AND CYBER INFRASTRUCTURE NETWORKS THROUGH AGREEMENTS AND ENHANCED COOPERATION

I/P #5: Cyber Security				
Strengthening critical physical and cyber infrastructures.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
Indicator #1: Number of Countries With Critical Infrastructure Protection (CIP) Action Plans.				
2000: N/A **2001:** N/A	N/A	Baseline: 69 This figure includes countries with whom the U.S. has had bilateral or multilateral cyber and physical security exchanges.	Countries of OECD, APEC, OAS and other significant economies enact a comprehensive set of laws relating to cybersecurity and cybercrime, identify national cybercrime and high-technology assistance points of contact, establish institutions that can exchange threat and vulnerability assessments, and develop national cyber-awareness programs that involve the private sector and users. Through UN initiatives, all economies are aware of need to protect their cyber-infrastructure.	Information sharing arrangements are in place and functioning.
Output Indicator				
Indicator #2: Canada, Mexico and U.S. Strategic Allies Implement Critical Physical and Cyber Infrastructure Protection Action Plans.				
2000: N/A **2001:** N/A	N/A	Data pending.	Canada and Mexico implement physical and cyber infrastructure protection plans coordinated with U.S. plans.	Canada and Mexico implement appropriate action plans.

I/P #6: Protect Transportation Infrastructure				
Create effective transportation security programs.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
Indicator #3: More Robust ICAO Security Standards and an Effective Audit Program				
2000: N/A **2001:** Baseline: After 9/11, ICAO endorsed development of enhanced security provisions and a security audit program.	ICAO accepted U.S. suggestions for development of a security audit program, hardened cockpit doors, adding biometric indicators to travel documents, and upgrading recommended security practices to become required standards.	ICAO selected facial recognition as the globally interoperable biometric for passports and other Machine Readable Travel Documents (MRTDs) and high-capacity, contactless integrated circuit chips to store identification information in MRTDs.	Airports in 45 of 188 countries to be scheduled for security audit by the end of 2004, with all countries scheduled for audit completion by end of 2007. At least some ICAO member states require passenger and crew manifests before boarding. All countries using machine-readable documents; new readers in place to capture all data on travel documents, (including biometrics) in all foreign international airports with service to the U.S.	Virtually all countries require manifests before boarding, have machine-readable passports with biometrics. Countries with poor security audits have received remedial assistance.

I/P #7: Maritime Security				
International security standards for maritime security.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
Indicator #4: Implementation of International Security Standards for Shipping and Ports				
2000: N/A **2001:** The International Maritime Organization (IMO) starts work on drafting international standards for maritime and port security.	IMO adopts standards for ship and port facility security. United States passes the Maritime Transport Security Act.	USCG issues national port and vessel security regulations based on the IMO standards and the Maritime Transport Security Act. International Labor Organization adopts international standards for security features on mariner identification documents. United States starts testing secure documents for transportation workers.	Start multilateral and bilateral discussions international standards for container sealing and tracking.	Countries representing 90% of all shipping calling on U.S. ports implement IMO standards. Implement ILO standards for 75% of all mariners calling in U.S. ports. Agreement with Canada and Mexico on background checks of truck drivers operating in each other's countries.

Means for Achieving FY 2005 Targets

Virtually all countries require manifests before boarding, have machine-readable passports with biometrics. Countries with poor security audits have received remedial assistance.

- Ensure presence of more robust ICAO security standards and an effective audit program in countries with major airports.

Critical physical and cyber infrastructures

- APEC, OAS, and OECD continue implementation of cyber security plans.

Implement IMO maritime security program. Start discussions on international standards for cargo sealing and tracking.

- Work with the IMO and foreign governments to implement vessel and port security standards in countries with major ports and ship registers.
- Provide technical assistance bilaterally and through the IMO to developing countries to establish and enforce standards.
- Promote adoption of ILO security features on seafarer identity documents by countries that are major sources of maritime labor (China, Philippines, India, etc.)
- Work through the World Customs Organization and with major trading partners to establish international standards for container tracking and sealing.

Information sharing arrangements are in place and functioning for countries with Critical Infrastructure Protection Action Plans.

- Continue to promote incident information and response sharing between national and regional CERTS Consolidate gains made with multilateral organizations in 2004 (APEC, OAS,OECD)
- Obtain funds to assist multilateral organizations cyber efforts

Canada, Mexico and U.S. Strategic Allies Implement Critical Physical and Cyber Infrastructure Protection Action Plans.

- Establish procedures with key allies and DHS to share critical cyber incident information and warning (focus on counterterrorism)

Countries representing 90% of all shipping calling on U.S. ports implement IMO standards.

- Work with the USCG to establish a program to assess security at foreign ports.
- Ensure that major ship registers have established maritime security programs and have approved vessel security plans.
- Provide multilateral technical assistance programs through G-8 and APEC.

Implement ILO standards for 75% of all mariners calling in U.S. ports. Agreement with Canada and Mexico on background checks of truck drivers operating in each other's countries.

- Work with DHS to establish a negotiating mandate on background checks for truck drivers from Mexico and Canada. Open negotiations with Mexico and Canada.
- Promote adoption of ILO security features on seafarer identity documents by countries that are major sources of maritime labor (China, Philippines, India, etc.)

V: Illustrative Examples of FY 2003 Achievements

Homeland Security	
Visa Denials	The Department has expanded the use of facial recognition (FR) technology to detect fraudulent visa applications. The Kentucky Consular Center (KCC) used FR to disqualify 20,000 potential winners in the annual Diversity Visa lottery based on unallowable duplicate entries. Diversity visa lottery registration in November/December 2003 was conducted for the first time electronically, enabling KCC to utilize FR technology against digital photos of all applicants. In April, KCC launched a FR pilot for nonimmigrant visas. Thirteen posts participate, representing a cross-section of geographic bureaus. In addition to identifying possible fraud, the results will assist in developing a policy on FR, the globally interoperable biometric selected by International Civil Aviation Organization for machine-assisted identity confirmation using Machine Readable Travel Documents.
Container Security Initiative	The Department spearheaded global efforts to protect transportation networks through stronger shipping and aviation security rules. Nineteen of the twenty largest world ports committed to participate in the Container Security Initiative (CSI). In addition, the program expanded to other strategic ports including Malaysia and South Africa. CSI is now operational in sixteen ports (as of September 30, 2003) and at least two countries, Canada and Japan, have utilized the reciprocal aspects of the program to have their customers' officials present at U.S. ports to observe cargo bound for their countries.

VI: Data Verification/Validation by Performance Goal

Performance Goal 1 Denial of visas to foreign citizens who would abuse or threaten the U.S., while facilitating entry of legitimate applicants.
• Data on visa applications, issuance, and refusals, including the number of applicants screened by the border security officials and subsequent denials based on national security grounds. The same data will be used to evaluate the efficacy of special clearance procedures.
Performance Goal 2 Implemented international agreements stop the entry of goods that could harm the United States, while ensuring the transfer of bona fide materials.
• The Department will monitor negotiations for CSI agreements and implementation of CSI targeting of high-risk containers and freight.
Performance Goal 3 Protection of critical physical and cyber infrastructure networks through agreements and enhanced cooperation.
• The Department will collect and analyze data on multilateral efforts. The number of multilateral fora with concrete action plans is indicative of international awareness and activity on this issue and will foster a cooperative efforts by member states.

VII. Resource Detail

Table 1: State Appropriations by Bureau ($ Thousands)

Bureau	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
East Asian and Pacific Affairs	$21,680	$22,624	$24,610
European and Eurasian Affairs	18,427	19,168	23,988
Western Hemisphere Affairs	14,008	14,435	15,145
African Affairs	12,094	12,680	13,425
Other Bureaus	20,559	21,732	117,307
Total State Appropriations	**86,768**	**90,639**	**194,475**

Table 2: Foreign Operations by Account ($ Thousands)

Title/Accounts	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
Title I - Export and Investment Assistance			
Export-Import Bank			
Overseas Private Investment Corporation			
Trade and Development Agency	2,258	3,021	3,215
Title II - Bilateral Economic Assistance			
USAID			
Other Bilateral Economic Assistance			
Independent Agencies			
Department of State			
Department of Treasury			
Complex Foreign Contingencies			
Title III – Military Assistance			
International Military Education and Training	170	230	475
Foreign Military Financing	168	238	1,747
Peacekeeping Operations			
Title IV – Multilateral Economic Assistance			
International Financial Institutions			
International Organizations and Programs			
Total Foreign Operations	**2,596**	**3,489**	**5,437**

Grand Total	**$89,364**	**$94,128**	**$199,912**

Strategic Goal 4: Weapons of Mass Destruction

Reduce the Threat of Weapons of Mass Destruction to the United States, Our Allies, and Our Friends

I. Strategic Goal Public Benefit

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

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

II. Resource Summary ($ in Millions)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Change from FY 2004	
				Amount	%
Staff [1]	485	489	489	0	0%
Funds [2]	$406	$417	$435	$18	4.4%

[1] Department of State direct-funded positions.
[2] Funds include both Department of State Appropriations Act Resources and Foreign Operations Resources, where applicable, which include resources for other USG agencies to which the Department provides foreign policy guidance (e.g., USAID, EXIM, OPIC, TDA, Peace Corps).

III. Strategic Goal Context

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

Strategic Goal	Performance Goal (Short Title)	Initiative/ Program	Major Resources	Lead Bureau(s)	External Partners
Weapons of Mass Destruction	Unilateral and Bilateral Measures	Curb Access	D&CP, NADR EXBS, Science Center, Bio-Chem Redirect, Iraq Redirection Program, Sanctions, Export licensing, and NDF Programs	TBD	TBD
		Cooperation on Missile Defense	D&CP	AC	DoD, IC, NSC, NATO
		Cooperation with Russia on New Strategic Framework	D&CP	AC, VC	DoD, IC, NSC, NATO
	Multilateral Agreements and Nuclear Cooperation	Strengthen Global Norms	D&CP, NADR, IAEA, Voluntary Contributions, CPPNM	TBD	TBD
		Chemical Weapons Convention	D&CP, CIO Account for assess-ments and inspections	AC, VC	DoD, DoC, DoJ, DoE, IC, NSC, OPCW
		Biological Weapons Convention	D&CP	AC, VC	DoD, DoE, DoC, DHHS, IC, NSC, WHO, FAO
		Promote Safe Nuclear Cooperation	D&CP	TBD	TBD
	Verification and Compliance	Arms Control	D&CP	VC, NP	TBD
		Compliance Diplomacy	D&CP	VC, NP, AC	TBD
		President's Annual Noncompliance Report	D&CP	VC	TBD
		All Source Intelligence Collection; Technology R&D	D&CP	VC	IC, DoD, DOE, DHS, OSTP, TSWG, DTRA, National Labs, NSC, OVP
		Communication for Arms Control	D&CP	VC, AC	DoD, DoE, DoC, NSC, IC

IV. Performance Summary

For each Initiative/Program that supports accomplishment of this strategic goal, the most critical FY 2005 performance indicators and targets are shown below.

Annual Performance Goal #1
UNILATERAL AND BILATERAL MEASURES, INCLUDING THE PROMOTION OF NEW TECHNOLOGIES, COMBAT THE PROLIFERATION OF WMD AND REDUCE STOCKPILES.

I/P #1: Curb Access				
The access of proliferators, terrorists, and state sponsors of terrorism to material, equipment and technology for WMD and missiles curbed.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
Indicator #1: Access to Weapons of Mass Destruction Impeded; States Conform to International Non-Proliferation Norms of Behavior.				
2000: Russia: Provided technology and assistance to Iran and India. China: Announced it would not assist other countries in developing ballistic missiles. North Korea: Negotiated about ending missile exports. NIS Countries: One (Ukraine) of twelve NIS countries enforced export controls. South Asia: Continued unilateral nuclear testing moratoria, restraints in nuclear and missile program, stronger export controls. Experts cooperated with India to improve export control regulation and mechanisms.	Russia: Exported technology; increased attention to Iran's WMD and missile programs. China: Implemented its 1997 nuclear commitment but not its 2000 missile commitment. North Korea: Accepted U.S. offer for talks, but continued to export missile-related items. NIS Countries: European countries developed export controls; some NIS countries moved towards controls. South Asia: Onward proliferation remains concern.	Russia: Maintained its cooperation with Iran's program, but expresses increasing concern as IAEA establishes Iranian safeguard violations. International consensus against supply to Iran remains in place. China: Continues to cooperate. Attention, however, has been given to other priorities that have arisen. North Korea: Not contributed to nuclear programs in other countries, but ballistic missile exports contribute to destabilizing already volatile regions of the Middle East/North Africa and South Asia.	Iran: So long as it does not verifiably end its nuclear pursuits and fully implement IAEA Additional Protocol, UNSC takes action in support of IAEA requirements in Iran. Wide international consensus that Iran should not possess enrichment or reprocessing. Iran's international political and economic isolation grows. Russia/Iran: Stops nuclear and missile cooperation with Iran. Strengthened export controls in Russia. China: Adheres to 1997 nuclear and 2000 missile commitments and effectively implements its export control regulations. Libya: Implementing commitments made to U.S./UK on WMD/missiles. Meeting new obligations under CWC and NPT Additional Protocol.	Iran: Ceases cooperation on Bushehr reactor. Wide international consensus that Iran should not possess enrichment or reprocessing facilities until trust rebuilt. Iran begins to dismantle infrastructure; international inspectors verify dismantlement of infrastructure. Permanent, effective inspection protocols put in place. Iran denied WMD/missiles and related technology, materials, equipment and expertise from other countries (Widens Iran discussion from just Iran/Russia relationship) China: Fully implements its 1997 nuclear and 2000 missile commitments; effectively enforces its WMD/missile related export controls and addresses deficiencies in its export control system. China joins the Nuclear Suppliers group. U.S. will impose sanctions as warranted on Chinese entities engaged in activities of proliferation. Libya: Implementing commitments made to U.S./UK on WMD/missiles. Meeting new obligations under CWC and NPT Additional Protocol.

Indicator 1 continued on next page

I/P #1: Curb Access, *cont'd*				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Indicator #1, continued				
Middle East: Iraq defied UN inspectors. Iran continued WMD development. **2001:** Russia: Partially halted assistance to Iran. China: Implemented its 1997 nuclear commitment, but not its 2000 missile commitment. North Korea: Did not export nuclear material or technology, but continued to seek buyers for missile exports. NIS Countries: Marked increase in meeting export control standards and in interdicting WMD and related components. South Asia: Same as 2000. Middle East: Same as 2000.	Middle East: Broad international support for pressure on Iraq leads to two landmark UN Security Council Resolutions; Goods Review List (1409) and resumption of weapons inspections (1441). Smart sanctions denied Iraq technologies necessary for WMD and missiles. Iran continued WMD and missile development. Strengthened export controls in region.	G8 initiative: Accepts assistance from the G-8 to determine what regulatory provisions need to be adopted to ensure that Russia's nuclear safety regime will be consistent with the Convention on Nuclear Safety. Russia becomes a member of the Nuclear Safety and Security Group. Ukrainians increase staff to meet their increasing responsibilities. New Safe Confinement conceptual design is completed and obtains regulatory approval. Stabilization contractor is selected and mobilized. South Asia: Five technical export control cooperation exchanges completed with India. Indian officials work toward exchanges in export control system; make arrests and begin prosecution of notorious proliferating entity and investigate additional entities. Technical export control cooperation with Pakistan initiated, with first meetings held in February. Middle East: UNMOVIC & IAEA inspectors withdrawn from Iraq prior to military action. Under a deadline set by the IAEA Board of Governors on 09/12, Iran has until 10/31 to make full disclosure of its nuclear activities to the IAEA. WMD and other related technology are denied to Libya.	North Korea: Maintains its missile flight-test moratorium and to constrain its missile- related exports. North Korea remains a non-nuclear weapon state party to the NPT; agrees to verifiably and irreversibly dismantle its nuclear program; no plutonium reprocessing; uranium enrichment program shut down and elimination begins in a verifiable and irreversible manner; IAEA prepares to assess program history; North Korea cooperates with IAEA on safeguards, including beginning assessment of program history. Middle East: International community taking steps to ensure against Iranian, Syrian, and Libyan WMD and missile programs. Export Control – National: Ensure that our own export controls effectively prevent U.S. companies from providing assistance to WMD programs. Export Control – Global: Selected countries' in Europe and Eurasia export control systems meet international standards; at least two more key transshipment countries achieve significant progress in meeting standards for effective enforcement; 10% more blocked transfers or interdiction by these states. Initiate export control cooperation with Iraq and selected key transit/transshipment countries in Africa.	North Korea: Agreement to verifiably and irreversibly dismantle its nuclear program stands. Action continues to implement dismantlement of uranium, plutonium, and nuclear programs. International inspectors verify dismantlement and program history assessment. Agrees to halt missile exports (including related equipment and technology) and discuss constraints to its missile program; agrees to eliminate or freeze its MTCR-class missile programs, and extends its missile flight test moratorium. Export Control – National: Same as 2004. Export Control – Global: Additional countries' export control systems meet international standards. Specifically, the majority of countries in Europe/Eurasia meet internationally recognized export control standards; at least five more key transshipment countries achieve significant progress in meeting standards for effective enforcement; 10% more blocked transfers or interdiction by these states. Initiate export control cooperation with selected countries in South America. South Asia: Improved implementation of export controls consistent with recognized standards. Middle East/Iraq: Signs and fully implements an IAEA protocol.

I/P #1: Curb Access, *cont'd*				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #2: Progress Toward Implementing Fissile Material Projects				
2000: U.S.-Russian agreement on plutonium disposition completed. **2001:** Plutonium disposition (PuD) suspended; Plutonium Production Reactor Agreement (PPRA) suspended.	Progress made on Russian plutonium stockpile implementation and transparency issues. Preparations for negotiations of U.S.-Russian plutonium-disposition multilateral framework are on track. PPRA Amendment and fossil fuel implementing agreement concluded, awaiting Russian government approval to sign.	Russia decided to use the same design for mixed oxide (MOX) fuel fabrication facility as in the U.S.; negotiations of a multilateral framework to support Russian plutonium disposition started and continued. PPRA Amendment and replacement implementing agreement signed; access arrangements for U.S. personnel overseeing projects to construct/refurbish fossil fuel plants to replace production reactors signed; initial contracts signed and implementation underway. PPRA monitoring of shutdown reactors and weapon-grade plutonium in storage continue smoothly. Negotiations continued on Mayak Fissile Material Storage Facility (FMSF).	Multilateral framework and international financing for Russian PuD program plan completed. Key elements of the M&I regime agreed bilaterally and consultations with IAEA begun. Implementation of PPRA fully underway. Negotiations underway on international participation in PRA-related projects and on reduction of Russian plutonium production prior to shutdown of reactors. Mayak FMSF contains at least several tons of plutonium under bilateral transparency.	Begin implementing PuD multilateral framework and international financing plan. Conclude agreements with IAEA on M&I regime. Continue implementing PPRA. Begin implementing reduced plutonium production. Implement Mayak FMSF transparency arrangements. Obtain pledges of ninety-five percent of Global Partnership target, and twenty percent of actual spending commitments.

I/P #1: Curb Access, *cont'd*				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #3: Redirection of former WMD Scientists/Engineer to Civilian Activities and Developing Self-Sustaining Civilian Alternative Employment				
2000: Engaged more than 30,000 scientists in peaceful civilian efforts. Moved to support sustainable transition from weapons to civilian work. **2001:** Up to 40,000 scientists and several new high-interest institutes now engaged.	Engaged cumulative total of 50,000 scientists, of whom about 26,000 were former WMD scientists. Eight new U.S. industry partners recruited. Three new technological applications brought to market, including Neurok TechSoft (linear differential equation solver), a laser-based fluorocarbon detector, and new computer animation technology.	U.S. private sector industry partners total over sixty. Five new projects funded at three newly-engaged BW and CW institutes. Three new U.S. industry partners recruited thus far, with partial year results for U.S. non-NP Partner funding at 14% of total project funding. The BioIndustry Initiative has funded long-term commercialization and sustainability programs at large-scale biologic production facilities in Russia and Kazakhstan; has developed Russian Bioconsortium of former BW research and production facilities; has developed relationships with DOW Chemical and Eli Lilly.	1. Gain access to at least two new previously inaccessible BW and/or CW institutes in Russia/Eurasia via the Bio-Chem Redirect Program, and at least three new high-priority former WMD institute in member countries Azerbaijan and Tajikistan. 2. Increase level of U.S. private industry funding of joint science center projects to 12% of total project funding. 3. Graduate two institutes or groups of scientists from NP/Science Center Program assistance. 4. Begin two new BII conversion and commercialization projects at priority BW production facilities. Fund two new BII projects on accelerated drug and vaccine research.	1. Gain access to at least two new previously inaccessible BW and/or CW institutes in Russia/Eurasia via the Bio-Chem Redirect Program, and at least four new high-priority former WMD institute in member countries Azerbaijan and Tajikistan. 2. Increase level of U.S. private industry funding of joint science center projects to 15% of total project funding. 3. Graduate 2-3 institutes or groups of scientists from NP/Science Center Program assistance. Identify candidates among chem and bio institutes for graduation in FY06. 4. Begin two new BII conversion and commercialization projects at priority BW production facilities. Fund two new BII projects on accelerated drug and vaccine research. 5. Initiate effort in Iraq to engage, redirect, retrain and/or re-employ former WMD scientists and engineers. Establish initial group of transition and training activities; develop database of available scientists/engineers; coordinate activities with other reconstructions efforts.

I/P #2: Cooperation with Allies/Friends on Missile Defense

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

Results			Targets	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #4: Status of Cooperation With Allies on Missile Defense				
2000: N/A **2001:** Baseline: Based on President's May 1, 2001 speech at National Defense University, consultations began with allies on new U.S.-Russia strategic framework.	Intensive consultations held with allies concerning the U.S. Nuclear Posture Review, U.S. withdrawal from the ABM Treaty, and the Moscow Treaty. Allies and friends welcomed the Treaty. Diplomatic efforts continued to gain their active support for, and participation in, U.S. missile defense plans and programs.	The UK agreed to support the upgrade of the early warning radar at Fylingdales; discussions with Denmark on upgrading the early warning radar in Greenland are progressing well. The U.S. and UK signed a Memorandum of Understanding regarding missile defense cooperation in June 2003. The U.S. is working with Germany and Italy on the Medium Extended Air Defense System. The U.S. and Canada established a regular consultation mechanism and are exploring potential areas of joint cooperation. At the November 2003 Summit, the U.S. obtained NATO agreement to study the feasibility of missile defenses to protect population and territory, and the U.S. continues to work closely with NATO on this. The U.S. is working closely on missile defense with Japan, whose government has significantly increased its budget request for missile defense-related work. The U.S. and Australia discussed Canberra's interest in missile defense and opportunities for cooperation. The U.S. and India have discussed how India could conduct a missile defense requirements analysis.	Allies and friends support deployment of a limited U.S. missile defense system; some allies join U.S. on specific missile defense-related projects.	All key allies and friends endorse the deployment of the limited U.S. missile defense system. More allies/friends work with U.S. on missile defense-related projects, or some allies/friends undertake their own missile defense-related projects without the U.S.

I/P #3: Cooperation with Russia on New Strategic Framework

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

Results			Targets	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #5: Levels of Offensive Warheads. Transparency in Reductions and Missile Defense Plans. Treaty Implementation Issues Resolved. Operation of JDEC.				
2000: N/A **2001:** Baseline: Following President's May 1, 2001, speech at the National Defense University, consultations began with Russia on the New Strategic Framework.	U.S. and Russia established a New Strategic Framework, including commitment to deep reductions in strategic nuclear warheads. Treaty on Strategic Offensive Reductions signed in Moscow in May 2002, calling for reductions to 1,700-2,200 warheads for each side by December 31, 2012. U.S. withdrew from Anti-Ballistic Missile (ABM) Treaty, thus removing the principal legal obstacle to deployment of missile defenses. The CGSS was established to expand transparency, including on Non-Strategic Nuclear Weapons (NSNW). NATO and Russia discussed potential confidence-building measures and transparency measures for NSNW. Talks continued with Russia on enhancing transparency and predictability with regard to missile defense plans and programs, as well as cooperation in missile defense-related projects. All parties completed the final START I reductions by the required deadline of December 5, 2001.	Moscow Treaty entered into force on June 1, 2003. Discussions on procedures for and scheduling of the Moscow Treaty's Bilateral Implementation Commission began. The Department opened regular consultations on arms control with the Russian MFA at the Assistant Secretary level. CGSS Working Groups on offensive strategic affairs and missile defense have met twice and three times, respectively. The U.S. and Russia began exchanging information on their plans for reductions under the Moscow Treaty. In February 2003, NATO and Russia agreed on a work plan that includes some nuclear CSBMs. Discussions on START. Implementation continued on a more positive basis than in previous years; meeting of the Joint Compliance and Inspection Commission (JCIC) took place in June and August 2003.	Understanding reached with Russia on, and implementation of, practical transparency and predictability efforts related to non-strategic nuclear warheads and to strategic activities beyond Moscow Treaty obligations. Practical transparency and predictability efforts in the area of missile defense are identified with Russia. U.S. and Russia define and initiate missile defense-related research and development projects. NATO and Russia identify areas of potential agreement within the NATO framework about missile defense cooperation. START Treaty implementation issues resolved. U.S. and Russia begin full operations at the JDEC to exchange and monitor ballistic missile early warning data as part of the initiatives to improve strategic stability, and move toward a multilateralized operation.	Reductions under the Moscow Treaty proceed. Any implementation issues that arise are resolved. Transparency exchanges concerning strategic and non-strategic arms implemented smoothly. Implementation of voluntary and reciprocal transparency and predictability efforts vis-à-vis missile defense plans and programs. Continue implementation of U.S.-Russian missile defense-related cooperation projects. The JDEC is open and completely established, where U.S. and Russian military operators monitor side-by-side launches of ballistic missiles and space launch vehicles. U.S./NATO reach agreement within the NATO framework with Russia about long-term missile defense cooperation.

PART Program Efficiency Indicator Measure (Non-Proliferation and Disarmament Fund)				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Efficiency Indicator				
Indicator #6: Percentage of Project Results Achieved Within Budget Per Completed Project				
2000: N/A **2001:** N/A	N/A	Baseline: Program does not have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program.	Long-term measures are under development. At this juncture, the Department envisions measuring outcomes in terms of the budgetary parameters established for each individual NDF project. The key measurement will be to assess the effectiveness of NDF's management of high priority projects undertaken by gauging project outcomes within the established budget.	Long-term measurements for each high priority project established and in use.

Means for Achieving FY 2005 Targets

States Conform to International Norms of Behavior

- Implement our own export control regime to ensure the absence of U.S. assistance to WMD programs.
- Active diplomatic measures, (e.g., demarches and consultations with other nations, the UN, the IAEA, and other international organizations and NGOs, as needed).
- Encourage governments to use comprehensive export control legislation and enhanced enforcement capabilities developed with U.S. assistance to prevent, deter, and interdict shipments of proliferation concern.
- Via regime meetings (NSG, MTCR, AG, and WA) and outreach activities, work to strengthen export controls, urge restraint in WMD/missile programs (including with non-partners); engage non-partners to urge that they bring their respective nonproliferation policies and practices (including export controls) in line with international norms.
- Work to have additional countries subscribe to the International Code of Conduct Against Ballistic Missile Proliferation; have Code running smoothly.
- Appropriate Department and USG interagency stakeholders vet and the NSC approves U.S. demarches and negotiating positions.

Begin implementing PuD multilateral framework and international financing plan; continue implementing PPRA; begin implementing reduced plutonium production.

- This is accomplished in part through bilateral negotiations with Russia and in part through multilateral discussions with G-8 and other donors and the IAEA.
- The strategy for halting plutonium production is to carry out replacement implementing agreement to cease plutonium production under PPRA through shutdown and replacement of reactors by fossil fuel plants. Access arrangements will enable U.S. personnel to oversee fossil fuel plant construction.
- Continue to monitor shutdown reactors and Russian plutonium in storage; develop procedures to measure agreed attributes of stored Russian plutonium.

- Appropriate Department and USG interagency stakeholders vet and the NSC approves U.S. demarches and negotiating positions for support of Russian plutonium disposition.
- Careful preparations for negotiations are designed to ensure that the plutonium-disposition multilateral framework, necessary Russian program decisions, and the linked U.S. domestic program, stay on track.
- Detailed negotiations with the G-8 and other donors on the specifics of the plutonium disposition multilateral framework and financing are required.
- This strategy has so far resulted in pledges of over $800 million, as well as considerable common ground for upcoming negotiations on the framework.
- Resolution required at political level of key outstanding negotiating issues (liability, Russian and donor contributions, financing mechanism for construction vice operation phases).
- Detailed negotiations of bilateral aspects of M&I regime with Russia and of appropriate pieces with the IAEA.

All key allies and friends endorse the deployment of U.S. missile defense system

- Engage in public diplomacy efforts to increase international understanding of the WMD and ballistic missile threat, enhance foreign confidence in U.S. leadership, and promote support for U.S. arms control and missile defense policies.
- Consult with allies and friends regarding U.S. missile defense policies and programs and other aspects of the U.S. and allied nuclear posture.

Implement Mayak FMSF transparency arrangements.

- Accomplished through bilateral negotiations with Russia on transparency protocol to fissile material storage facility (FMSF) agreement.
- Appropriate Department and USG interagency stakeholders vet and the NSC approves U.S. demarches and negotiating positions.

Obtain pledges of ninety-five percent of Global Partnership (GP) target, and twenty percent of actual spending commitments.

- Accomplished through bilateral and multilateral consultations with G-8 and other GP donor states,
- Resolution of outstanding Russian implementation problems blocking or discouraging donor commitments and actual expenditures.
- U.S.G. outreach to donor countries identifying high priority projects and providing support for launch of new projects by donors.
- Successful implementation of key programs under the Global Partnership, e.g., plutonium disposition (see above).

More allies/friends work with U.S. on missile defense-related projects, or some allies/friends undertake their own missile defense-related projects without the U.S.

- Consult regularly with allies and friends regarding rogue state threats, strategic stability in the new security environment, and U.S. missile defense plans, decisions, and programs.
- Work with allies and friends as they assess their missile defense requirements and to determine their level of participation in the U.S. missile defense program.
- Work within NATO to gain agreement to deploy missile defense systems capable of defending Alliance deployed forces against short- and medium-range ballistic missiles, and later, capable of defending Alliance territory and population against long-range ballistic missiles.

Reductions under the Moscow Treaty proceed. Any implementation issues that arise are resolved.

- Work with Russia in the Bilateral Implementation Commission to discuss issues related to implementation of the Moscow Treaty.
- Work with Russia in other diplomatic channels as appropriate to resolve implementation issues not readily addressed in the Bilateral Implementation Commission.

Transparency exchanges concerning strategic and non-strategic arms implemented smoothly.

- Work with the interagency to identify transparency measures that would be feasible and enhance U.S. security.
- Work with Russia in Working Group 1 under the Consultative Group for Strategic Security to develop further transparency.

Implementation of voluntary and reciprocal transparency and predictability efforts vis-à-vis missile defense plans and programs.

- Work with Russia in the Missile Defense Working Group to increase transparency and strengthen confidence on a voluntary and reciprocal basis regarding each other's missile defense-related plans and programs, involving the exchange of information, visits to missile defense-related facilities, exhibitions of missile defense systems, and the observation of missile defense flight tests.

Continue implementation of U.S.-Russian missile defense-related cooperation projects.

- Negotiate a Defense Technical Cooperation ("Umbrella") Agreement to facilitate bilateral U.S.-Russian missile defense cooperation.
- Work with Russia in the Missile Defense Working Group as well as in technical experts sub-groups to identify and agree upon cooperation projects.

The JDEC is open and completely established, where U.S. and Russian military operators monitor side-by-side launches of ballistic missiles and space launch vehicles.

- Continue talks with Russia in bilateral fora to seek a resolution on taxes and liability, as well as modifying the JDEC agreement to include a missile defense mission in addition to the early warning mission.
- Maintain the requirement for JDEC/PLNS compatibility with other international agreements such as The Hague Code of Conduct (ICOC).

U.S./NATO reach agreement within the NATO framework with Russia about long-term missile defense cooperation.

- Continue discussions within the NATO-Russia Council and its working groups to define technical approaches and political mechanisms for NATO-Russia cooperation on missile defense.
- Support NATO-Russia exercises to develop and test concepts for NATO-Russia missile defense cooperation.

Gain access to at least two new previously inaccessible BW and/or CW institutes in Russia/Eurasia via the Bio-Chem Redirect Program, and at least four new high-priority former WMD institute in member countries Azerbaijan and Tajikistan.

- Hold discussions with national and local government authorities, institute leaders, and scientists associated with inaccessible former BW and CW facilities, to build support and official approval for U.S. cooperative activities in these facilities.
- Develop and finance ISTC and STCU projects in previously inaccessible BW and CW institutes to enhance U.S. access, cooperation, and transparency in these facilities.
- Arrange and conduct U.S. engagement visits to newly identified former BW/CW institutes as well as arrange and finance reciprocal visits of institute officials and scientists from these facilities to the United States to build cooperative relationships.

Increase level of U.S. private industry funding of joint science center projects to 15% of total project funding.

- Support partner promotion and commercialization support activities at the two science centers, and sponsor targeted U.S. industry outreach efforts.
- Support and encourage the transfer to U.S. companies of USG licensing rights to technology created under USG-funded science center projects

Graduate 2-3 institutes or groups of scientists from NP/Science Center Program assistance. Identify candidates among chem and bio institutes for graduation in FY06.

- Gather data on institutes listed as NP/Science Center programmatic priorities to evaluate regularly the institutes' ability to sustain themselves.
- Design and fund targeted projects and activities at priority institutes, particularly bio and chem institutes, to promote the transition of these institutes to self-sustainability and graduation.

Begin two new BII conversion and commercialization projects at priority BW production facilities. Fund two new BII projects on accelerated drug and vaccine research.

- Hold discussions and organize meetings with national government officials and institute directors to organize, prioritize, approve, and implement project activity.
- Support U.S. and Russia/Eurasia bio-industry partnerships through targeted matchmaking efforts, site evaluation visits, and sponsored market needs analysis, business plans development, and infrastructure improvements.

Initiate effort in Iraq to engage, redirect, retrain and/or re-employ former WMD scientists and engineers. Establish initial group of transition and training activities; develop database of available scientists/engineers; coordinate activities with other reconstructions efforts.

- Establish and staff position on the staff of the Coalition Provisional Authority (CPA) to coordinate CPA's nonproliferation programs, including a program to engage former Iraqi WMD scientists. Incumbent will create a matrix of interaction among USG and NGO entities with the goal of leveraging the DOS funding.
- Create a set of Iraq-based research entities through which the WMD redirect plan will be implemented.
- Involve senior Iraqi scientists in the process of creating research, conference, and training opportunities.

Long-term measurements for each high priority project established and in use.

- Long term measures for the above projects have been designed, but are currently awaiting OMB approval.

Annual Performance Goal #2
STRENGTHENED MULTILATERAL WMD AGREEMENTS AND NUCLEAR ENERGY COOPERATION UNDER APPROPRIATE CONDITIONS

I/P #4: Strengthen Global Norms

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

Results			Targets	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #1: Status of the Non-Proliferation Treaty (NPT) and International Atomic Energy Agency (IAEA)				
2000: The 2000 Review Conference showed wide support for the NPT. Forty-five countries have signed the IAEA safeguards protocol. **2001:** Fifty-two countries have signed the IAEA safeguards protocol.	PrepCom I for the 2005 NPT RevCon concluded smoothly. The IAEA took action on integrated safeguards and emphasized financial needs; nine more states signed, bringing the total to sixty-seven, of which, twenty-eight protocols have entered into force. The IAEA Board approved a multi-year, $11.5 million a year program to address the prevention of, detection of and response to nuclear terrorism. President Bush sent U.S. Additional Protocol to Senate for its advice and consent.	PrepCom II for the 2005 NPT Review Conference concluded successfully. Cuba and East Timor joined the treaty. The international community urged Iran to comply with the NPT and North Korea to reverse its position on NPT withdrawal. Eleven more states signed an additional protocol, bringing the total to seventy-eight, thirty-seven of which have entered into force. Voluntary contributions to the IAEA anti-nuclear terrorism program funding doubled in FY 2003.	IAEA successfully uses the first increase in the safeguards to meet critical safeguards needs, including more inspectors. States continue to provide support for IAEA program to counter nuclear terrorism. Ten to 20 more states negotiate, sign, and implement the Additional Protocol. New integrated safeguards system under the Additional Protocol in place in Japan and Canada The IAEA continues to improve safeguards approaches to key nuclear facilities of concern. At PrepCom III (2004) for the 2005 NPT Review Conference (RevCon), Parties table and discuss seriously recommendations for strengthening the NPT, particularly compliance with its nonproliferation obligations, safeguards, and export controls. Senate provides advice and consent to U.S. Additional Protocol.	2005 NPT Review Conference reinforces value of Treaty; many parties support recommendations to strengthen compliance with nonproliferation obligations, including support for the Additional Protocol, export controls, and safeguards. Additional states negotiate, sign and implement the Additional Protocol, including most NPT parties with major nuclear programs. Process for implementing U.S. Additional Protocol is well under way. Additional safeguards funding and improved approach to implementation continue to strengthen safeguards system. IAEA program to combat nuclear terrorism remains strong and continues to strengthen the security of nuclear and other radioactive material.

I/P #4: Strengthen Global Norms, *cont'd*				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #2: Status of the Physical Protection Convention (CPPNM)				
2000: N/A **2001:** N/A	Baseline: The IAEA met to discuss whether the CPPNM should be revised or strengthened. Experts made recommendations The Experts Group recommended "well defined amendment" to CPPNM for consideration by the Drafting Group. The Drafting Group worked on recommendations for consideration by a revision conference.	After two meetings, the Drafting Group concluded its work without reaching consensus on a revision proposal, but did identify a set of possible amendments warranting further consideration by States Parties as the basis for a proposal.	The United States signs the revised CPPNM, which is sent to the Senate for ratification.	Sufficient number of States sign revised CPPNM to allow convention to come into force with U.S. ratification.

I/P #5: Chemical Weapons Convention				
Support the 1997 Chemical Weapons Convention (CWC): the global treaty outlawing the development, production, acquisition, stockpiling, retention, and transfer of chemical weapons (CW).				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
Indicator #3: Status of the Chemical Weapons Convention (CWC)				
2000: A total of 133 States Parties. The United States began implementing U.S. industry obligations. Discussions with Russia on CW destruction moribund. **2001:** A total of 144 States Parties. The U.S. fully implemented its industry obligations, including hosting 16 inspections of U.S. industry facilities conducted. Organization for the Prohibition of Chemical Weapons (OPCW) budget problems continued. Some destruction of Russian chemical weapons began.	Four States Parties (Nauru, Uganda, St. Vincent and the Grenadines, and Samoa) were added to the CWC, and two other states (Libya and Thailand) voiced intent to join. The United States fully implemented CWC industry obligations by meeting all declaration and reporting requirements, hosting eight industry inspections, and successfully resolving issues from five previous inspections. Three of the six Congressional conditions for granting authority for U.S financial assistance for Russian stockpile destruction have been resolved; limited progress was made on the other three conditions; Congress granted the President waiver authority. As a result of intense Department efforts, significant international financial assistance was provided. In the summer of 2002, the United States succeeded in bringing about a change in the leadership of the OPCW Technical Secretariat and called for voluntary donations to resolve the immediate OPCW financial crisis. The United States made a $2 million voluntary contribution, and sought and obtained agreement of the States Parties for a ten percent increase in the 2003 OPCW budget.	A total of 156 States Parties. The first Russian destruction facility started operations in December 2002, and Russia met its revised deadline of destroying 400 agent tons by April 24, 2003. Construction of a second destruction facility has begun. OPCW has significantly recovered from the financial and administrative crisis it faced a year ago. The new Director-General of the OPCW Technical Secretariat has undertaken necessary management and financial reforms. Inspections, a key operation for the OPCW, have increased by over 15 percent, while the budget increase has been held to less than 10 percent, indicating an increase in efficiency, as well. Inspections have also been retargeted to focus better on potential chemical weapons (CW) threats.	156 CWC States Parties. OPCW well managed and adequately funded. Full inspection program Construction continues on a second CW destruction facility in Russia.	157 States Parties OPCW management and financial reforms show results: inspection program expands in terms of number of sites inspected and number of countries inspected to 230 sites inspected in 57 countries Completion of destruction operations at first Russian facility (Gorniy), second destruction facility to be completed by 12/31/05; and construction begins on a third facility.

I/P #6: Biological Weapons Convention				
Support the 1972 Biological Weapons Convention (BWC) banning the development, production, stockpiling, and acquisition of biological weapons (BW).				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #4: Number of States Parties who Incorporate U.S. Proposals in Their National Approaches to Controlling the Biological Weapons Threat				
2000: The States Parties continued work on the BWC Protocol. The United States worked with the Ad Hoc Group Chairman to fix deficiencies in the BWC Protocol. **2001:** The States Parties continued work on the BWC Protocol. The United States rejected the flawed BWC Protocol because it would harm the U.S. pharmaceutical industry and undermine U.S. security.	USG developed an alternative package of effective measures to strengthen the BWC and began discussions with other BWC States Parties.	States Parties agreed at the November 2002 Review Conference to a work program based on U.S. proposals. At the August 2003 experts meeting, at least 25 states reported that national legislation, mirroring U.S. laws to control the BW threat, was already in place. The 80 states participating agreed that such legislation was an important element of their measures to improve biosecurity, evidence of implementation was more fragmentary. However, at least 20 States Parties acknowledged the validity of the U.S. approach and indicated that they had at least begun an awareness-raising program in their countries. At the November 2003 meeting of States Parties, the U.S. got an agreed pledge that all Parties will work to implement and enforce appropriate safeguards in their respective countries.	U.S. alternative proposals incorporated by 25-30 of the 150 total BWC States Parties in their national approaches to control the BW threat.	Forty to forty-five of the 150 total States Parties incorporate U.S. alternative proposals in their national approaches to controlling the BW threat.

I/P #7: Promote Safe Nuclear Cooperation				
Global nuclear cooperation under the highest nonproliferation and safety standards is promoted.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
Indicator #5: Unsafe Reactor Closures and Nuclear Waste Improvements				
2000: Several reactor closures agreed to in NIS and other Eastern European countries. Negotiations held on nuclear waste framework agreement. **2001:** Several NIS plants closed. G-7 adopted the goal of pressuring Russia to close unsafe reactors.	Positive results achieved in Eastern Europe: e.g., Lithuania and Armenia; Bulgaria shut down two of its four high-risk reactors (Kozloduy). Liability agreement reached with Russia allowing U.S. participation in waste cleanup; implementing agreements negotiated.	Ignalina (Lithuania) initiates closure procedures for Unit 1 and plans for the closure of Unit 2. Russia is working on a comprehensive plan for de-commissioning of some of its reactors. Began a comprehensive plan for addressing nuclear waste issues.	Russia's nuclear waste plan finalized. International community funds special projects to help with Russian nuclear waste. Liability resolved so U.S. if it chooses can participate outside of CTR. Progress toward closure of key plants in the former Eastern BlocIgnalina Unit 1 in Lithuania shuts down. Closure of Unit 2 anticipated in 2009. Armenia offers firm date for closure of its plant.	International community continues to provide funds to help with Russian nuclear waste. Decommissioning begins for Ignalina Unit 1 in Lithuania. Bulgaria prepares to shuts down Kozloduy Units 3 & 4. Armenia negotiates the closure of its plant.

Means for Achieving FY 2005 Targets

2005 NPT Review Conference reinforces value of Treaty; many parties support recommendations strengthen compliance with nonproliferation obligations, including support for the Additional Protocol, export controls, and safeguards.

- U.S. uses PrepCom III and consultations in lead-up to PrepCom III and the Review Conference to make clear strong challenge to the Treaty posed by noncompliance with nonproliferation obligations and the need for Additional Protocol universality and continued strengthening of the safeguards and export control systems.
- Appropriate Department and USG interagency stakeholders vet and the NSC approves U.S. demarches and negotiating positions.

Additional states negotiate, sign and implement the Additional Protocol, including most NPT parties with major nuclear programs. Additional safeguards funding and improved approach to safeguards implementation continue to strengthen the safeguards system.

- Work closely with the IAEA and key nations supporting the Additional Protocol to focus energies and resources on countries with significant nuclear activities.
- Use 2005 NPT Review Conference to highlight necessity of Additional Protocol.
- Continue consultations with the IAEA and key supporters of safeguards to ensure that safeguards have necessary resources, additional resources are wisely distributed, and IAEA implements safeguards with sufficient assertiveness.
- Appropriate Department and USG interagency stakeholders vet and the NSC approves U.S. demarches and negotiating positions.

IAEA program to combat nuclear terrorism remains strong and continues to strengthen the security of nuclear and other radioactive material.

- In response to the nuclear terrorism threat, support IAEA work that provides enhanced assistance to states for detection and prevention, including developing guidance and providing training and advisory services.
- Continue close collaboration with the IAEA and IAEA member states to ensure that anti-terrorism program continues to have widespread financial, in-kind, and political support.
- Appropriate Department and USG interagency stakeholders vet and the NSC approves U.S. demarches and negotiating positions.

U.S. signs revised CPPNM and submits to Senate for advice and consent. Sufficient number of States sign revised CPPNM to allow convention to come into force when they ratify.

- Seek to strengthen the Convention on Physical Protection of Nuclear Material (CPPNM) to extend its coverage to include nuclear material in domestic use.
- Drafting group considers recommendations with the goal of creating a package of amendments for a revision conference.
- The conference will approve the amendments package to the CPPNM to cover nuclear material in domestic use.
- Appropriate Department and USG interagency stakeholders vet and the NSC approves U.S. demarches and negotiating positions.

157 states parties to the Chemical Weapons Convention (CWC).

- Develop and implement targeted strategies for gaining additional adherents to the CWC, including using other countries' leverage.

OPCW Management and Financial Reforms Show Results

- Work with the OPCW Technical Secretariat and the new Director-General to keep the TS focused on its core missions (monitoring CW destruction and confirming declaration accuracy) and ensure it improves efficiency in operations and inspections.
- Press to increase the number of U.S. citizens employed at the OPCW, which will help improve management.

Construction of Third Russian Destruction Facility

- Generate increased international financial support for Russian CW destruction.
- Work with Russia to meet U.S. Congressional conditions for U.S. financial support of Russian destruction program.

U.S. alternative proposals are incorporated by 40-45 States Parties in their national approaches to controlling the BW threat.

- Engage in intensive consultations with BWC States Parties, both individually and collectively, to persuade them of U.S. approaches to strengthening implementation of the BWC.
- Work with the World Health Organization and other international organizations to counter the BW threat.

International community continues to provide funds to help with Russian nuclear waste; progress continues towards closure of unsafe reactors from the Soviet era.

- Negotiate new nuclear cooperation agreements, as appropriate.
- Work bilaterally with the countries concerned and multilaterally through the G-7 and the European Bank for Reconstruction and Development (EBRD).
- Consultations lead to G-7 adoption of the goal of pressuring Russia to close unsafe reactors.
- Appropriate Department and USG interagency stakeholders vet and the NSC approves U.S. demarches and negotiating positions.

Annual Performance Goal #3
VERIFICATION INTEGRATED THROUGHOUT THE NEGOTIATION AND IMPLEMENTATION OF NONPROLIFERATION AND ARMS CONTROL AGREEMENTS AND COMMITMENTS AND RIGOROUS ENFORCEMENT OF COMPLIANCE WITH IMPLEMENTATION AND INSPECTION REGIMES

I/P #8: Arms Control and Nonproliferation Verification				
Integrate Verification into Negotiations and implementation of arms control and nonproliferation agreements and commitments				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Input Indicator				
Indicator #1: Status of Verification of Arms Control and Nonproliferation Agreements and Commitments				
2000: N/A **2001:** N/A	Baseline: Moscow Treaty Verifiability Report completed. U.S. positions on verification requirements developed. Transparency measures for the Moscow Treaty developed. Prepared assessment of the elements of the verifiable dismantlement of North Korean nuclear weapons capability. Prepared assessment of the elements of a ban on North Korean indigenous and export programs for ballistic missiles.	The Senate provided its advice and consent to ratification of the Moscow Treaty in June 2003. Began implementation of Moscow Treaty through its Bilateral Implementation Commission (BIC). Considered role of transparency measures in terms of the BIC. Integrated verification concepts into USG deliberations and negotiations toward verifiable elimination of North Korea's nuclear program, including preparation of core interagency building blocks.	North Korea agrees to verifiable dismantlement of its nuclear program. Implementation of improved PPRA verification measures. Fully integrate verification concepts into USG deliberations and into negotiations toward a verifiable constriction or dismantlement of Iran's nuclear program Integrate verification concepts into USG deliberations toward the definition of a verification regime. Maintain effectively verifiable START Re-entry Vehicle On-Site Inspection (RVOSI) Regime. Integrate results of START Treaty inspections, notifications, national monitoring activities, and cooperative programs to enhance confidence in the implementation of the Moscow Treaty.	Continue dismantlement of North Korea's nuclear weapons program. Implement verifiable compliance measures related to North Korea's agreement to halt missile technology transfers Verification measures implemented in the constriction or dismantlement of Iran's nuclear program. Implementation of improved verification measures (PPRA). Fissile Material Cutoff Treaty (FMCT) basic verification measures agreed to. Effective implementation of the Moscow Treaty through the BIC.

I/P #8: Arms Control and NonproliferationVerification, *cont'd*				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Input Indicator				
Indicator #2: Status of the Effectiveness of the International Atomic Energy Agency to Contribute to Verification and Compliance of USG Nonproliferation Goals				
2000: N/A **2001:** Review IAEA safeguards verification technologies and methodologies. Participate in verification activities related to the Trilateral Initiative (U.S.-Russia-IAEA) to develop measurement technologies that protect classified information.	Supported IAEA safeguards as a nonproliferation policy priority. Trilateral Initiative stalled by Russia. U.S. exploring possible continued cooperation on verification technology.	Initiate a verification assessment of the IAEA's contributions to verification and compliance of USG nonproliferation goals. This includes assessing the IAEA's ability to detect undeclared activities and its utilization of resources to address concerns about Non-Nuclear Weapon States suspected of weapons activities.	IAEA utilizes its resources to detect undeclared activities and to address concerns about Non-Nuclear Weapon States suspected of weapon activities. Ensure that IAEA Technology Cooperation projects are not used as covers for technology to be diverted into covert production or development of nuclear materials or weapons.	IAEA further shifts its resources to detect undeclared activities and to address concerns about Non-Nuclear Weapon States suspected of weapon activities. Work with IAEA to ensure that noncompliance concerns are formally used in judging the applicability of Technology Cooperation projects.

I/P #9: Compliance Diplomacy				
Develop and implement compliance diplomacy strategy to enforce compliance with arms control and nonproliferation agreements and commitments. Ensure implementation of inspection regimes.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #3: Status of Implementation of a Global Norm of Adherence to and Compliance with Arms Control and Nonproliferation Agreements				
2000: N/A **2001:** N/A	Compliance issues associated with arms control and nonproliferation agreements and commitments enforced.	**Proliferation Behavior Reviewed** – In preparing and improving the Annual Noncompliance Report, the Department is better positioned to promote compliance enforcement through compliance diplomacy and sanctions. **Non-Proliferation Arms Control Compliance & Enforcement** – Sought clarification and resolution of U.S. compliance concerns related to the Chemical Weapons Convention (CWC) through visits conducted under Article IX of the CWC. Bilateral compliance consultations were also conducted. We also worked with Congress to enforce Russian compliance with the CWC.	Coordinating U.S. efforts to assist Libya in ensuring and verifying the elimination of its weapons of mass destruction and MTCR class missile program. Proliferation behavior identified to allow for timely USG response to noncompliant and sanctionable activity. Brief allies, friends and key nonaligned states regarding noncompliant behavior, increasing their awareness of and sharpening their responses to curtail/modify noncompliant activities. Pursue open source information upon which to base more rigorous unclassified compliance assessments for use in compliance diplomacy.	Continue coordination of U.S. efforts to assist Libya in ensuring and verifying the elimination of its weapons of mass destruction and MTCR class missile programs. Foster international support for inducing compliant behavior, resulting in increased compliance with arms control and nonproliferation agreements and commitments. Other nations briefed on U.S. noncompliance concerns. Conduct Noncompliance consultations in capitals and at multilateral fora, e.g. NATO, ASEAN, OAS, identifying most serious noncompliance issues that remain to be resolved.

Indicator 3 continued on next page

I/P #9: Compliance Diplomacy, *cont'd*				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Indicator #3, continued				
		Start Treaty – In August 2003, the Department held consultations with Russia's representative to the Joint Compliance and Inspection Commission on the unclassified version of the Noncompliance Report for the year 2002. In September 2003, A/S for Verification and Compliance sent a follow-up letter to the Russian Ministry of Foreign Affairs (MFA), Department of Security Affairs and Disarmament, reiterating the earlier explanation from the consultations that the law requiring the President to submit the Noncompliance Report to Congress was changed to require more specificity in the upcoming Report. In response to a subsequent request from the Russian MFA, a copy of the law containing the requirements for submitting the Report to Congress was delivered to the Russian MFA on September 26. Russia has yet to provide official comments in response to the consultations. **Sanctions** – During 2003, the Department imposed sanctions on entities for transferring items that could contribute to WMD and delivery system programs as well as lethal military equipment sales. For example, in May 2003, the Department placed export and import ban sanctions on the Chinese entity NORINCO	**CWC:** Clarify and seek resolution of U.S. compliance concerns. Visits under Article IX of the CWC will be proposed to clarify and resolve compliance issues. Bilateral compliance consultations will be conducted. **BWC:** Promoting compliance with the BWC is a principle thrust of U.S. BWC activities at appropriate fora and in bilateral consultations. Department and USG validate agreed U.S. policy for the rapid assessment of allegations of biological and chemical weapons use, to be deployed during the 2004 Annual Meeting of the BWC States Parties.	Work with nations to ensure that multilateral export arrangements and individual export laws are commensurate with global nonproliferation goals **CWC:** Noncompliance issues identified with 16 states parties of concern and most noncompliance issues, resolved. Bilateral discussions held with 5 highest priority countries of concern and site visits conducted with top two States Parties of concern regarding CWC noncompliance issues, including those related to declarations, ambiguous CW and industrial activities. Multiple initial and follow-up demarches delivered which identify and seek resolution of U.S. noncompliance concerns, including those related to declarations and ambiguous industrial activities. Similar targets established for BWC, NPT, and MTCR as described above for CWC.

I/P #10: All Source Intelligence Collection and Technology R&D				
Promote intelligence collection resources and technology R&D to support arms control and nonproliferation verification objectives, intelligence information secured and protected.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Input Indicator				
Indicator #4: Intelligence Collection Resources Applied to Support Arms Control and Nonproliferation Verification Objectives				
2000: N/A **2001:** N/A	Verification Technology R&D and intelligence assets coordinated and supported. The Department provided $400,000 to initiate a Program Office and to advocate funding the replacement for the COBRA JUDY radar (operated by the Department of Defense and the intelligence community), critical for verification of the Strategic Arms Reduction Treaty (START) and for missile proliferation assessments. State co-chaired the interagency Nonproliferation and Arms Control Technology Working Group (NPAC TWG), which acts as a central Coordinator for verification technology and identifies shortfalls in funding for critical arms control and nonproliferation R&D projects. The Department finalized the biennial NPAC TWG Report. State assisted in sponsoring major symposia on Biological Weapons Detectors, Nuclear Explosion Detection, Chemical Weapons Detectors, and Unattended Radiation Sensors.	USG did not seek funding from Congress for the V Fund, but Department identified projects and funded key intelligence programs using Department funds, important for verification of agreements and for ascertaining WMD-related activities. The annual Nonproliferation and Arms Control Technology Working Group (NPAC TWG) Conference was postponed due to the war in Iraq. Participated in over 20 USG intelligence groups that monitor and assess weapons and proliferation activities. Directed appropriate action related to sensors and other assets in support of arms control and nonproliferation objectives. With the assistance of other USG agencies and departments, the Department began compiling data related to the assessment of allegations of chemical and biological weapons use.	Participate in over 30 USG intelligence groups that monitor and assess weapons and proliferation activities, and direct appropriate action related to sensors and other assets in support of arms control and nonproliferation objectives.	Support and preserve the continued operation of key sensor programs used to verify arms control and nonproliferation agreements and commitments.

I/P #11: Rapid and Accurate Communications for Arms Control				
Ensure the rapid transmission of important information regarding compliance with nonproliferation/arms control restrictions.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #5: Reliable Communications and Timely Upgrades				
2000: U.S.-Russian Nuclear Risk Reduction Centers (NRRC) Agreement Amendment Protocol signed by the Secretary in January 2000. Study of architecture for Government-to-Government Communications Links (GGCL) replacement system began (the current system is operational only until 2005). **2001:** Study of architecture for GGCL replacement system took place.	START partners (former Soviet nuclear states) considered completed U.S. proposal for replacement of current Government-to-Government Communications Links (GGCL) system. Integrated Notification Application (INA), designed to support CFE, Open Skies and VC 1999 notification exchange was being tested; OSCE Network Phase II Migration was on track.	GGCL preliminary modernization authorized by START partners in the summer of 2003. INA became operational. Network migration completed, with startup of Internet-based Virtual Private Network (VPN). All Network members successfully migrated.	Coordination of international testing of accepted GGCL replacement architecture design. INA fully functional with installation by all Network members. The three former notification-processing applications, CFE NoFES (Notification Front End System), Vienna Document '99 Word macros, and Open Skies NoFES, are discontinued. More non-connected OSCE Network states have joined the Network. The reduced communications costs of the VPN are realized.	Timely communications in support of U.S. and foreign compliance with arms control and nonproliferation agreements and commitments. Final international testing of replacement system successful; integrated system brought online, maintaining 99% reliability in communications. INA software automation enables NRRC to process increased notification traffic with '03-level staffing. All OSCE states are electronically connected to the Network.

Means for Achieving FY 2005 Targets

Continue dismantlement of North Korea's nuclear weapons program.

- Develop and implement regime for dismantlement and ban on missile transfers. Identify specific milestones as part of diplomatic strategy.

Implement verification measures to constrict or dismantle Iran's nuclear program.

- Develop framework and identify specific milestones as part of diplomatic strategy.

FMCT verification measures agreed to and verification measures implemented pursuant to PPRA.

- Refine verification strategy for FMCT and PPRA.

Effectiveness of the IAEA

- Engage with both like-minded states and relevant elements within the IAEA, consulting on best path to shift IAEA resources and culture to focus on detecting undeclared activities and addressing Non-Nuclear Weapons States suspected of weapon activities.

Ensure consistent strategy for addressing noncompliant behavior.

- Record compliance analysis and findings in the 2004 Noncompliance Report and use this document to drive U.S. compliance diplomacy and interactions with allies, friends, and others to induce compliance by those states that are not fulfilling their arms control and nonproliferation obligations and commitments.
- Work with allies, friends, and others to develop global responses to noncompliant activities.
- Continue to Improve Annual Noncompliance Report covering CY 2004 activities by increasing its coverage and depth of analysis regarding noncompliant behavior.
- Seek Congressional action to combine the CFE Condition 5 report and CWC Condition 10 report with the Noncompliance Report thereby reducing the total number of reports. Man-hours saved are invested in improving analytic effort in preparing the Noncompliance Report.

Noncompliance issues identified and most noncompliance issues resolved.

- Apply compliance expertise to introduce more rigor into reviews of proliferation behavior to identify and respond to sanctionable activities.
- Increase consistency between U.S. laws authorizing sanctions to discourage proliferant behavior and the nonproliferation provisions of international treaties, agreements, and commitments.

Multiple bilateral discussions and site visits with other States parties regarding CWC noncompliance issues.

- Engage states parties about whose CWC compliance the United States has concerns.
- Conduct visits under the provisions of Article IX of the CWC to assist in resolving U.S. concerns about CWC compliance.
- Share our views on CWC compliance with other States Parties and build a wider consensus around U.S. concerns.
- Request, where appropriate, action by the OPCW under the provisions of Article IX of the CWC.

Multiple initial and follow-up demarches delivered which identify and seek resolution of U.S. BWC noncompliance concerns.

- Engage states parties about whose BWC compliance the United States has concerns.
- Share our views on BWC compliance with other States Parties and build a wider consensus around U.S. concerns.
- Promote U.S. views on compliance with the BWC during the annual Group of Experts meeting and during the annual meeting of BWC States Parties.

Enhance open source collection on arms control and nonproliferation issues to support unclassified efforts to induce compliance.

- Seek additional funding to support this open source collection effort.
- Contracts with outside entities executed to collect and exploit open source information on WMD and their means of delivery.

- Interagency Agreements with other U.S. government agencies and task orders with existing contracts will be used to collect open source information. The data will then be included with other data to combat the spread of WMD and the means of their delivery.
- Use expertise of specialized contractors such as microbiologists and chemical experts, institutes, and universities to analyze and evaluate open source information on WMD proliferation.
- The VC Bureau will develop contracts with outside organizations, such as George Mason University's Center for BioDefense, as well as using consultants from the Monterey Institute to review and provide reports to the VC Bureau using open source information.
- Formulate requirements and work closely with our database contractors to adopt and modify software applications for our use in acquiring key data on the proliferation of WMD and the means of their delivery. Utilize "Access" software application or a similar system to track all the pertinent information.

Provide a better understanding of the need for rigorous verification and compliance to decision-makers and staff throughout the U.S. government in order to better achieve U.S. arms control objectives.

- Conduct a conference for U.S. officials on verification and compliance at the SECRET level.

Timely exchange of notifications pursuant to international agreements, utilizing new GGCL architecture. Final international testing of replacement system successful; integrated systems brought on line to replace 1995-era GGCL.

- INA software automation enables NRRC to process increased notification traffic with '03-level staffing.
- Release of new versions of INA furthers ease of use of the software.
- Training new NRRC personnel in use of INA promotes greater efficiency in processing notifications.
- All OSCE states are electronically connected to the Network.
- Demonstrate to non-connected states the benefits of joining the VPN by showing savings incurred in communications costs.
- Provide technical assistance by funding experts to travel to non connected states and work on establishing VPN connection.
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V: Illustrative Examples of FY 2003 Achievements

Weapons of Mass Destruction	
U.S.-Russia Strategic Offensive Reductions	In May 2002, Presidents Bush and Putin signed the Moscow Treaty, reflecting the dramatic shift from Cold War rivalry to partnership based on the principles of mutual security, trust, openness, and cooperation. The treaty legally binds the United States and Russia to reduce the levels of strategic nuclear warheads by the end of 2012 to between 1,700 and 2,200 – about one-third of current levels. The Treaty entered into force in June 2003.
Positive Outcome for 2nd PrepCom Meeting	U.S. efforts to support the second meeting of the Preparatory Committee (2003 NPT PrepCom II) for the 2005 NPT Review Conference contributed to a positive outcome that addressed a full range of substantive issues, including international concern over Iran's and North Korea's nuclear programs, the importance of universalization of the Additional Protocol for strengthened IAEA safeguards and the importance of treaty compliance.
Fissile Materials Disposition	A Plutonium Production Reactor Agreement (PPRA) and replacement implementing agreement was signed. In addition, access arrangements for U.S. personnel overseeing projects to construct/refurbish fossil fuel plants to replace production reactors was signed. PPRA monitoring of shutdown reactors and Russian weapon-grade plutonium in storage continues smoothly.
Cooperation with Russia on New Strategic Framework	In June 2003, the U.S.-Russian treaty on Strategic Offensive Reductions entered into force, reflecting the dramatic shift from Cold War rivalry to partnership based on the principles of mutual security, trust, openness, and cooperation. The treaty binds the U.S. and Russia to reduce the levels of strategic nuclear warheads by the end of 2012 to between 1,700 and 2,200 – about one-third of current levels.

VI: Data Verification/Validation by Performance Goal

Performance Goal 1 Bilateral measures, including the promotion of new technologies, combat the proliferation of WMD and reduce stockpiles.
• Data to measure performance and progress are derived from intelligence reporting cables from U.S. embassies and meetings, principals' committee/deputies committee (PC/DC) decisions, decision memos, interagency USG input, and, where appropriate, treaty and regime documents and meetings. For the Science Centers, data are collected and maintained in accessible databases in Moscow and in Kiev. Data and performance measurement are also derived from reports by independent outside auditors. Data generally cover all relevant issues and are usually reliable.
Performance Goal 2 Strengthened multilateral WMD agreements and nuclear energy cooperation under appropriate conditions.
• Data to measure performance and progress are derived from direct participation, intelligence, reporting cables, PC/DC decisions, decision memos, interagency input, and, where appropriate. IAEA documents and meetings, and trip reports. Data cover all relevant issues and are reliable. For the IAEA and OPCW, data to measure performance and progress are derived from IAEA and OPCW decisions and other IAEA and OPCW documentation, USG policy papers and decision documents, and U.S. diplomatic reporting (particularly from IAEA and OPCW) and e-mail. Data also come from other USG personnel involved in supporting programs (e.g., from NRC and Department of Energy).
Performance Goal 3 Verification integrated throughout the negotiation and implementation of nonproliferation and arms control agreements and commitments, and rigorous enforcement of compliance with implementation and inspection regimes.
• Data to measure performance and progress are derived from intelligence, reporting and analysis, diplomatic reporting cables, direct participation in multilateral and bilateral forums, open sources of information, reporting by international inspectorates, data declarations, treaty notifications, documents submitted to international implementing bodies, information submitted as confidence building measures, on-site inspections, National Technical Means, and notifications exchanged among agreement signatories. Data are cross-compared, analyzed, and tested for accuracy and for verification. PC/DC decisions, decision memos, IAEA documents, meetings, and trip reports, interagency input, treaty, agreement, and commitment documents and meetings, and Congressional activities also play a part in validating performance. • For North Korean nuclear dismantlement, verification will be self-evident with the development of objectives, list of monitoring and verifying tools, international consensus on elements of the verification regime, and funding and implementation of verification of dismantlement activities. • Data are assessed through the applicable VCAWG and compliance judgments are rendered. Findings are recorded annually in the President's Annual Noncompliance Report. • Performance of NVIS development tasks are verified and validated by the implementation of these software tools on the classified system and their routine use within the Department. • The performance of test site transparency will be validated by the occurrence of reciprocal test site visits with key countries.

VII. Resource Detail

Table 1: State Appropriations by Bureau ($ Thousands)

Bureau	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
International Organization Affairs	$85,656	$93,339	$99,788
Nonproliferation	17,346	17,653	18,255
Arms Control	18,021	17,685	18,183
European and Eurasian Affairs	8,795	8,936	16,859
Other Bureaus	26,452	28,043	29,324
Total State Appropriations	**156,270**	**165,656**	**182,409**

Table 2: Foreign Operations by Account ($ Thousands)

Title/Accounts	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
Title I - Export and Investment Assistance			
Export-Import Bank			
Overseas Private Investment Corporation			
Trade and Development Agency			
Title II - Bilateral Economic Assistance			
USAID			
Other Bilateral Economic Assistance	74,582	64,150	58,064
Independent Agencies			
Department of State	174,770	187,388	195,000
Department of Treasury			
Complex Foreign Contingencies			
Title III – Military Assistance			
International Military Education and Training			
Foreign Military Financing			
Peacekeeping Operations			
Title IV – Multilateral Economic Assistance			
International Financial Institutions			
International Organizations and Programs			
Total Foreign Operations	**249,352**	**251,538**	**253,064**

Grand Total	**$405,622**	**417,194**	**435,473**

Strategic Goal 5: International Crime and Drugs

Minimize the Impact of International Crime and Illegal Drugs on the United States and its Citizens

I. Strategic Goal Public Benefit

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

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

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

II. Resource Summary ($ in Millions)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Change from FY 2004	
				Amount	%
Staff [1]	717	747	744	(3)	(0.4%)
Funds [2]	$1,256	$1,448	$1,321	($127)	(8.8%)

[1] Department of State direct-funded positions.
[2] Funds include both Department of State Appropriations Act Resources and Foreign Operations Resources, where applicable, which include resources for other USG agencies to which the Department provides foreign policy guidance (e.g., USAID, EXIM, OPIC, TDA, Peace Corps).

III. Strategic Goal Context

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

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

IV. Performance Summary

For each Initiative/Program that supports accomplishment of this strategic goal, the most critical FY 2005 performance indicators and targets are shown below.

Annual Performance Goal #1
INTERNATIONAL TRAFFICKING IN DRUGS, PERSONS, AND OTHER ILLICIT GOODS DISRUPTED AND CRIMINAL ORGANIZATIONS DISMANTLED

I/P #1: Andean Counterdrug Initiative				
Reinforce the unified campaign against drug trafficking and the terrorists who benefit from it.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
Indicator #1: Foreign Cultivation of Coca in Hectares				
2000: Coca: 185,000 **2001:** Coca: 223,700	Coca: 205,450	Data pending. However, early projections indicate that the target will be reached.	Total Coca: 154,000 Colombia: 95,000 Peru: 33,600 Bolivia: 25,000* *Includes 12,000 hectares of legal coca.	Total Coca: 132,000 Colombia: 75,00 Peru 32,500 Bolivia: 25,000* *includes 12,000 hectares of legal coca.
Outcome Indicator				
Indicator #2: Potential Production of Cocaine in Key Source Countries in Metric Tons				
2000: 840 **2001:** 995	880	Data pending.	639	537
Outcome Indicator				
Indicator #3: Seizures of Cocaine (HCI/base) (Columbia, Peru, Bolivia) in Metric Tons				
2000: 86 **2001:** 93	132	Data pending.	120	125

I/P #2: Global Poppy Cultivation				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
Indicator #4: Global Cultivation of Illicit Opium Poppy in in Hectares				
2000: 209,465 **2001:** 143,000	141,200	Data pending. Preliminary data indicates that the target will not be reached, primarily as a result of cultivation in Afghanistan.	133,000	128,000

I/P #3: Improve Anti-Trafficking in Persons, Prosecutorial and Protection Capacities				
Train law enforcement officials and service providers to work collaboratively to take preventive measures against trafficking in persons, identify trafficking rings and victims, effectively use existing legislation to prosecute traffickers, weed out corruption, and ensure protections for victims.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #5: Progress Toward the Elimination of Trafficking in Persons (TIP)				
2000: Baseline: The Trafficking Victims Protection Act of 2000 (P.L. 106-386) called for the creation of the Office to Monitor and Combat Trafficking in Persons. **2001:** The Office to Monitor and Combat Trafficking in Persons was established. First Trafficking in Persons Report was issued.	The President's Interagency Taskforce and Senior Policy Advisory Group coordinated anti-trafficking policy. Second Trafficking in Persons Report was issued. Ratification package for UN Trafficking in Persons Protocol was sent to the Senate.	Forty-two percent of Tier 2 and Tier 3 countries use Department assistance to develop or further anti-trafficking initiatives. Third TIP Report was issued and includes 26 additional countries for a total of 116. Promoted "best practices" through five new bilateral and regional initiatives among source, transit, and destination countries. Forty-two countries ratified UN Trafficking in Persons Protocol, which entered into force.	Increase number of countries in Tier 1 by five, bringing total to 31 countries. Tier rating target for 2004 TIP Report - Tier 1: 31 - Tier 2: 80 - Tier 3: 12 Enhance research and data collection; include the addition of countries to TIP report. Enhance public awareness in U.S. and abroad. Thirty additional countries, including the U.S., ratify UN Trafficking in Persons Protocol.	Number of countries in Tiers 2 and 3 improve their anti-trafficking record and move up one tier, including three moving up to Tier 1 in the 2005 Trafficking in Persons Report . Tier rating target for FY 03 - Tier 1: 34 - Tier 2: 85 - Tier 3: 10 The number of prosecutions against traffickers increases worldwide as a result of better information collection, improved laws and U.S.G. assistance.

I/P #4: Mexico				
Improve border security, counternarcotics, and other crucial programs in Mexico.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
Indicator #6: Capacity to Identify Illicit Goods Through Use of High-Tech Equipment				
2000: N/A **2001:** No border checkpoints equipped with high tech screening equipment (VACIS).	No border checkpoints equipped with high-tech screening equipment. Planning initiated to establish border enhancement program based on the Border Accord.	VACIS installed at one crossing point.	VACIS installed at two additional northern (U.S./Mexico crossing points. NIEE installed at three airports.	VACIS installed at five additional northern crossing points (for a total of ten) and two southern crossing points; NIEE (VACIS or other) installed at three other key locations yet to be determined.
Outcome Indicator				
Indicator #7: Professionalization of Justice Sector				
2000: N/A **2001:** No background checks conducted, pay scales below private sector. Federal Judicial Police force disbanded.	Background checks routinely conducted on new personnel – beginning to re-check or re-vet current personnel; improved pay for special federal investigative units. New Federal Investigations Agency (AFI) established. Narcotics police force disbanded following evidence of wide-spread corruption.	Mexico's federal law enforcement academy graduated 979 students in 2003.	Increase in capacity of GOM academies to train personnel. Increase in advanced training by USG; number of GOM personnel trained; continued increase in pay scales. Increase in money laundering prosecutions/convictions and forfeitures.	GOM fully staffs new federal law enforcement agencies – providing all basic training via national academies. Increase in capacity of GOM academies to provide advanced law enforcement training; continued increase in pay scales. Increase in money laundering prosecution/convictions and asset forfeitures.

Means for Achieving FY 2005 Targets

Reduction in foreign cultivation of coca and production of cocaine.

- Following delivery of last round of Plan Colombia equipment in 2004, continue aggressive aerial eradication program, spraying all identified coca at least once.
- Support Colombian National Police Reinsertion Program to extend law enforcement presence into many of the drug transit corridors by deploying police units to municipalities with little state presence.
- Continue to enable coca growers to leave this illicit activity behind by providing alternative development assistance and promoting legal income generating activities.
- Prevent spillover of trafficking activities into Colombia's neighbors by aggressive public information campaign backed by safe and effective Air Bridge Denial program.
- Maintain political pressure on Governments of Peru and Bolivia to firmly support active coca eradication programs.
- Enable Colombianization of counter-narcotics aviation programs by increasing the number of trained pilots and mechanics in the Colombian security forces.

Number of countries in Tier 1 of the 2005 Trafficking in Persons report increases by three.

- Continue to utilize the Trafficking in Persons Report as a tool to engage governments, non-governmental organizations and the media to combat trafficking.
- Continue to develop customized country plans for implementation by governments whose countries are in Tiers 2 and 3.
- In cooperation with other agencies, identify highest priority countries to receive increased diplomatic and programmatic assistance.
- Work with overseas posts to develop and implement diplomatic and programmatic action plans to assist highest priority countries.

The number of prosecutions against traffickers in persons increases worldwide as a result of better information collection, improved laws and U.S.G. assistance.

- Develop strategies to increase law enforcement and judicial capacity in key countries
- Actively promote the development or amendment of laws using the U.S.-developed model law on trafficking.
- Use diplomatic engagement to continue pressing governments to step up their efforts to investigate, prosecute and convict traffickers and corrupt government officials.
- Continue to support training for criminal justice officials.
- Provide technical assistance as necessary to assist governments in improving their criminal records databases and provide start-up equipment for anti-trafficking taskforces.
- Institutionalize TIP training programs offered through the International Law Enforcement Academies and other regional or national criminal justice academies.
- Continue to support the expansion of shelters and services for victims of trafficking.
- Encourage governments to publicize their anti-trafficking efforts to inform the public and warn traffickers.

Develop comprehensive anti-money laundering regimes in 5 TF priority countries designated in FY02; Provide training to all 2003 designated TF priority countries.

- Conduct assessments of vulnerabilities to terrorist financing of countries' financial sectors.
- Provide technical assistance, to include training programs, mentors and/or resident advisors, as appropriate and work to build bilateral relationships with designated countries.
- Provide support to multilateral groups and organizations promoting the development of international anti-money laundering and anti-terrorist financing standards and to donor countries assisting in the building of anti-money laundering regimes.
- Impel countries to build/improve their regimes to meet international standards through countermeasures or special measures as authorized by the USA PATRIOT Act, if necessary.

Non-intrusive inspection units (VACIS or other) installed at five additional crossing points (two northern and three southern), for a total of fifteen.

- Coordinate with DHS and Mexican Government to determine appropriate locations and ensure that machines fit within an overall Mexico law enforcement strategy.
- Work with DHS and Mexico to ensure that users are properly trained, sites are properly prepared, machines are properly maintained once in use.
- Ensure that prosecutions result from their use. …

GOM fully staffs and equips new federal law enforcement agencies – continued institutional development, including personnel management.

- Build on strong foundations laid at Federal Investigations Agency (AFI) and the anti-crime intelligence planning and analysis center (CENAPI) to further professionalize these entities.
- Provide integrated technical, material and training support to the newly-created Federal Prosecutor for Organized Crime Office (SIEDO) to ensure solid structure, professional operation and sophisticated capabilities for federal anti-drug/anti-crime prosecutors.
- Continue to assist the planning, administrative and internal affairs offices of the Office of the Attorney General (PGR) to reform and modernize personnel structures and practices, establishing merit-based promotion systems, improved pay and benefits packages, tighter anti-corruption procedures, improved recruitment and training.

Increase in capacity of GOM law enforcement academies to provide all basic training, as well as begin to provide more advanced training.

- Develop bilaterally-agreed law enforcement training/institution building strategy to ensure that training stays focused on achieving strategic objectives, is properly sequenced, and is directed at the appropriate agencies/personnel.
- Continue to provide critical training for criminal justice officials at the federal and state levels.

Prosecutions against money laundering and terrorist financing increase.

- Actively promote the development or amendment of anti-money laundering laws that meet international standards.
- Provide technical assistance, to include training programs, mentors and/or resident advisors to assist law enforcement, prosecutorial and judicial officials involved in money laundering investigations and prosecutions.
- Actively promote the development of asset freeze, seizure, confiscation and forfeiture regimes using model laws developed by the U.S.
- Actively promote the development of a financial intelligence unit with the authority to share information with its counterparts in other countries.
- As necessary, use mutual legal assistance treaties or other law enforcement coordination agreements to assist in international tracing and seizing of assets.

Annual Performance Goal #2
STATES COOPERATE INTERNATIONALLY TO SET AND IMPLEMENT ANTI-DRUG AND ANTI-CRIME STANDARDS, SHARE FINANCIAL AND POLITICAL BURDENS, AND CLOSE OFF SAFEHAVENS THROUGH JUSTICE SYSTEMS AND RELATED INSTITUTION BUILDING

I/P #5: Support Investigation/Prosecution of Major International Criminals

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

Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
Indicator #1: Status of UN Convention Against Transnational Organized Crime (TOC) and Supplemental Protocols				
2000: Negotiations in progress. **2001:** TOC completed; 135 states signed treaty.	A total of 141 states have signed the TOC, of which, twenty-four have ratified it. Of the 107 states that have signed the Trafficking in Persons Protocol, fourteen have ratified it. Of the 103 states that have signed the Migrant Smuggling Protocol, thirteen have ratified it. Of the thirty-five states that have signed the firearms protocol, two have ratified it.	Fifty-three states have ratified the TOC; forty-two states have ratified the Trafficking in Persons Protocol; both have entered into force. Forty states have ratified the Migrant Smuggling Protocol.	First meeting of Conference of Parties for TOC in June; ten additional states ratify TOC. Migrant Smuggling Protocol enters into force (January).	Ten additional states become party to the Convention. Ten additional states ratify the Supplementary Protocols on Trafficking in Persons and Migrant Smuggling.

I/P #5: International Law Enforcement Academies

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

Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
Indicator #2: Number of Officials Trained at International Law Enforcement Academies (ILEAs)				
2000: 1,100 **2001:** 1,412	2,100	2,200	2,400	2,800

I/P #6: Anticorruption				
Target four USG anticorruption areas: transparency in fiscal affairs, transparency in procurement, enforcement, and empowering civil society.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
Indicator #3: Status of UN Convention Against Corruption				
2000: UN Crime Center received mandate to complete comprehensive study of existing work on corruption. **2001:** Study completed. Experts Group developed Terms of Reference for negotiations.	Progress made at three negotiating sessions.	Agreement reached on text of convention. Signing ceremony took place in December, with more than ninety-three states (including United States) signing. Ratified by one state.	Convention open for additional signatures and ratifications. At least ten countries ratify.	Convention is ratified by at least thirty countries and enters into force. Preparations begin for developing a follow-up mechanism.
Outcome Indicator				
Indicator #4: Status of Regional Anticorruption Frameworks				
2000: Three existing multilateral anti-corruption and peer review mechanisms (OAS, COE, GCA). **2001:** Number of mechanisms increased to four, by addition of Stability Pact agreement.	Number of mechanisms increased to five, by addition of ADB/OECD Asia Initiative.	African Union (AU) Convention on Preventing and Combating Corruption was adopted by the African Union General Assembly at the AU Summit in Maputo on July 11, 2003. The Convention is now open to signature for 42 AU member states. AU is working with Transparency International to develop a monitoring and assistance mechanism related to the New Partnership for Africa's Development (NePAD).	Number of mechanisms increased to seven, by addition of Middle East and North Africa Anticorruption Initiative.	Initiate process in each regional body to determine impact of efforts to encourage implementation of regional anticorruption commitments.

I/P #7: Money Laundering Initiative				
Support the Financial Action Task Force (FATF) and fund the growing demand for assistance For NCCT Countries.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #5: Status of Financial Action Task Force on Money Laundering (FATF) List of Non-Cooperative Countries and Territories (NCCT)				
2000: N/A **2001:** FATF removed four countries from list and added eight new ones based on additional reviews. Nineteen jurisdictions on list at end of 2001.	FATF removed eight countries from list; eleven countries remain on list.	FATF removed two countries from list; nine countries remain on list.	FATF removes all but four countries placed on list prior to 2003.	FATF removes all but three countries designated as NCCTs prior to 2003.

Means for Achieving FY 2005 Targets

Ten additional states become party to the Convention Against Transnational Organized Crime (TOC). Ten additional states ratify the Supplementary Protocols on Trafficking in Persons and Migrant Smuggling.

- Promote ratification and implementation of these instruments through bilateral dialogue and at relevant multilateral fora.
- Strengthen UNODC's technical assistance to states seeking to ratify and implement the commitments of the instruments.

Increase number of officials trained at International Law Enforcement Academies (ILEAs) to 2,800.

- Open two new ILEAs, one for South America, one for Middle East/South Asia.
- Expand the number of countries participating at the currently existing ILEAs.
- Broaden curricula to reflect emerging criminal trends and issues, including trafficking in persons, counterterrorism, and environmental crime.

UN Convention Against Corruption is ratified by at least thirty countries.

- Raise the profile of the convention through public diplomacy and UN outreach.
- Encourage civil society to engage actively in pressing for ratification.
- Strengthen existing assistance regimes to combat corruption in countries that ratify (assist them in meeting commitments).
- Strategize with other leading anticorruption donor nations on enhancing adherence and increasing ratification.

Initiate process in each regional body to determine impact of efforts to encourage implementation of regional anticorruption commitments.

- Engage other leading nations in each regional body to press for implementation.
- Encourage open discussion of implementation efforts.
- Press for mutual evaluation mechanisms in regional bodies.
- Participate actively in all regional mechanisms and make U.S. evaluations public.

Removal of all countries designated by FATF as NCCTs prior to 2003.

- Strongly promote adoption and implementation of international anti-money laundering standards by all NCCT jurisdictions.

- Provide technical assistance, including training programs, mentors or resident advisors, as appropriate.
- Impose countermeasures or special measures against non-cooperative jurisdictions, as authorized by the USA PATRIOT Act, if necessary.

V: Illustrative Examples of FY 2003 Achievements

International Crime and Drugs	
Andean Counterdrug Initiative	Building on the record year 2002, when the aggressive U.S.-supported aerial eradication program in Colombia reduced coca cultivation by more than 15 percent and opium poppy cultivation by 25 percent, the 2003 aerial eradication program is expected to demonstrate further declines. Over 127,000 hectares of coca and 2,800 of poppy were sprayed. Since the beginning of the Uribe Administration in august 2002, Columbia has extradited 68 Colombian nationals to the U.S., primarily on narcotics or money-laundering charges. Completion of a new agreement with Colombia to resume the Air Bridge Denial program added an important weapon to the counterdrug campaign. Negotiations with Peru to establish a similar program there got underway. Meanwhile, coca cultivation in Peru declined 15 percent in 2003. Bolivia continues a strong forced coca eradication program in the Chapare, where it is expected to eradicate around 10,000 hectares in 2003, and has doubled the 2002 rate of interdiction of drugs and precursor chemicals. Despite these efforts, overall coca cultivation in Bolivia increased in 2003, although it remains well below the high point of the 1990's and significantly below the level in Colombia.
Trafficking in Persons	There are an estimated 800,000 to 4 million persons trafficked annually across and within international borders. Approximately 20,000 victims of trafficking are brought into the United States each year. The Department and a consortium of U.S. NGOs hosted an innovative international conference on best practices bringing together 400 NGO and government representatives who are on the frontlines of the war to combat slavery. Since the conference, two countries are now working collaboratively on trafficking cases. The Department significantly strengthened the annual Trafficking in Persons report by adding 30 new countries, incorporating new law enforcement data, and adding new features, such as victims stories and color photographs, sections on best practices, areas for improvement, and special cases, and a special matrix of relevant international conventions. Department funding facilitated the development of a regional action plan on combating trafficking in persons that was adopted by the member states of the Economic Community of West African States (ECOWAS). ECOWAS countries are in the process of developing national action plans, revising their legislation and identifying national points of contact.
Crime and Terrorism	Strengthening the global partnership against crime, the U.S. gave assistance to 17 key foreign nations to build capacity to confront terrorist financing, including the creation of Financial Intelligence Units. Caribbean nations received help in bringing their anti-money laundering regimes up to international standards. The U.S. helped push forward and finalize negotiations for the UN Convention Against Corruption and signed along with 93 other countries at December signing ceremony. The State Department opened a new international law enforcement training facility in Africa – the fifth worldwide - while enhancing course offerings on fighting terrorism, corruption and trafficking in persons.

VI: Data Verification/Validation by Performance Goal

Performance Goal 1 International trafficking in drugs, persons, and other illicit goods disrupted and criminal organizations dismantled.
• Cultivation levels are perhaps the most simple and direct gross indicator of the production of crop-based illicit drugs. The CIA's Crime and Narcotics Center (CNC) provides crop estimates for Colombia, Peru, Bolivia, Mexico, and Afghanistan. CNC estimates assume that all of the crop has reached harvestable age. Estimating the amount of raw product that is actually harvested is extremely difficult without routine access to narcotics farmers. What any farmer actually harvests during any given year depends on numerous factors, including the maturity of the plants, eradication efforts, available labor and market demand. Host governments provide estimates for other countries, or in some cases, other governments and the UN. • Estimates of potential production for selected countries offer a refinement over cultivation levels because the former include key data gathered directly from narcotics farmers and others on the ground. However, the periodic nature of the ground surveys means that there is a time lag before new developments, e.g., an expanded spraying program, are fully reflected in the production estimates. The Department's annual International Narcotics Control Strategy Report (INCSR) includes estimates of production levels for most countries in both hectares and metric tons and can be accessed on the Department's website. • The Department uses FATF standards to measure the effectiveness of anti-terrorist financing regimes. Verification is provided by USG experts who may also consult with other experts. • Trafficking in persons is a relatively new law enforcement issue and is poorly understood in many countries, even among those with long-standing trafficking problems. The various TIP indicators are part of a comprehensive strategy to provide teeth to the annual TIP Report by increasing public awareness to the issue in general, identifying problem areas in specific countries, and offering assistance to help develop or improve anti-trafficking laws and practices. TIP Office will provide verification.

VII. Resource Detail

Table 1: State Appropriations by Bureau ($ Thousands)

Bureau	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
Western Hemisphere Affairs	$48,313	$49,776	52,229
European and Eurasian Affairs	13,840	14,237	11,192
East Asian and Pacific Affairs	4,843	5,063	5,104
Near Eastern Affairs	4,136	4,295	4,780
Other Bureaus	16,996	18,266	17,861
Total State Appropriations	**88,128**	**91,637**	**91,166**

Table 2: Foreign Operations by Account ($ Thousands)

Title/Accounts	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
Title I - Export and Investment Assistance			
Export-Import Bank			
Overseas Private Investment Corporation			
Trade and Development Agency			
Title II - Bilateral Economic Assistance			
USAID			
Other Bilateral Economic Assistance	53,280	52,575	70,580
Independent Agencies			
Department of State	1,087,771	1,186,961	1,089,820
Department of Treasury			
Complex Foreign Contingencies			
Title III – Military Assistance			
International Military Education and Training	2,765	3,290	3,229
Foreign Military Financing	24,307	113,840	66,433
Peacekeeping Operations			
Title IV – Multilateral Economic Assistance			
International Financial Institutions			
International Organizations and Programs			
Total Foreign Operations	**1,168,123**	**1,356,666**	**1,230,062**

Grand Total	**$1,256,251**	**$1,448,303**	**$1,321,228**

Strategic Goal 6: American Citizens

Assist American Citizens to Travel, Conduct Business, and Live Abroad Securely

I. Strategic Goal Public Benefit

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

U.S. embassies and consulates provide a range of services that protect U.S. citizens from their births abroad to their possible deaths abroad. The Department must plan for the unexpected and be prepared to respond to crises abroad, transportation disasters, natural disasters, and other situations in which U.S. citizens need assistance, including incidents of terrorism and other serious crimes such as hostage taking, homicide, assault, domestic violence, child abuse, and international parental child abduction. The Department ensures that host governments take steps to protect Americans from crime and unrest; develop effective investigative, prosecutorial, and other judicial capabilities to respond to American victims of crime; and expand their cooperation and information sharing with the United States in order to prevent terrorist attacks on U.S. citizens. The Department also works with foreign governments, other USG agencies, and international organizations on transportation security initiatives.

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

II. Resource Summary ($ in Millions)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Change from FY 2004	
				Amount	%
Staff [1]	579	588	585	(3)	(0.51%)
Funds [1]	$52	$54	$53	($1)	(1.9%)

III. Strategic Goal Context

[1] Department of State direct-funded positions.

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

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

[1] Funds include both Department of State Appropriations Act Resources and Foreign Operations Resources, where applicable, which include resources for other USG agencies to which the Department provides foreign policy guidance (e.g., USAID, EXIM, OPIC, TDA, Peace Corps).

IV. Performance Summary

For each Initiative/Program that supports accomplishment of this strategic goal, the most critical FY 2005 performance indicators and targets are shown below.

Annual Performance Goal #1
U.S. CITIZENS HAVE THE CONSULAR INFORMATION, SERVICES, AND PROTECTION THEY NEED WHEN THEY RESIDE, CONDUCT BUSINESS, OR TRAVEL ABROAD

I/P #1: American Citizen Services				
Provide citizens with up-to-date information and easy access to consular services.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
(P) Indicator #1: Percentage of Consular Information Sheets Revised on an Annual Basis				
2000: 64% **2001:** 76%	86%	85%	100%	100%
Output Indicator				
(P) Indicator #2: Access to Online Registration System				
2000: Some posts allowed registration online. **2001:** Assessment of Registration and Warden List Services completed. U.S. embassies worked with the Bureau of Consular Affairs (CA) to formulate a global plan for allowing U.S. citizens to register with posts electronically.	Pilot software was developed for an Internet-based system that will allow Americans to register overseas travel itineraries at a central website.	Contract to manage the online registration system is on schedule and 30-Day Notice of Proposed Information Collection was published in the Federal Register on September 9, 2003.	U.S. citizens have the ability to use a global Internet-based registration system to inform U.S. embassies and consulates about their planned travel to other countries so that they can be contacted in an emergency.	Online registration system begins to deliver Consular Information Program documents to citizens when they register.

I/P #1: American Citizen Services, *cont'd*				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #3: Status of Hague Convention on Intercountry Adoption				
2000: The Senate ratified the Convention. Congress passed the Intercountry Adoption Act of 2000 to implement the Convention. **2001:** The President signed the Intercountry Adoption Act of 2000 (PL 106-279) on October 6, 2000. Requirements for a federal accreditation program for adoption agencies and other new programs were established. Adoption regulations were drafted.	Adoption regulations were discussed and cleared with stakeholders and other federal agencies. Software to manage international adoption cases was delayed to accommodate the Department's new responsibilities as Central Authority under the Hague Convention on adoptions.	A proposed rule on the implementation of the Hague Convention on Intercountry Adoption and the Intercountry Adoption Act of 2000 was published in the Federal Register on September 15, 2003.	Accrediting agency/agencies is/are selected and will begin to process all adoption providers that qualify for accreditation. Adoption procedure regulations are developed in conjunction with other federal agencies. Software to manage international adoption cases developed to support Central Authority functions.	Adoption visa processing regulations finalized, software finalized and deployed, adoption service providers accredited/approved ; U.S. instruments of accession deposited in 2006.

Means for Achieving FY 2005 Targets

100% of Consular Information Sheets revised on an annual basis.

- Expand the services provided by the contractor-operated Call Center, freeing Department staff to create and update information more frequently.

Online registration system will begin to deliver Consular Information Program documents to citizens when they register.

- Develop a standard, worldwide Internet site allowing American citizens to register with any post or to record itineraries and emergency contacts for short trips abroad.
- Make the Internet-based Registration Service easy to use and ensure that functionality, technical, and security aspects are aligned with Department directives, integrated with current and future consular systems, and facilitate the sharing of travel information among consular sections and systems.
- Complete and deploy additional functionality, including the ability to collect long-term registrations for overseas posts and provide information to registrants.

Adoption visa processing regulations finalized, software finalized and deployed, adoption service providers accredited/approved ; U.S. instruments of accession deposited in 2006.

- Assign more staff to this area and obtain contractual support for discrete or one-time functions.
- Promulgate regulations establishing accreditation/approval standards, criteria, and procedures; designate one or more entities to accredit U.S. adoption agencies for intercountry adoptions and approve other bodies and persons wishing to provide adoption services covered by the Convention.
- Create a computerized case-tracking system for U.S. intercountry adoptions, both incoming and outgoing.
- Establish a program to share information with adoption service providers, state courts and public authorities, the U.S. adoption community, and future adoptive parents concerning their role in compliance with the requirements of the Convention, the implementing legislation, and federal regulations.

Annual Performance Goal #2
EFFECTIVE AND TIMELY PASSPORT ISSUANCE, WITH DOCUMENT INTEGRITY ASSURED

I/P #2: Secure Passport Issuance

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

Results			Targets	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
(P) Indicator #1: Development of a Biometrics Collection Program for U.S. Passports				
2000: Biometrics were not used in U.S. passports. **2001:** Biometrics were not used in U.S. passports.	Inclusion of biometric indicators in U.S. passports considered.	The International Civil Aviation Organization (ICAO) established standards for the integration of biometric identification information into passports and other Machine Readable Travel Documents (MRTDs) in May 2003, enabling the Department to begin implementing the standards in U.S. passports. Initial planning and requirements definition are underway. In July 2003, the Department issued a Request for Information relating to the integration of a chip with integrated circuit technology into the traditional paper-based passport booklet.	Prepare for 2005 roll out of the system by developing software, conducting initial procurement, and beta testing for biometrics collection.	Produce up to three million passports using biometric data.
Output Indicator				
Indicator #2: Checking of Passport Applications Against SSA Death Records				
2000: Capability did not exist. **2001:** Capability did not exist.	Capability did not exist. Initial work done to share data and check information.	Agreement in principle reached with SSA to check all passport applications against the SSA database. Memorandum of Agreement is prepared. The application software is modified. Waiting for link to be established and completion of MOU to send data.	Check thirty-five percent of applications. (Ultimate goal is 100 percent.)	Check 100 percent of applications.
Efficiency Indicator				
(P) Indicator #3: Number of Days Between Receipt of Routine Passport Application by Passport Services and Issuance of a Passport				
2000: N/A **2001:** N/A	N/A	Baseline: 90% of passport applications within 23 business days of receipt	90% of passport applications within 21 business days of receipt	90% of passport applications within 19 business days of receipt

Means for Achieving FY 2005 Targets

Produce up to three million passports using biometric data.

- Identify the security devices that will be embedded in the new passport and complete the design for the passport; establish a contractual source for public key infrastructure and key management that will be necessary for the digital signing of the documents and the control of keys with agencies and other governments that will read the passport.
- Sign new MOUs with the Government Printing Office (GPO) and/or other partners in the passport process, as necessary.
- Procure and install systems and equipment to enroll personal biometrics in the passport, transfer biometric data securely from enrollment locations to issuance facilities, check data against existing records, and store data on-board the passport and in the Department's electronic records systems.
- Ensure that employees receive appropriate training.

Check one hundred percent of passport applications against SSA death records.

- Identify the fields that might be used in the data exchange process to confirm identities.
- Negotiate a MOU or other arrangement with SSA to establish a data link that would provide the Department with access to current Social Security number data and death records.
- Work with SSA to expand the Vital Records Verification Project.

Passport services' work in progress is less than three times the number of weekly passport applications for 100% of all weeks.

- Maximize the use of technology to meet passport demand.
- Make case files available electronically and provide web-based services.
- Add staff to improve caseload ratios.
- Ensure that employees receive appropriate training.

V: Illustrative Examples of FY 2003 Achievements

American Citizens	
International Child Abduction	In January, Assistant Secretary Harty traveled to Saudi Arabia, Lebanon and Syria and raised the issue of international parental child abduction with senior government officials in each country. Since then ten Americans involved in such situations have been able to return to the United States from those countries. She visited Saudi Arabia again in April to emphasize the same concerns. Department officials meet regularly with Saudi officials, both in Washington and Riyadh, to seek solutions in specific cases and to find more systematic ways to address the problem of international parental child abduction. CA hosted "Town Hall" meetings in February and July that were attended by over 75 left-behind parents.
Consular Services	CA, IRM, and DS worked together to develop a "consular-section-in-a-box" to provide secure consular automated system support for the officer designated to begin providing consular services to American citizens in Baghdad. Normal post computer systems and telecommunication infrastructure were not immediately available, so the consular software needed to do name checks, issue passports, and perform warden functions was configured on a laptop computer, tested, and used successfully by U.S. consular officers.
Interagency Cooperation	The Department integrated the U.S. Marshals database (Warrants Information Network (WIN) of individuals subject to outstanding federal warrants of arrest into the passport" name check" system. Over two dozen arrests of federal fugitives have been made as a result of WIN hits. The U.S. Department of Health and Human Services (HHS) has partnered with the Department's Passport Services on the passport denial program. The HHS/Passport Services partnership was quite successful again this year. Using HHS information on individuals who have fallen behind on child support payments, the Department denies passport issuance when these individuals request passport services until such obligations are met. As a result, the HHS Child Support Assistance program collected over $7,000,000 in arrearages directly due to the passport denial program. The collections since the program's inception in June 1998 totals approximately $27,000,000.

VI: Data Verification/Validation by Performance Goal

Performance Goal 1 U.S. citizens have the consular information, services, and protection they need when they need to reside, conduct business, or travel abroad.
• Information posted on Department's web site at http://travel.state.gov for public inspection. • Project management milestones. • Testing/review of systems by users, project team, and independent verification and validation. • Customer surveys. • Reports to Congress.
Performance Goal 2 Effective and timely passport issuance, with document integrity assured.
• Project management milestones. • Testing and review by users and project team.

VII. Resource Detail

Table 1: State Appropriations by Bureau ($ Thousands)

Bureau	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
European and Eurasian Affairs	$16,583	$17,512	$16,884
East Asian and Pacific Affairs	11,611	12,051	12,028
African Affairs	8,354	8,758	7,970
Western Hemisphere Affairs	4,888	5,035	5,283
Other Bureaus	10,320	10,619	10,802
Total State Appropriations	**51,756**	**53,975**	**52,967**

Table 2: Foreign Operations by Account ($ Thousands)

Title/Accounts	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
Title I - Export and Investment Assistance			
Export-Import Bank			
Overseas Private Investment Corporation			
Trade and Development Agency			
Title II - Bilateral Economic Assistance			
USAID			
Other Bilateral Economic Assistance			
Independent Agencies			
Department of State			
Department of Treasury			
Complex Foreign Contingencies			
Title III – Military Assistance			
International Military Education and Training			
Foreign Military Financing			
Peacekeeping Operations			
Title IV – Multilateral Economic Assistance			
International Financial Institutions			
International Organizations and Programs			
Total Foreign Operations	**0**	**0**	**0**

Grand Total	**$51,756**	**$53,975**	**$52,967**

Strategic Goal 7: Democracy and Human Rights

Advance the Growth of Democracy and Good Governance, Including Civil Society, the Rule of Law, Respect for Human Rights, and Religious Freedom

I. Strategic Goal Public Benefit

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

Protecting human rights and advocating democracy is an integral part of a U.S. foreign policy that seeks to end oppression, combat terrorism, and advocate American ideals and freedoms worldwide. We utilize the full range of diplomatic and programmatic tools to advance democratic reforms in individual countries. Multilaterally, we engage in fora such as the United Nations Commission on Human Rights (UNCHR), the Community of Democracies, and regional organizations, such as the OSCE and the OAS, to advance these democratic ideals. The Department of State's annual Country Reports on Human Rights Practices serves not only to inform Congress, but also to raise awareness on human rights across the globe. While the United States continues to play a leading role in promoting democracy and human rights, we recognize that they are not uniquely American concepts. By advancing these universal values, we build a stronger, safer, more prosperous world.

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

II. Resource Summary ($ in Millions)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Change from FY 2004	
				Amount	%
Staff [1]	783	806	805	(1)	(0.1%)
Funds [2]	$1,319	$1,442	$1,714	$272	18.9%

[1] Department of State direct-funded positions.
[2] Funds include both Department of State Appropriations Act Resources and Foreign Operations Resources, where applicable, which include resources for other USG agencies to which the Department provides foreign policy guidance (e.g., USAID, EXIM, OPIC, TDA, Peace Corps).

III. Strategic Goal Context

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

Strategic Goal	Performance Goal (Short Title)	Initiative/Program	Major Resources	Lead Bureau(s)	External Partners
Democracy and Human Rights	Democratic System and Practices	Diplomatic Engagement to Advance Democracy	D&CP, ESF	DRL	USAID, DOJ NGOs, UN, other int'l orgs.
		Democratic Stability in South Asia's Frontline States	D&CP	SA	
		MEPI – Democracy and Governance	D&CP, ESF	NEA	USAID
		Democratic Systems and Practices in Europe and Eurasia	D&CP, FSA SEED, ECE, ESF	EUR	USAID, DOJ
		Increased Women's Participation in Transitional/ Post-Conflict Societies	D&CP	G/IWI	USAID, NGOs
	Universal Human Rights Standards	Bilateral and Multilateral Diplomacy	D&CP, CIO, IO&P	DRL and IO	UN, other int'l orgs, NGOs
		Labor Diplomacy and Advocacy for Workers' Rights and Religious Freedom	D&CP	DRL	DOL, USTR, OPIC, DOC, NGOs, IFIs, ILO, other int'l orgs

IV. Performance Summary

For each Initiative/Program that supports accomplishment of this strategic goal, the most critical FY 2005 performance indicators and targets are shown below.

Annual Performance Goal #1
MEASURES ADOPTED TO DEVELOP TRANSPARENT AND ACCOUNTABLE DEMOCRATIC INSTITUTIONS, LAWS, AND POLITICAL PROCESSES AND PRACTICES

I/P #1: Diplomatic Engagement to Advance Democracy				
Work with countries that are reforming government systems to create more transparent, inclusive, and participatory practices, through bilateral engagement, multilateral mechanisms, and non-governmental (NGO) channels.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
(P) Indicator #1: Freedom House Index; World Bank Institute Survey Analysis; Community of Democracies Participation				
2000: N/A **2001:** Baseline: Freedom House 2001 Report Free: 86 Partly Free: 58 Not Free: 48 Net Change in Status: 0 Improved Countries: 26 Declined Countries: 18 Net Progress: +8	Freedom House 2002 Report Free: 85 Partly Free: 59 Not Free: 48 Net Change in Status: -1 Improved Countries: 16 Declined Countries: 17 Net Progress: -1 Invitations sent to 117 countries to participate in CD Ministerial in Seoul.	Freedom House 2003 Report Free: 89 Partly Free: 55 Not Free: 48 Net Change in Status: +4 Improved Countries: 29 Declined Countries: 11 Net Progress: +18 118 countries invited to participate in 2002 Community of Democracies ministerial meeting (held in FY 2003).	Freedom House 2004 Report Net Progress: + change from previous year Net Change in Status: + change from previous year Introduce World Bank Institute (WBI) surveys on global good governance as new performance indicator to measure progress in advancing democratic principles and respect for human rights worldwide. Implement Seoul Plan of Action; establish mechanisms to strengthen country and regional groups' ability to address threats to democracy; execute preparations for 2005 CD ministerial in Santiago.	Freedom House 2005 Report Net Progress: + change from previous year Net Change in Status: + change from previous year WBI surveys reflect net positive progress Net increase in number of invitations to Community of Democracies ministerial in Santiago since 2002 Seoul conference (118 invited, 21 observers, 52 uninvited). Successful CD ministerial in Santiago. Regional activities continue to advance.

I/P #1: Diplomatic Engagement to Advance Democracy, *cont'd*				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #2: Country Ratings in Human Rights Reports Of the Right of Citizens to Change Their Government				
2000: N/A **2001:** Baseline: 2000 Country Reports on Human Rights Practices Countries w/ Right: 120 Countries w/ Limits: 37 Countries w/o Right: 38	Net negative change from previous year: 2001 Country Reports on Human Rights Practices Countries w/ Right: 120 Countries w/ Limits: 35 Countries w/o Right: 40	Net positive change from previous year: 2002 Country Reports on Human Rights Practices Countries w/ Right: 126 Countries w/ Limits: 35 Countries w/o Right: 34	Net Change: Positive change from previous year	Net Change: Positive change from previous year

I/P #2: Democratic Stability in South Asia's Frontline States				
Moderate, representative, and accountable governments and effective civil societies are established in Afghanistan and Pakistan.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #3: Establishment and Maintenance of Democratic Civilian Rule in Pakistan				
2000: N/A **2001:** In October 1999 Army Chief of Staff General Pervez Musharraf overthrew the elected government of Prime Minister Nawaz Sharif in a bloodless coup. The constitution and representative bodies including the National Assembly, Senate and regional assemblies were suspended. Musharraf appointed a national Security Council of military and civilian advisers, a civilian cabinet and new governors to all 4 provinces. The Supreme Court in May 2000 ruled that the Musharraf government was constitutional and imposed a 3-year deadline from October 12, 1999 to complete a transition to democratic, civilian rule.	President Musharraf in August 2002 promulgates constitutional amendments that allow him to dissolve the national assembly, retain his post as Army Chief of Staff, and increase civilian membership on the National Security Council from 6 to 9 (4 are military). National elections are scheduled for October 10, 2002 and all major political parties have been certified to participate. Civil society is poorly organized, quiescent and ineffective. Receives minor press attention. Hard to identify civil society leaders. Corruption proceedings against politicians are based on partisan grounds. Judiciary is an ineffective deterrent to unconstitutional or extra-legal government practices.	The promulgation of constitutional amendments by decree and refusal by Musharraf to submit his presidency to legislative ratification per the existing constitution compromised the process of a clear return to democratic civilian rule. Prolonged constraints on freedom of assembly and political expression also rendered the playing field for the October 10, 2002 elections uneven. Within such parameters, the below indicators represent progress towards democracy through a return to civilian rule and re-establishment of democratic processes through representative bodies. Relatively lower levels of corruption and stability maintained as President Musharraf builds some political party allies who accept amendments. Elections occurred October 10 and parties accept the outcome but with credible allegations of flaws regarding their conduct	Political parties begin a dialogue with civil society towards reforming corrupt patrimonial practices in government. Reformers in civil society begin to mobilize campaigns for governance reforms. National and provincial Assemblies debate a range of political, social, economic issues. Assemblies legislate and appropriate funds, with committees playing a role in shaping legislation. Civil society groups, including political parties, grow in activity, size and sophistication, interact with political parties and legislative assemblies, and educate people about their civic responsibilities. District governments are increasingly responsive to community needs. Some corruption cases pursued on non-political basis. Growing investigative/prosecutorial capacity. Press coverage helps to ensure transparency and provides and indicator of how well the rule of law is being implemented.	The civilian government maintains stability. National and provincial Assemblies initiate policy debates in key areas of national security, economic and foreign policy. Assemblies show increased legislative capability. Civil society groups, including more credible political parties, continue to press for increased government and political party accountability and transparency and begin to influence public debate on important issues. Civil society organizations consulted by GOP leaders on issues that concern them. Media more accurately reflects the views and activities of all strata of Pakistani society; polls indicate that people are better informed. Politicians and press feel increasingly free to publicly criticize army/establishment. More competent investigative and prosecutorial ability exists. More active prosecution of HR cases conducted.

Indicator 3 continued on next page

I/P #2: Democratic Stability in South Asia's Frontline States, *cont'd*				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Indicator #3, cont'd				
Musharraf was sworn in during June of 2000 as President per an amendment to the existing Provisional Constitutional Order (PCO). The Musharraf government had pledged to return the country to democracy according to the Supreme Court decree. Between December 31, 2000 and August 2001, successful local elections were held in five phases on a non-party basis, effectively increasing the power of district mayors and councils.		Pakistani military returns to the barracks as civilian rule resumes Corrupt patronage continues to dominate political parties but reformers are identified Civil society organizations begin to organize, grow in size and activity, and gain a voice. Reasonably free political party activity and press. Limited investigative/prosecutorial capacity.		

I/P #2: Democratic Stability in South Asia's Frontline States, *cont'd*				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #4: Constitutional Democracy in Afghanistan				
2000: N/A **2001:** Prior to 9/11, the Taliban controlled most of Afghanistan. Their intolerant social guidelines and extreme fundamentalist form of Islam was used to justify widespread repression, particularly of women. Inter-ethnic killing was common, particularly between the Taliban and the Shia minority. After 9/11, Operation Enduring Freedom destroyed the Taliban/al Qaida grip on power, paving the way for significant change. No open and fair elections held under the Taliban.	Bonn Accord signed December 5, 2001. Afghan Interim Authority (AIA) takes office on December 22, 2001 per the Accord. AIA begins process of planning the Emergency Loya Jirga (ELJ). ELJ successfully held in June, Afghan Transitional Authority (ATA) formed (renamed Islamic Transitional Government of Afghanistan (ITGA) summer 2002). ELJ most broadly representative assembly in Afghan history. Human Rights, Judicial and Constitutional commissions formed as per the Bonn Accords. ELJ peacefully elects a president. No recognized constitution exists. The Bonn Agreement reinstates the 1964 Constitution, except the monarchy provisions.	Constitutional Commission is established and drafts new Constitution. Public consultations held in preparation for Constitutional Loya Jirga. Human Rights and Judicial Commissions begin to address serious problems (ethnic abuses, women's rights violations, rule of law, war crimes/ethnic killings), and identify priority objectives. ITGA begins to develop rules and procedures for the elections in 2004, seeks countrywide consensus. The form and composition of a parliamentary body are addressed. Electoral commission is established. Voter registration begins. Afghan Conservation Corps (ACC) is established to provide income to Afghan returnees, fostering community-based efforts to promote sound land and water management.	A moderate constitution is approved by the Constitutional Loya Jirga (CLJ) in January 2004. Over 50% of all editorials on radio, television and newspapers express support for the new constitution. The CLJ successfully sets the stage for the June 2004 elections. National elections in 6/04 are judged free, fair and transparent by international monitors, and enjoy wide participation (over 50% of those eligible vote) and support. Peaceful, constitutional transfer of power occurs as a result of June 2004 elections, as evidenced by no public demonstrations, voter turnout above 50% and election losers willingness to stay engaged in the political process. Women are political participants and hold positions in civil service, judicial and legislative offices. Human rights commission actively pursues human rights abuses free of government interference. Judicial commission effectively identifies steps to restore the rule of law TISA and the successor government act upon its recommendations. Human rights and Judicial commissions' work is basis for lively public debate, as demonstrated by the establishment of a transparent judicial process and uncensored, unfettered debate taking place in the local media outlets (newspaper, radio, local TV).	New National government takes office with a clear popular mandate. Preparations for local/regional elections move forward in accordance with relationship defined in Constitution. President continues to act in accord with rule of law and constitutionally. Human rights commission is able to move the government to act to curb direct abuses and to address prior crime. A select number of women occupy positions of local authority (i.e. at the city level or within the central government at the judicial, legislative, or executive level) inside Kabul. Law enforcement institutions begin to enforce and the judiciary begins to uphold civil liberties protections in the constitution. Judicial commission recommendations and rulings are incorporated into the basic fabric of law and practice.

I/P #3: MEPI – Democracy and Governance in the Near East				
Fund programs and organizations that build the foundation for democratic governance.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #5: Status of Democracy in the Middle East				
2000: N/A **2001:** Baseline: Israel did not hold elections in 2001 but has a history of free, fair elections. Egypt - Lower house legislature elections, notable improvement in transparency and fairness under judicial supervision. Tunisia - Free and fair municipal elections. PA - No elections since first presidential and legislative council elections, which did appear to be free and fair. Election freedom and fairness is judged by independent NGOs.	Algeria and Morocco - Parliamentary elections held as scheduled; mixed results for freedom and fairness but making progress. Egypt - Local council elections held as scheduled; appeared free and fair but not politically significant. Significant increase in women candidates elected in Morocco.	Data pending.	Presidential elections in Algeria are held as scheduled and are free and fair. Presidential and legislative elections in Tunisia are held as scheduled and are free and fair.	Municipal elections in Tunisia are held as scheduled and are free and fair. Presidential elections in Yemen are held as scheduled and are free and fair.
Outcome Indicator				
Indicator #6: Status of Media Freedom in the Middle East				
2000: N/A **2001:** Baseline: 4 of 18 countries have a "Partly Free" or "Free" media according to Freedom House Press Survey.[1]	Four of eighteen countries have a "Partly Free" or "Free" media.	Three of eighteen countries have a "Partly Free" or "Free" media.	Two additional NEA countries move into the "Partly Free" category and no other states lower their rankings. Five of eighteen countries have a "Partly Free" or "Free" media.	Two additional NEA countries move into the "Partly Free" category and no other states lower their rankings. Seven of eighteen countries have a "Partly Free" or "Free" media.

[1] Freedom House ratings cover the previous calendar year. Hence all ratings described here for various fiscal years actually reflect conditions in a given country during the previous calendar year.

I/P #4: Democratic Systems and Practices in Europe and Eurasia				
Develop transparent and accountable democratic institutions, laws, and economic and political processes and practices in the transitional economies of Europe and Eurasia.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #7: Respect for Human Rights and Religious Freedom				
2000: N/A **2001:** Baseline: Some European countries show political will to adopt democratic reforms. Continued poor human rights ratings for Central Asia and the Caucasus, with improvements in Southeast Europe.	Continued poor progress on human rights in many of the countries in Central Asia and the Caucasus, and, in some cases, declining religious freedom. Continued improvements on respect for human rights in Southeast Europe.	Target countries' Freedom House scores: Democracies or Transitional Democracies Bulgaria 3.31 Romania 3.25 Croatia 3.44 Yugoslavia 3.5 Albania 3.94 Macedonia 3.94 Bosnia 4.31 Moldova 4.38 Ukraine 4.5 Armenia 4.69 Georgia 4.69 Russia 4.88 Autocracies Azerbaijan 5.31 Tajikistan 5.5 Kyrgyz Republic 5.63 Kazakhstan 6.13 Uzbekistan 6.56 Belarus 6.63 Turkmenistan 6.94	One half-point (0.5) improvement in Freedom House scores for target countries that are democracies or transitional democracies in the region: One quarter-point (0.25) improvement in Freedom House scores for target countries that are autocracies.	Additional half-point (0.5) improvement in Freedom House scores for target countries that are democracies or transitional democracies in the region: Additional quarter-point (0.25) improvement in Freedom House scores for target countries that are autocracies.

I/P #5: Support for Increased Women's Political and Economic Participation in Transitional and Post-Conflict Societies				
Expanding opportunities and building capacity contribute to development, consolidation of political reform, and the protection of fundamental rights				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #8: The Level of Women's Political and Economic Participation in Transition Societies, Particularly Afghanistan and Iraq				
2000: N/A **2001:** **Afghanistan:** Until late 2001, Taliban control of Afghanistan severely limited women's participation in political life, except for underground resistance activities. The fall of the Taliban provided an opportunity for women to rejoin the political landscape. The Bonn Talks (concluded in December 2001) included several women among its delegates and provided for establishment of a "broad-based, gender-sensitive, multi-ethnic and fully representative government." The final Bonn provisions requires the participation of women in the Loya Jirga. The Afghanistan Interim Authority was established on December 22, 2001, and included two women ministers out of a 30-member administration.	**Afghanistan:** USG starts program to support inclusion of women in Afghan government; 14 Afghan women government officials come to U.S. for job skills and computer training programs. Presidents Bush and Karzai decree creation of U.S.-Afghan Women's Council (USAWC). **Post-Conflict:** USG begins "Big Idea" initiative "Fostering Change in Post-Conflict Societies." Women in select post-conflict societies (Afghanistan, Balkans, Cambodia, Colombia, and DR Congo) will participate in mentoring programs with U.S. women.	**Afghanistan:** USAWC begins giving grants to NGOs for microfinance, job skills training, political participation, literacy and other educational programs in Women's Resource Centers. **Post-Conflict**: Big Idea Mentoring Initiative begins with Afghanistan. Afghan participants number 25-30, begin to conduct activities in 1-2 other regions. Increased high-level USG support for Security Council Resolution 1325: Women and peace and security (adopted Oct. 31, 2000). USG support leads to enhanced involvement of women as planners, implementers, and beneficiaries of peace-building processes.	**Afghanistan:** USAWC grants results: 1000 women receive microcredit loans and start businesses (through FINCA); 250 women receive job skills training; 500-1000 women benefit from literacy programs. USG builds Afghan women's educational capacity by establishing teacher training institute. **Post-Conflict:** Initiatives on business development and civil society for women in Balkans and/or Colombia begin. 25 women training recipients recruited for each regional program. 1-2 individual initiatives start as result of each program.	**Afghanistan:** USAWC continue to give grants for educational training programs for women and for programs increasing women's political and economic participation. **Post-Conflict**: Ongoing initiatives in Afghanistan, Balkans, Colombia, and Middle East grow to involve more women. 2-3 initiatives started by participants in each regional program.

Indicator 8 continued on next page.

I/P #5: Support for Increased Women's Political and Economic Participation in Transitional and Post-Conflict Societies, *cont'd*				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Indicator #8, continued				
	Initiative leads to enhanced leadership and business skills for women in these countries, helping them to become decision-makers, planners, and beneficiaries. Women express interest in mentoring and fundraising and attend follow-up discussion on next steps. Helsinki Women Business Leaders Summit partners Baltic region women with U.S. counterparts to share experiences and best practices and to promote private enterprise in the Baltic Sea region. Summit success leads to discussions on next regional businesswomen's initiative.			

Human Rights & Democracy Fund (PART Program Efficiency Measure)				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Efficiency Indicator				
Indicator #9: Number of HRDF and PESP Grants Processed/Average Time Elapsed (Assumes Constant Staff Level and Staff Time)				
2000: N/A **2001:** N/A	N/A	Baseline: 4 months average per grant	3.5 months average per grant	3 months average per grant

FSA-SEED (PART Program Efficiency Measure)				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Efficiency Indicator				
Indicator #10: Amount of Unobligated, and Obligated but Unexpended Funding on Hand at the End of Each Fiscal Year (measured in months, based on the prior year's expenditure rate)				
2000: N/A **2001:** N/A	N/A	Baseline: 16 months	16 months	16 months
Note: The avoidance of large funding pipelines demonstrates the efficiency of the State Department's Office of the Coordinator of U.S. Assistance to Europe and Eurasia (EUR/ACE) in determining appropriate funding levels for specific countries and specific programs, based on each country's absorptive capacity and each program's ability to utilize funding in a timely manner. EUR/ACE looks at pipeline data broken out by country and program to see whether specific programs are over- or under-budgeted, as well as how efficiently each implementing agency is managing its funding allocation.				

Means for Achieving FY 2005 Targets

Freedom House 2005 Report: Net Progress: + change from previous year Net Change in Status: + change from previous year WBI surveys reflect net positive progress.

- Improve current evaluation mechanisms, and work with other relevant bureaus to create new ones for the advancement of programs such as the Millennium Challenge Account and democracy programming in general.
- Compliance with Leahy Amendment requirements ensures appropriate use of security assistance and reinforces U.S. and others' commitments to human rights protections.
- Maintain and/or develop Human Rights and Democracy Fund projects that are targeted and cutting-edge.
- Use and build on new pilot project to track human rights violations. Reports on Leahy amendment compliance are accurate and allow selection of "best practices" from among posts' reports to encourage better reporting.
- Country Reports and Asylum (CRA) officers visit posts to assess programs. Reports by CRA on program implementation. Add Arabic and other translations of the Human Rights Reports. More posts in Middle East place translated version on their websites.
- 3rd Human Rights Strategy Report is published and translated, and posted to appropriate overseas websites.

Net increase in number of invitations to Community of Democracies ministerial in Santiago since 2002 Seoul conference (118 invited, 21 observers, 52 uninvited).

- Work with like-minded countries and regional organizations to increase the number of countries eligible to be invited to a Community of Democracies conference, to implement the Community of Democracies' Seoul Plan of Action and to build support for a democracy caucus.
- Work with observer CD countries to enable suitable progress in democratic system reform to upgrade them to invited participants in future CD ministerials.
- Maintain strict criteria for participation in CD ministerials for participants and observers.
- Strengthen and deepen relationships with like-minded countries to engage regional groups, such as OAS and AU, on specific democracy opportunities, and to cultivate the formation of new regional groups.

Positive net change in country ratings in human rights reports of the right of citizens to change their government.

- Send a clear and consistent message on the interconnectedness of democracy, economic development, domestic and regional stability, and the importance of democracy promotion to battle terrorism, and identify and fund programs to address these issues. Advocate human rights as universal and fundamental, not to be dismissed as only an American concern.
- Promote democracy in bilateral discussions with all non-democratic regimes.
- Maintain and/or develop Human Rights and Democracy Fund projects that are targeted and cutting-edge.
- Work with partners to send a clear message in multilateral forums on the importance and universality of democracy and human rights.

The civilian government of Pakistan maintains stability.

- Maintain stability by promoting democratic and accountable governance, assisting with macroeconomic stability and supporting economic, education and health reforms
- Enable continued support for the war on terror through U.S. leadership and through assistance programs such as FMF and IMET.
- Address the political and economic root causes of extremism (DA, CSH, ESF, PD). Also maintain stability by strengthening law enforcement, counter-terror and counter-narcotics capabilities (INCLE and NADR/ATA).

Pakistan: National and provincial Assemblies initiate policy debates in key areas of national security, economic and foreign policy. Assemblies show increased legislative capability.

- Strengthen national and regional legislatures through programs that increase accountability, transparency and effectiveness (DA, PD).
- Support Pakistani government devolution of political power and resources to the provincial and local levels.

Civil society groups, including political parties, in Pakistan continue to press for increased government and political party accountability and transparency and begin to influence public debate on important issues. Civil society organizations consulted by GOP leaders on issues that concern them. Media more accurately reflects the views and activities of all strata of Pakistani society; polls indicate that people are better informed. Politicians and press feel increasingly free to publicly criticize army/establishment. More competent investigative and prosecutorial ability exists. More active prosecution of HR cases conducted.

- Improve local government accountability and grassroots citizen participation through joint community level programs (DA, PD).
- Support development of accountable, issue-oriented and effective political parties and civil society organizations, and an independent and professional media that reflects the more moderate majority (DA, PD).

Afghan President continues to act in accord with rule of law and constitutionally. Law enforcement institutions continue to enforce and the judiciary continues to uphold civil liberties protections in the constitution. Judicial commission recommendations and rulings are incorporated into the basic fabric of law and practice. Human rights commission is able to move the Afghan government to act to curb direct abuses and to address prior crime.

- Promote respect for human rights and the rule of law by Afghan governing institutions, with effective means of checking abuses and ensuring compliance with established standards
- Support creation of a moderate, independent and well-trained judiciary and effective criminal justice system (ESF, DA, INCLE, PD).
- Support creation of law enforcement institutions and train staff to respect civil liberties protections (ESF, DA, INCLE, PD).

- Support development of infrastructure, personnel, training and management for judicial system at all levels of the judiciary, including training of prosecutors and other attorneys, as well as administrative staff (ESF, DA, INCLE).
- 2003: Provide technical and logistical support towards adoption of a moderate democratic constitution at the December 2003 Constitutional Loya Jirga that ensures civil and political rights, including for women and religious and ethnic minorities (ESF, DA)
- 2003/4: With other donors, assist progressive multi-ethnic political coalitions and preparations for a transparent and effective process towards peaceful and fair national elections in June 2004, resulting in a legitimate elected permanent government (ESF, DA, PD).
- 2004 on: Strengthen Afghan government institutions (i.e., executive policy/management capacity, legislative training and assistance) to develop an accountable, transparent and effective democratic system.
- Provide advisory and financial support to the new Human Rights Commission.

Transition Afghan Conservation Corps (ACC) to national implementation, including adoption of domestic legislation to combat land degradation, promote sound watershed management and strengthen domestic governance.

- Develop mutually supportive linkages between ACC and related initiatives, and the broader U.S. effort to promote democracy and rule of law in Afghanistan
- Partner with U.S. agencies, donor countries, international organizations, and civil society institutions
- Identify and involve the full range of stakeholders as participants in these efforts

Municipal elections in Tunisia are held as scheduled and are free and fair. Presidential elections in Yemen are held as scheduled and are free and fair.

- See that opportunities and tentative openings for political expression and organization in the region produce meaningful and sustainable movement toward additional reforms, and enable representation of diverse political viewpoints. Establish and improve election procedures to ensure continued progress.
- Assistance for conducting and monitoring elections, training of candidates and training of newly elected officials.
- Training for journalists and media professionals on covering elections and providing information access for voters and a neutral forum for candidates.

Two additional NEA countries move into the "Partly Free" category and no other states lower their rankings [in Freedom House surveys].

- Take advantage of opportunities and tentative openings for political expression and organization in the region. Identify and assist individuals and organizations that can act effectively and demonstrate the possibility of expanding freedom within the local cultural context.
- Assistance for conducting and monitoring elections, training of candidates and training of newly elected officials.
- Training and support to develop professional and independent media
- Advocacy and support for fundamental rights, including workers' right to organize, religious freedom, and improved status of women.

Improvement in Freedom House scores for the nineteen transition or non-democratic countries in Europe and Eurasia.

- Encourage democratic and political reform to enable free and fair elections, respect for rule of law, human rights observance, and support the development of civil society, and promote religious freedom and tolerance, including addressing anti-Semitism and restrictive laws on religion.
- Heighten local awareness and familiarity with U.S. models and principles, for local adaptation in democracy building.
- Targeted assistance to train and support the development of professional and independent media, advocacy-oriented non-governmental organizations, democratically oriented political parties, and a professional cadre of human rights lawyers.
- Participation in human rights arenas including UNCHR and OSCE; enhanced cooperation with European allies in these fora.

- Outreach programs promoting interethnic and interfaith tolerance
- Public diplomacy programs and services such as the International Visitors program, Fulbright exchanges, speaker programs, electronic information dissemination and Democracy Commission small grants for democracy building
- Sustained high-level engagement with high-level delegations to the 19 countries in transition, as appropriate (the USG has a selective engagement policy towards the Government of Belarus).
- Partnerships and initiatives to build capacity for good domestic governance and sustainable development

U.S.-Afghan Women's Council (USAWC) continues to give grants for educational training programs for women and for programs increasing women's political and economic participation.

- Continue vital USAWC activities through coordination of regular meetings in Kabul and Washington, facilitation of proposal solicitation, review and funding, and support for USAWC member project initiatives
- Continue monitoring funding levels for USAWC political participation initiatives and provide assistance, if needed, in obtaining additional funding
- Ensure funding from U.S. Government and external donor sources
- Use results of 2004 elections and women's participation level to evaluate effectiveness of USAWC-sponsored programs on increasing level of women's political participation in Afghanistan.

Ongoing initiatives in Afghanistan, Balkans, Colombia, and Middle East grow to involve more women. 2-3 initiatives started by participants in each regional program.

- Use U.S. economic and assistance levers to increase women's economic opportunities
- Ensure implementation and effectiveness of programs on women's political and economic participation
- Use regional and global fora to demonstrate U.S. commitment to increasing opportunities for women's participation
- Data collection and reporting to provide necessary information for public and diplomatic advocacy
- Coordinate efforts to establish U.S. and foreign businesswoman partnership and mentoring networks in target regions
- Continue support for microcredit programs

A select number of women occupy positions of local authority (i.e. at the city level or within the central government at the judicial, legislative, or executive level) inside Kabul.

- Increase women's participation in Afghan politics and society through support for the Women's ministry and centers, training for female elected officials, girls' education, literacy programs for women, and advocacy groups (ESF, DA, PD).
- Facilitate dialogue between U.S. and Afghan women leaders to discuss key factors in increasing political recruitment, training and participation
- Women's Resource Centers in 14 Afghan provinces implement programs to support inclusion of women, including support for job skills and educational programs for Afghan women
- Develop additional public-private partnerships under the USAWC and with feedback from Afghan women political leaders

Annual Performance Goal #2
UNIVERSAL STANDARDS PROTECT HUMAN RIGHTS, INCLUDING THE RIGHTS OF WOMEN AND ETHNIC MINORITIES, RELIGIOUS FREEDOM, WORKER RIGHTS, AND THE REDUCTION OF CHILD LABOR

I/P #6: Bilateral and Multilateral Diplomacy

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

Results			Targets	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
(P) Indicator #1: U.S.-Supported Resolutions Adopted at UN Commission on Human Rights (UNHCR)				
2000: Resolutions on Cuba, Iran, and Iraq passed. Resolution on China defeated. No Belarus or North Korean resolution on table. **2001:** UNCHR passed resolution for the third year on Cuba, Iran, and Iraq.	This indicator was not tracked because the U.S. was not a member of the UNCHR in 2002, but was re-elected as a member for 2003.	In 2003, UNCHR passed resolutions on Cuba, North Korea, Belarus (U.S.-sponsored), Turkmenistan, Myanmar, and Iraq. Chechnya, Sudan and Zimbabwe resolutions were defeated. U.S. took strong stand against Libyan chairmanship of UNCHR. U.S. succeeded in blocking "special sitting" on Iraq, despite strong anti-U.S. bloc among some Muslim countries and some EU states.	80% of U.S.-supported resolutions are adopted. Repetition of 2003 success will require significant effort.	80% of U.S.-supported resolutions are adopted.
Outcome Indicator				
(P) Indicator #2: Number of UNCHR States With Negative Human Rights Records				
2000: Of the fifty-three member states, seventeen had negative human rights records. **2001:** Eighteen states had negative human rights records.	UNCHR election in April 2002 returned the United States as a member; United States began work to change UNCHR membership.	Sixteen member states with negative records.	16 member states with negative human rights records (for 60th UNCHR, April 2004). U.S. campaigning for improvement includes incremental caucusing with democracies to establish membership norms.	Less than 16 UNCHR Member States have negative human rights records.

I/P #7: Promote International Religious Freedom				
Enhance long-term stability, increase opportunity for democracy, support other human rights, and undermine religiously based terrorism by advancing religious freedom in countries and regions important to U.S. interests.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #3: Level of Engagement with Foreign Governments and NGOs to Promote and Advocate on Behalf of Religious Freedom in Keeping with Foreign Policy Directives such as the International Religious Freedom Act (IRFA)				
2000: Some religious prisoners released. Discussions on religion laws. **2001:** Minor U.S. successes in forestalling or improving bad religion laws in Eastern Europe and Central Asia. Some religious prisoners released.	Continuing U.S. influence on some religion legislation. Some religious prisoners released; some religious refugees assisted.	IRF concerns have been raised by the Department in bilateral and multilateral meetings. IRF officers have begun engagement on promoting religious freedom in Afghanistan and Iraq. Posts have shown an increased engagement on IRF issues, producing, for the most part, excellent country reports for the International Religious Freedom Report to Congress. The IRF ambassador and officers have been instrumental in facilitating the removal of people persecuted for their faith from harm's way. The Ambassador-at-Large and staff have visited China, Vietnam, and Saudi Arabia for repeated trips.	U.S. influences other countries' legislation relevant to religious freedom. Fewer people detained and imprisoned for religious reasons in three target countries. Two additional bilateral RF negotiations; discussions with three allies on promoting RF. Interfaith dialog expands because of IRF effort in target country for each IRF officer. At least two additional bilateral or regional IRF initiatives are undertaken, laying the groundwork for significant policy changes in those countries or regions (e.g., constitutional protections, better religion laws, improved registration procedures, fewer religious prisoners, more inter-religious dialogue, less religion-based violence.)	The U.S. builds a coalition of like-minded countries actively cooperating with U.S. in promoting IRF in multilateral forums. More prisoners are released because of USG intervention. At least two additional bilateral or regional IRF initiatives are undertaken laying the groundwork for significant policy changes in those countries or regions.

I/P #8: Labor Diplomacy and Advocacy for Workers' Rights				
Promote respect for workers' rights by pressing governments to respect internationally recognized worker rights, voluntary business codes of conduct, and the rule of law.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
(P) Indicator #4: Number of Public-Private Partnerships to Advance Respect for Human Rights				
2000: Voluntary Principles for Security and Human Rights (VPs) announced. Partnership to Eliminate Sweatshops (PESP) grants awarded. **2001:** Government of the Netherlands and Newmont Mining adhered to the VPs. Public-private partnerships created in Central America and Asia to address labor conditions in factories. Child labor abuses decreased due to programs.	Occidental Petroleum, ExxonMobil, PaxChristi and the Government of Norway joined VPs. First security managers' workshop conducted. In-country briefings in Colombia. Voluntary Principles and Partnership to Eliminate Sweatshops Program (PESP) programs contributed to greater respect for worker rights in Central America and Philippines. PESP program contributed to workers' empowerment enabling negotiation of agreed framework in Costa Rica and Guatemala.	Programs funded to educate workers on rights and pilot program developed to address labor conditions in select factories in China and in forty-two other countries. Method to track labor violations not developed. Once this is developed, the Department will be able to track progress and more fully report on workers' rights violations. PESP projects showing progress in Central America.	New companies and southern tier governments join VPs. Establish in-country working group in Indonesia and begin implementation in Angola. Launch PESP pilot program in China or Vietnam to improve worker rights. Harmonization of codes permits greater number of factories to be inspected and worker rights are strengthened.	Harmonization of codes by NGOs leads to increased number of factories monitored. Local capacity to enforce labor laws strengthened in China and Thailand. Labor law institute to promote education on worker rights established in China.

I/P #8: Labor Diplomacy and Advocacy for Workers' Rights, *cont'd*				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #5: Status of Workers' Rights				
2000: N/A **2001:** N/A	Established national plans for the eradication of child labor in certain Muslim countries under the ILO IPEC program. These plans are documented in the Department of Labor's 2002 Child Labor Study. Increased ratification and enforcement of International Labor Organization fundamental conventions concerning worker rights in the Muslim World.	Significant HRDF and DOL/ILAB projects dealing with worker rights begun in China. Notable improvements in worker rights in Cambodia. Continuing evolution in Bahrain and Saudi Arabia. Labor clauses in all initial versions of trade agreements under negotiation: Central American Free Trade Agreement (CAFTA), other free trade agreements (FTAs) with Australia, Morocco, and South African Customs Union.	Reduce number of formal complaints and petitions by trade unions and NGOs alleging violations of basic rights at the ILO and in the context of administering U.S. trade benefits such as GSP. Secure an agreement by trading partners in CAFTA and other FTAs to enforce labor laws that effectively implement internationally recognized worker rights.	Formal complaints and petitions continue to decline. New FTAs or other international trade or financial agreements expand number of trading partners implementing and enforcing worker rights.

Means for Achieving FY 2005 Targets

Eighty percent of U.S.-supported resolutions are adopted.

- Work with partners to send a clear message in multilateral forums on the importance and universality of democracy and human rights so that these values cannot be dismissed as only an American concern.
- Work with partners to encourage greater cooperation and efforts on the part of multilateral organizations to strengthen democratic institutions and appreciation for democracy as a right and a process essential to good governance and development. Resist emphasis on economic, social and cultural rights at the expense of core civil and political rights.
- Strengthen and deepen relationships with like-minded countries to engage regional groups on specific human rights issues (i.e. OSCE - torture; AU – democracy, etc.).

Less than 16 UNCHR member states have negative human rights records.

- Working with like-minded countries, improve the composition and functioning of the UNCHR and its Special Procedures, and encourage states with positive human rights records to run for UNCHR membership.
- Press for recognition of standards of human rights performance and accountability in selection of future members.
- Promote democracy in bilateral discussions with all countries, but especially non-democratic regimes with repressive practices that lack the legitimacy of the consent of the governed.
- Maintain and/or develop Human Rights and Democracy Fund projects that are targeted and cutting-edge to improve human rights in priority countries, including potential UNCHR members.

International Religious Freedom advocacy by senior U.S. officials and posts is institutionalized and expected. High-quality reporting on religious freedom is increased and goal setting by posts for the coming year is improved.

- Seek opportunities to influence laws on religious freedom
- Ensure key U.S. embassies promote religious freedom (e.g., Afghanistan, India, Indonesia, China, Saudi Arabia, Vietnam, Russia, Sudan, Iraq, Egypt)
- Ensure high reliability of International Religious Freedom report and disseminate in more languages
- Work with desks, posts, multilateral institutions and NGOs to increase reporting on religious freedom, as well as to address causes of curtailment of religious freedom

The U.S. builds a coalition of like-minded countries actively cooperating with U.S. in promoting religious freedom in multilateral forums.

- Meet with allies in their home countries or at international meetings to seek common approaches and support for IRF issues

At least two additional bilateral or regional IRF initiatives are undertaken laying the groundwork for significant policy changes in those countries or regions.

- Meet with U.S. counterparts of religious groups involved with conflicts abroad

Harmonization of codes by NGOs leads to increased number of factories monitored. Local capacity to enforce labor laws strengthened in China and Thailand. Labor law institute to promote education on worker rights established in China.

- Build greater support for voluntary guidelines like the Voluntary Principles
- Work to promote cooperation and respect for internationally recognized worker rights, voluntary codes of conduct and the rule of law by governments, institutions, employers and worker organizations
- Reach out to potential southern tier partners, e.g., Mexico, Brazil, and South Africa, as well as other countries on joining the Voluntary Principles
- Implement pilot program on improving worker rights in factories in China or Thailand
- Work with NGOs, brands and factory managers to develop multi-stakeholder approach to improve labor conditions
- Focus the Partnership to Eliminate Sweatshops to build local capacity and engage private sector in developing innovative approaches to address worker rights and working conditions
- Convoke meeting of stakeholders on harmonization or reciprocity of codes and monitoring systems for factory reviews

Continued progress in worker rights in high priority countries selected in FY04 and as specified in DRL/IL (International Labor Affairs) office operating plans.

- Identify and assist emerging unions and leaders; advocate permissive legal environments for labor organization
- Encourage international financial and trade organizations to require respect for fundamental worker rights by their beneficiaries
- Implement and monitor worker rights criteria of trade agreements and other U.S. initiatives
- Encourage worker and labor organizations to work transparently and democratically to represent members' long-term as well as short-term interests in a market-based economy
- Strengthen overseas labor officer advocacy and reporting, and increase interagency cooperation on labor diplomacy

V: Illustrative Examples of FY 2003 Achievements

Democracy and Human Rights	
Human Rights and Democracy Fund (HRDF)	The Department continued to provide large scale funding in the Middle East, Central Asia and China, for cutting edge programs to support democratic reform and respect for human rights. The HRDF has had some notable successes, especially in expanding access to independent media. The independent printing press in Kyrgyzstan has started printing; 85% of Angolans now have access to independent radio; and Internews' Reporting for Humanity Training Program in the Middle East has trained a significant number of journalists. Our human rights resource centers in Central Asia have been hugely sucessful in providing information and in offering fora for people to meet and discuss democracy and human rights. Our training of women politicians in East Africa saw at least 30 of the trainees elected to the Rwandan parliament, and our party-strengthening programs in the Western Hemisphere should begin to bear fruit in 2004.
Partnership Against Sweatshops Program	The Partnership, with $4 million of projects, has made notable progress working with NGOs, governments, and private enterprise to eliminate sweatshop conditions in more than thirty countries. Projects and associated activities are expanding the number of participating factories and industrial sectors adopting voluntary codes of conduct for worker rights.
Afghanistan	Access to education is key to sustained progress for women and girls in Afghanistan and is one of the greatest successes of 2002-2003. Many more females are attending school this year than at any point in Afghanistan's history. Estimates are that in 2002 as many as one-third of the 3 million pupils who attended schools were girls. This year, with the strong support of the U.S., the percentage is even higher.
Anti-Semitism in Europe	The Department led the effort in the Organization for Security and Cooperation in Europe to hold a Specialized Meeting on Anti-Semitism. The U.S. delegation was led by Rudolph Giuliani and included members of Congress and NGO leaders. The gathering defined anti-Semitism as a human rights issue and tasked the OSCE's Office for Democratic Institutions and Human Rights (ODIHR) to serve as a collection point for hate crime information and statistics and to promote best practices in the fight against intolerance. The German government will host a follow-up meeting in Berlin next April. No regional or international organization had previously treated anti-Semitism as a human rights matter.
The Middle East Partnership Initiative (MEPI)	The Middle East Partnership Initiative (MEPI) is a Presidential initiative announced by Secretary Powell on December 12, 2002, which provides a framework and funding for the United States to work together with the private sector, civil society, and governments in the Arab world to expand economic, political, and education reform efforts in the Middle East and champion opportunity for all people of the region, especially women and youth. The initiative strives to link Arab, U.S., and global private sector business, non-governmental organizations, civil society elements, and governments together to develop innovative policies and programs to achieve this mission. The U.S. has adopted a new policy, a forward strategy of freedom in the Middle East. MEPI is the Administration's primary diplomatic policy and development programmatic tool to support this U.S. policy and is structured in four reform areas: economic, political, education and women's issues.

VI: Data Verification/Validation by Performance Goal

Performance Goal 1 Measures adopted to develop transparent and accountable democratic institutions, laws, and economic and political processes and practices.
• Multiple sources confirm Department-collected data on human rights abuses and democratic practices and review them for objectivity and accuracy. • Take into account independently compiled data and indexes of rights and liberties in individual countries, organizational histories, methods, and reputations for credibility. • Laws adopted by individual countries; standards promulgated by multilateral institutions.
Performance Goal 2 Universal standards protect human rights, including the rights of women and ethnic minorities, religious freedom, worker rights, and the reduction of child labor.
• General agreement by multiple sources of the importance and credibility of Country reports on human rights practices compiled by the Department (Human Rights Report, International Religious Freedom Report), the UN and other international organizations, and NGOs. • Resolutions passed and actions taken by international bodies. • Third country and corporate actions to adhere to voluntary codes of conduct. • Reports on results of assistance, mediation, and other programs. • Media commentary and opinion on human rights standards and U.S. policy goals.

VII. Resource Detail

Table 1: State Appropriations by Bureau ($ Thousands)

Bureau	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
International Organization Affairs	$335,895	$450,462	$419,978
Coordinator of International Information Programs	41,727	39,579	80,000
Educational and Cultural Affairs	25,750	44,785	55,338
Western Hemisphere Affairs	29,108	29,992	31,467
Other Bureaus	89,486	93,509	80,265
Total State Appropriations	**518,966**	**658,327**	**667,048**

Table 2: Foreign Operations by Account ($ Thousands)

Title/Accounts	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
Title I - Export and Investment Assistance			
Export-Import Bank			
Overseas Private Investment Corporation			
Trade and Development Agency			
Title II - Bilateral Economic Assistance			
USAID	175,455	188,766	172,311
Other Bilateral Economic Assistance	608,467	572,892	857,782
Independent Agencies	350	369	334
Department of State			
Department of Treasury			
Complex Foreign Contingencies			
Title III – Military Assistance			
International Military Education and Training	5,492	3,607	4,711
Foreign Military Financing	402	387	3,565
Peacekeeping Operations			
Title IV – Multilateral Economic Assistance			
International Financial Institutions			
International Organizations and Programs	10,106	17,660	8,500
Total Foreign Operations	**800,272**	**783,681**	**1,047,203**

Grand Total	**$1,319,238**	**$1,442,008**	**$1,714,251**

Strategic Goal 8: Economic Prosperity and Security

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

I. Strategic Goal Public Benefit

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

The remarkable growth and prosperity of the developed economies have demonstrated the strength of a dynamic, open international trading system based on free trade and free markets, good governance, and the rule of law, a system which is a key element of sustainable development. Conversely, the lack of economic opportunity for many around the world is an underlying factor for a number of the grave challenges we face. Regional instability, international crime and illicit drugs, social and environmental destabilization, and humanitarian crises all feed on, and further marginalize, vulnerable populations. The Department's efforts to promote trade and development have a direct positive effect on these vulnerable populations while also strengthening the U.S. economy. As the world's largest importer and exporter, the U.S. has a significant impact: trade accounts for about one quarter of the U.S. economy and reached $2.6 trillion in FY 2003. Export growth produced about 25 percent of U.S. economic growth during the past decade. One of every five U.S. manufacturing workers depends on exports for a job. Imports make competitive, lower cost goods available to American consumers and quality supply components available to American industries. The United States is the largest importer from developing countries, importing goods worth over $600 billion in 2002, approximately ten times the value of the total of all official development assistance to developing countries from all donors. Continued growth and the economic opportunity gained from open trading systems, foreign investment, U.S. development assistance, and international cooperation on financial issues promotes political liberty abroad and our national security at home.

II. Resource Summary ($ in Millions)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Change from FY 2004	
				Amount	%
Staff [1]	1,139	1,167	1,193	26	2.2%
Funds [2]	$5,171	$4,873	$6,684	$1,811	37.2%

[1] Department of State direct-funded positions.
[2] Funds include both Department of State Appropriations Act Resources and Foreign Operations Resources, where applicable, which include resources for other USG agencies to which the Department provides foreign policy guidance (e.g., USAID, EXIM, OPIC, TDA, Peace Corps).

III. Strategic Goal Context

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

Strategic Goal	Performance Goal (Short Title)	Initiative/ Program	Major Resources	Lead Bureau(s)	External Partners
Economic Prosperity and Security	Economic Growth and Development	Development Strategies	D&CP, ESF, DA	EB	USAID, Treasury, DOC, USDA, EXIM, OPIC, TDA, USTR, IMF, World Bank, Regional Devl Banks, UNDP, ILO, WTO, OECD, UNCTAD[1], UNICEF, FAO, G-8
		Science-Based Decision-Making and Standards Development	D&CP	OES, STAS	EPA, NIH, NIST, UNESCO
		International Organization Economic Development Policy & Operational Activities	D&CP, IO&P	IO, EB	USAID, Treasury, DOC, USDA, EXIM, OPIC, TDA, USTR, IMF, World Bank, Regional Devl Banks, UNDP, ILO, WTO, OECD, UNCTAD, UNICEF, FAO, G-8
	Trade and Investment	Create Open and Dynamic World Markets	D&CP, ESF, DA	EB	USTR, Treasury, DOC, DOT, USDA, TDA, USAID, WTO, OECD, international institutions, private sector and NGOs
		Support for U.S. Businesses	D&CP	EB	USTR, Treasury, DOC, DOT, USDA, TDA, USAID, WTO, OECD, international institutions, private sector and NGOs
		Integrating Environmental Protection and Trade	D&CP, ESF, DA	OES	USTR, Treasury, DOC, USDA, TDA, USAID, WTO, OECD, international institutions, private sector and NGOs
	Secure and Stable Markets	Secure Energy Supplies	D&CP	EB	DOE, IEA, foreign governments
		Stable Financial Markets	D&CP	EB	Treasury, IMF, World Bank, OECD, Regional Devl Banks

[1] UNCTAD= UN Conference on Trade and Development.

IV. Performance Summary

For each Initiative/Program that supports accomplishment of this strategic goal, the most critical FY 2005 performance indicators and targets are shown below.

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

I/P #1: Development Strategies				
Spur economic development and enhance investment climates through the Millennium Challenge Account (MCA) and other initiatives.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Impact Indicator				
Indicator #1: Average Developing Country Growth Competitiveness Index (Countries are assessed on a scale of 1 to 7, 7 being the highest level of competitiveness)				
2000: Baseline: 4.78 **2001:** 4.81	Data not yet available; expected in July 2004.	Data pending.	Increase in average GCI by 3 percent (from 4.81 to 4.95)	Increase in average GCI by 4 percent from 4.95 to 5.10.
Impact Indicator				
Indicator #2: Corporate Restructuring in Japan				
2000: N/A **2001:** N/A	Baseline: Economic growth hindered by huge amount of non-performing assets held by debt-ridden Japanese companies. Vested interests still impeding corporate restructuring while the public has mixed perceptions of so-called "vulture capitalism." There are a few successful restructurings.	Industrial Revitalization Corporation of Japan (IRCJ) is organized and begins initial operations.	The IRCJ begins to implement restructuring plans for a number of large and medium sized companies. Both domestic and international turnaround firms participate in these successes. Dramatic increase in the number of companies implementing restructuring plans.	The marketplace begins to dispose of a significant measure of non-performing assets.

I/P #2: Science-Based Decision-Making and Standards Development				
Strengthen ties with neighbors and key allies, and facilitate access to international markets for new technologies				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Impact Indicator				
Indicator #3: Level of Trade in Information Technologies, Ag-biotechnology Commodities, Energy and Environmental Technologies, and Space Products and Services				
2000: N/A **2001:** N/A	USG organized and sponsored four roundtables on biotechnology and nanotechnology issues. Reforms were completed and published for International Trade in Armaments (ITAR) regulations governing scientific and environmental satellites. USG launched a Task Force for International Energy Technology Cooperation supporting the President's climate change initiative.	Data pending.	Regional S&T ag-biotech initiative launched with Latin America. U.S. initiative to harness space imagery for sustainable development increases GIS products exports. The NAS, IAP, and IAC complete a study for the UN on new and renewable energy sources for developing countries. Deployment of new, low emission energy technology (e.g., fuel cells, solar cells) from joint ventures increase. International Thermonuclear Experimental Reactor (ITER) project is formally launched with formal agreement for cooperation and final site selection.	EU barriers to ag-biotech field tests and commodities trade are eliminated. Post-WSSD activities in water and energy are fully ingrained in UNESCO program of work. S&T ag-biotech initiative launched with Asia. Exports of space imagery and satellite services continue to increase. Low emission energy technology sales continue to rise. ITER begins construction.

I/P #3: International Organization Economic Development Policy and Operational Activities				
Advance U.S. interests on development policy and related operational activities at international organizations.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Impact Indicator				
Indicator #4: Incorporation of the Central Priniciples of MCA in the International Development Norm Setting Process and UN Agency Activities				
2000: N/A **2001:** Baseline: U.S. prodded the UN Financing for Development preparatory process into exploring the total resource package for development, with domestic resources as the major component and national policy as the crucial determinant of success. UN development agency programming focuses on progress toward the international development goals in the Millennium Declaration and begin to reflect results-based programming and budgeting.	Monterrey Consensus placed domestic resource mobilization at the heart of development financing, with emphasis on good governance and sound economic policy. WSSD maintained the Monterrey view. ECOSOC and UNGA resolutions adopted Monterrey language and discussed follow-up. Monterrey linked resources to principles. World Food Summit: 5 years later incorporated USG objectives for reducing hunger. WSSD provided consistent mandates for UN development activities, including effective partnerships between recipients and donors. Efforts were undertaken to link traditional sector-specific activities to developing country central policy and regulatory frameworks.	Discussions on UN economic development resources and Monterrey follow-up focus less on developed country obligations towards developing countries and more on developing country responsibilities for their own development, highlighting good governance, economic freedom, and investing in people as means to maximize effective use of resources. UN funds and programs introduce new programs, within their mandates, focused on improving governance, economic policy formulations, sustainable development, public-private partnerships, making health and education systems more accessible, all within framework of enhanced climate to attract private investment and development assistance, including MCA.	UNGA Second Committee adopts streamlined agenda. UNGA adopts new conference follow-up mechanisms. Financing for Development Secretariat financed in 2004-2005 biennium. Monterrey and Johannesburg principles dominate intergovernmental development policy debate.	Effective normative development policy debate leads to change at national levels.

Economic Support Fund (PART Program Efficiency Measure)				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Efficiency Indicator				
Indicator #5: Percentage of ESF Funds That Have Been Allotted Four Months After WHA Receives Its Final Line Item Allocations				
2000: N/A **2001:** 18%	30%	50%	50%	50%
WHA and USAID/LAC (as implementer) can improve the internal processing of ESF funds by tracking the amount of time it takes to allotted funds once WHA has received its final allocations. Moving the funds more efficiently means they can reach the intended beneficiaries more quickly. Since we cannot predict when the appropriations bill will be signed and ultimately the final line item allocations from the Deputy Secretary, WHA and USAID/LAC will begin to measure efficiency at the point the funds are available to be allotted to our field missions. Future targets will seek to increase the percentage of funds allotted within a fixed period of time (4 months after submission of the 653(a) report).				

United Nations Development Program (PART Program Efficiency Measure)				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Efficiency Indicator				
Indicator #6: "Operational Support Costs" as a Percentage of Total Costs				
2000: N/A **2001:** N/A	Baseline: 14.9%	13%	12%	11%
* This efficiency indicator will measure UNDP internal management efficiency rather than program performance. UNDP is independent of the USG.				

Means for Achieving FY 2005 Targets

Increase in average GCI.

- Devise coherent country, regional, and global development strategies, including the promotion of the Monterrey Consensus principles, to ensure bilateral and multilateral development assistance advances economic stability and integration in the global economy.
- Promote sustainable financial and economic policies in Argentina, Brazil, and other Latin American countries in cooperation with International Financial Institutions
- Implement G-8 Anti-Corruption plan and push for accelerated enforcement of OECD Anti-Bribery Convention
- Support economic integration, growth, and development initiatives in the Middle East, Africa, South Asia, South America, and the Caribbean such as the Andean Trade Pact Agreement, Caribbean Basin Initiative, Middle East Partnership Initiative, and African Growth and Opportunity Act.

Corporate Restructuring in Japan - The marketplace begins to dispose of a significant measure of non-performing assets.

- Encourage continued success of domestic turnaround industry along side foreign investment firms.
- Increase understanding and acceptance on the part of the Japanese government and public on the need for corporate restructuring for future economic growth.
- Monitor market response and success to disposal of non-performing assets.

EU barriers to ag-biotech field tests and commodities trade are reduced.

- Promote minimally disruptive biotechnology regulations, which are transparent, predictable, and WTO compliant, working through posts and international fora
- Target consumers and policy makers through speaker programs, workshops and visitor programs.

Post-WSSD activities in water and energy are fully ingrained in UNESCO program of work.

- Use goodwill and budget increase linked to U.S. re-entry to expand work of UNESCO science sector in helping countries implement WSSD agreed goals

With AID, S&T ag-biotech initiative launched with Asia.

- Devise country and regional strategies for APEC and ASEAN to encourage science-based, transparent biotech regulatory systems, including implementation of Codex risk assessment guidelines on a regional basis.
- Target consumers and policy makers through speaker programs, workshops, and visitor programs.

ITER begins construction.

- Conclude negotiation of institutional structure and funding mechanism.

Effective normative development policy debate leads to change at national levels.

- Promote at international fora – particularly the UN General Assembly and ECOSOC – the principles of the Monterrey Consensus, i.e., that economic growth, sustainable development, and poverty reduction require sound macroeconomic policy, democracy, good governance, open markets, and economic freedom.
- Shape UNCTAD economic policy discussions and publications to provide information that will help developing countries implement the Monterrey Consensus and participate in the Doha Development Round of trade negotiations.

Annual Performance Goal #2
INCREASED TRADE AND INVESTMENT ACHIEVED THROUGH MARKET-OPENING INTERNATIONAL AGREEMENTS AND FURTHER INTEGRATION OF DEVELOPING COUNTRIES INTO THE TRADING SYSTEM

I/P #4: Create Open and Dynamic World Markets				
Increase market access for U.S. goods, services, and enhance protection of intellectual property.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Impact Indicator				
Indicator #1: Status of Negotiations on Open Markets for Services, Trade, and Investment.				
2000: Baseline: WTO negotiations on agriculture and services began. Ten Bilateral Investment Treaties (BITs) sent to Senate for ratification. Negotiations on Free Trade Agreements (FTAs) ongoing. **2001:** Preparations for launch of new WTO round underway. Chile and Singapore FTA negotiations began. Congress approved Jordan FTA. Five BITs entered into force. APEC leaders agreed in Shanghai to liberalize trade and investment.	WTO launched new round in Doha. China and Taiwan joined WTO. Jordan FTA entered into force. Chile and Singapore FTA negotiations concluded. BIT discussions continued with Venezuela, Peru, Colombia, and South Korea. China took concrete steps to remove trade barriers and open its markets; some shortfalls remained in areas of interest.	Two FTA's (Chile, Singapore) concluded. WTO and Free Trade of the Americas (FTAA) negotiations continue. FTA negotiations began with CAFTA, Morocco, SACU, and Australia. Notified Congress of intent to initiate FTA talks with Dominican Republic and Bahrain.	WTO Doha Round negotiations continue (with January 1, 2005 target for completion). Conclude three new BITs. Conclude two FTAs. Conclude FTAA negotiations, (with a January 1, 2005 target for completion). Add the Dominican Republic to the pre-existing CAFTA.	WTO Doha negotiations completed January 1, 2005. Two new BITS concluded. One FTA concluded.

I/P #4: Create Open and Dynamic World Markets, *cont'd*				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #2: Number of Market Opening Transportation Agreements in Place.				
2000: Baseline: Open Skies agreements in place with forty-seven countries. **2001:** Five bilateral Open Skies agreements concluded. Multilateral Open Skies agreement with four countries concluded.	Five additional bilateral Open Skies agreements plus three other liberalized agreements concluded.	Concluded three bilateral Open Skies agreements: Jamaica, Albania, and Thailand (all cargo Open Skies); and one multilateral accession: Samoa. Liberalized two (non-Open Skies agreements): Hong Kong and Thailand.	Conclude two bilateral Open Skies agreements (or Multilateral accessions). Conclude Three non-Open Skies agreements. Conclude shipping agreement with China.	Conclude two bilateral Open Skies agreements (or Multilateral accessions). Conclude Three liberalizing (non-Open Skies) agreements.
Output Indicator				
Indicator #3: Number of Countries Allowing Commercial use of Agricultural Biotechnology and Global Acreage of Biotech Crops under Cultivation				
2000: Baseline: Seven countries allowed commercial use of ag-biotech products. **2001:** Seven additional countries allowed commercial use of ag-biotech products. Acreage under cultivation increased.	India commercialized transgenic cotton. Philippines and Brazil took initial steps toward commercializing ag-biotech.	The Philippines and Brazil commercialize ag-biotech. Biotech acreage continues to expand.	Three additional countries commercialize ag-biotech. (Implement transparent science-based regulatory regimes.)	Three more countries begin to commercialize ag-biotech.
Output Indicator				
Indicator #4: Number of Countries With Laws and Regulations Inconsistent with the WTO Trade-Related Aspects of Intellectual Property Rights (TRIPs) Agreement				
2000: N/A **2001:** Baseline: 44	34	34 (Note: the final number is not available until the publication of the Special 301 List on 30 April 2004)	32 or less	30 or less

I/P #4: Create Open and Dynamic World Markets, *cont'd*				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #5: Adoption of U.S. Telecom, Information Technology (IT), and Radio Communication Proposals/Positions and Standards/Recommendations Favorable to U.S. Businesses in International Telecommunications Agreements and Declarations				
2000: N/A **2001:** USG worked through Inter-American Telecommunications Commission (CITEL) for the adoption of the U.S. Digital Television (DTV) standard and the allocation of 3G spectrum. Discussions on convergence standards begin.	USG promoted the U.S. DTV standard bilaterally with key countries Argentina and Brazil. ITU Agreement reached on standards for next generation interactive cable and interim ENUM arrangements. USG begins planning for an e-government conference. Most of U.S. proposed reforms to make ITU more efficient, private sector-oriented were enacted in Plenipotentiary Conference.	Colombia takes leadership on CITEL working group on DTV, promising faster progress. 3G spectrum allocation. USG joint e-government summit promotes U.S. e-gov services and equipment. Adoption of the majority of U.S. proposals at the World Radiocommunication Conference (WRC)	Final recommendations on ENUM procedures and VoIP. Full scale regional implementation of Mutual Recognition Agreements for telecom equipment. Western Hemisphere working group on Wireless Local Networks begins work. World Assembly on Telecom Standardization rejects proposals for ITU to regulate Internet, commercial agreements, and content.	Prepare for WRC 2007. U.S. proposals on convergence technologies for cable, telephony, and broadband adopted in the ITU. Western Hemisphere countries adopt U.S. Wireless Local Network standards. CITEL endorses the U.S. DTV standard and key countries, including Brazil, adopt it.

I/P #5: Support for U.S. Businesses				
Advocate for U.S. companies to ensure transparency and fair play, and assist with regulatory and investment problems.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #6: Number of Companies for whom Advocacy Services were Provided; Number of Advocacy Success Stories				
2000: N/A **2001:** <u>Baseline:</u> Advocacy services provided for 75 companies.	Advocacy services provided for 110 companies 35 advocacy success stories.	Advocacy services provided for 125 companies 45 advocacy success stories.	Advocacy services provided for 175 companies; 65 advocacy success stories.	Advocacy services provided for 185 companies 80 advocacy success stories.

I/P #6: Integrating Environmental Protection and Trade

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

Results			Targets	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Impact Indicator				
Indicator #7: Trade Agreements and Environmental Side Agreements and Guidelines Established Which Enhance International Protection and Preservation of the Environment while Avoiding Disguised Barriers to Trade				
2000: N/A **2001**: The WTO agrees to negotiate trade and environment issues within the DOHA Round. First round of negotiations held to extend U.S. South Pacific tuna access treaty. Effort begins to examine issue of fishing capacity in south pacific tuna fisheries.	An environmental review of proposed Singapore and Chile FTAs is conducted. World Summit on Sustainable Development Joint Plan of Implementation concluded with satisfactory trade and finance provisions. Most OECD Export Credit Agencies (ECAs) agree to voluntarily adopt environmental standards for ECA-supported projects. OECD, FAO, and APEC discuss non-tariff trade measures, such as food safety, rules of origin and eco-labeling. Several countries decertified pursuant to "shrimp/turtle" import law provide credible evidence of an enhanced program and are re-certified. U.S. access to fisheries stocks regulated by Northwest Atlantic Fisheries Organization (NAFO) is limited.	Fisheries subsidies negotiations in WTO continue. FAO adopts work plan on eco-labeling and other non-tariff trade measures. The amended South Pacific Tuna Access Treaty is submitted to the Senate and advice and consent to ratification is provided. U.S. expands technical domestic fisheries rules relating to sea turtles; notifies foreign governments that their programs may need to adopt comparable changes in order to export shrimp to the U.S. NAFO makes limited progress towards establishing a fair process for access to stocks. Singapore and Chile FTAs are concluded with satisfactory environmental provisions. Environmental Cooperation Agreement with Chile and an MOI on Environmental Cooperation with Singapore are signed	OECD countries agree on binding environmental standards for ECAs, and public disclosure policies that meet U.S. requirements. Conclude two FTAs with satisfactory environmental provisions. Framework environmental side arrangements are negotiated and concluded with the five CAFTA countries, Morocco, and Australia. Work plans to be undertaken pursuant to existing environmental side arrangements and consisting of environmental projects that promote mutually supportive trade and environmental policies are developed with Jordan, Singapore and Chile. Promote trading regimes that support sustainable fisheries by continuing inspections in shrimp exporting countries, achieving progress in implementing cooperative agreements on trade-related fisheries issues, and by working for WTO agreements that do not undermine U.S. interests FAO develops eco-labeling guidelines for fisheries products.	OECD countries undertake discussions to expand common guidelines to include issues addressed by World Bank safeguard policies, such as impact on indigenous peoples, involuntary resettlements, etc. FTAs with the five SACU countries of southern Africa, the Dominican Republic and the thirty-four countries of the western hemisphere that will comprise the FTAA area are completed, each containing satisfactory environmental provisions. Framework environmental side arrangements are negotiated and concluded with the five SACU countries of Southern Africa, the Dominican Republic, and the countries of the FTAA area. Work plans to be developed to promote mutually supportive trade and environmental policies and build capacity to implement domestic environmental laws in the five CAFTA countries of Central America, the Dominican Republic, Morocco and Bahrain. Measurable progress in executing projects under Jordan, Singapore and Chile work plans. Progress continues in the WTO on how to reduce harmful fish subsidies. FAO Committee on Fisheries endorses ecolabeling guidelines for fisheries, implementation work begins.

Means for Achieving FY 2005 Targets

WTO Doha negotiations completed January 1, 2005. Two new BITS concluded.

- Ensure implementation of Uruguay Round Agreements, offering trade capacity building assistance to developing countries
- Negotiate new agreements in the WTO Doha Development Round
- Promote WTO institutional reforms to increase transparency, accountability, and coordination with other international organizations
- Negotiate agreements to create a Free Trade Area of the Americas (FTAA), a Central America Free Trade area (CAFTA), and Free Trade Area agreements with the Southern African Customs Union, Australia, and Morocco.
- Remove foreign tariff and non-tariff barriers, through bilateral and regional initiatives, and multilateral efforts such as implementation of the APEC trade and investment liberalization objectives contained in the Shanghai Accord
- Conclude new Bilateral Investment Treaties and negotiate high-standards investment chapters in Free Trade Agreements

Conclude two bilateral Open Skies agreements (or Multilateral accessions), as well as three non-Open Skies agreements.

- Conclude new Open Skies aviation agreements
- Liberalize existing aviation agreements with important countries where "Open Skies" accords are not possible; seek multilateral aviation accords based on "Open Skies" with interested partners
- Promote liberal aviation policies in ICAO and regional fora, i.e., APEC

Three more countries begin to commercialize ag-biotech.

- Engage countries with interest, need, and capacity for biotechnology at country and regional levels to develop science based, transparent regulatory systems.
- Provide speakers, workshops, and outreach to convey benefits of ag-biotech for policy makers, consumers, and local farmers.

Support provided for 185 companies; 80 advocacy success stories.

- Generate and respond to requests for USG commercial advocacy support, including with regard to foreign government procurement, and ensure sanctity of contracts.
- Organize and manage business outreach events to promote best business practices and enhance public diplomacy goals.
- Promote open and transparent foreign government procurement practices and technology-neutral standards.
- Ensure appropriate business input into ongoing negotiations for Free Trade Agreements and bilateral investment treaties, and aviation agreements.
- Facilitate U.S. foreign investment by working to resolve investment disputes between U.S. investors and foreign governments.
- Press signatory countries to enforce and implement the OECD Anti-Bribery Convention and promote rigorous peer monitoring.
- Increase protection of intellectual property rights through training, Special 301 process, and embassy intervention.
- Encourage business-to-business and business-to-government dialogue in official bilateral and multilateral fora.
- Increase awareness of e-government as a tool for reform, and of the quality of e-government goods and services provided by U.S. industry.
- Promote improved overseas investment climates, working in the ITU, OECD, and APEC.
- Develop and implement public diplomacy strategies to support our goals.

Prepare for WRC 2007.

- Develop support for emerging U.S. positions on international allocation of adequate radio spectrum at the ITU for current and future telecommunications services

U.S. proposals on convergence technologies for cable, telephony, and broadband adopted in the ITU.

- Work with U.S. telecom industry to develop and adopt U.S. proposals at the ITU.

Western Hemisphere countries adopt U.S. Wireless Local Network standards.

- Promote adoption of U.S. "3rd Generation" wireless and Digital television standards throughout hemisphere, both bilaterally and multilaterally in CITEL, an entity of the Organization of American States

CITEL endorses the U.S. DTV standard and key countries, including Brazil, adopt it.

- Promote adoption of U.S. "3rd Generation" wireless and Digital television standards throughout hemisphere, both bilaterally and multilaterally in CITEL, an entity of the Organization of American States

Continue bilateral consultations to improve coordination in WTO and FTAA and encourage continued market openings.

- Consultations and meetings with governments, demarches to pursue areas of promise for open markets of priority interest to U.S. firms.

OECD countries undertake discussions to expand common guidelines to include issues addressed by World Bank safeguard policies, such as impact on indigenous peoples, involuntary resettlements, etc.

- Work with like-minded OECD Member delegations to expand agenda of export credit agency (ECA) and environmental compliance to include integration of World Bank safeguards in the OECD's ECA-related discussions.
- Coordinate with NGOs and American exporters to exert pressure on OECD Member ECAs to adopt such safeguards policies.

Work Plans pursuant to framework environmental capacity building agreements will be agreed upon with Morocco, Bahrain and the five CAFTA countries of Central America plus the Dominican Republic

- Identify areas of joint work to be undertaken that improve these partners' capacity to meet their obligations under the environmental provisions of the FTAs they have concluded with the United States.

Measurable progress in executing projects under Jordan, Singapore and Chile work plans.

- Begin joint work in accordance with agreed work plans and progress indicators subject to review by a joint commission set up under the relevant environmental capacity building arrangement in order to meet FTA obligations and address environmental issues of mutual interest and concern.

Progress continues in the WTO on how to reduce harmful fish subsidies

- Final Agreement in Doha Development Round includes appropriate disciplines on harmful fish subsidies based on U.S. proposal for categorization into "red light" and "amber light" subsidies.

FAO Committee on Fisheries endorses ecolabeling guidelines for fisheries; implementation work begins

- WTO-consistent science-based guidelines for the establishment of ecolables in fisheries products are developed in FAO; case studies begun on select fisheries to test effectiveness of new guidelines.
- Work through FAO Fisheries Department to provide capacity building opportunities for developing countries seeking to implement FAO guidelines for ecolabeling in their fisheries activities.

Annual Performance Goal #3

SECURE AND STABLE FINANCIAL AND ENERGY MARKETS

I/P #7: Secure Energy Supplies

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

Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
Indicator #1: World Emergency Oil Stocks.				
2000: Baseline: International Energy Agency (IEA) stock level was 111 days of net oil imports. **2001:** IEA stock level was 112 days of net oil imports.	Higher stock levels in the United States, Japan, and South Korea (a new IEA member). Increased overall IEA stocks to 114 days of net oil imports as of 12/21/02. China (a non-IEA member) actively engaged with the IEA, APEC, and the United States to create emergency oil stock reserves and has formulated a plan for holding significant stocks.	During FY 2003, IEA stocks have been in the range of 112-116 days of imports. China (a non-IEA member) actively engaged with the IEA, APEC, and the United States to create emergency oil stock reserves and has formulated a plan for holding significant stocks.	IEA and non-IEA emergency oil stocks are at or above FY 2003 levels.	IEA and non-IEA emergency oil stocks are at or above FY 2004 levels.

I/P #8: Stable Financial Markets

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

Results			Targets	
2000 & 2001	2002	2003	2004	2005
Impact Indicator				
Indicator #2: Percentage of Debt Crisis Countries on IMF Programs Successfully Reforming.				
2000: Baseline: 61% **2001:** 57%	63%	70%	60%	60%

Means for Achieving FY 2005 Targets for FY 2005 Target

IEA and non-IEA emergency oil stocks are at or above FY 2004 levels.

- Maintain an action plan for responding to a disruption in Middle East or other oil supplies and strengthen coordination with energy-producing and consuming countries as recommended in the President's National Energy Policy report.
- Encourage and support U.S. investment in major energy projects in Western and Central Africa, the Caspian region, Russia and the Americas.
- Coordinate closely with fellow International Energy Agency (IEA) members, including EU member states and Japan.
- Work with IEA and non-IEA states to increase the amount of emergency oil stocks held around the world as recommended by the President's National energy Policy Report; this cooperation would increase burden sharing in an energy crisis.
- Support U.S. international initiatives to develop advanced energy technologies, working closely with DOE, DOT, OES and regional bureaus.

Sixty percent of Debt Crisis Countries on IMF programs successfully reforming.

- Bilaterally, and multilaterally, encourage governments to adopt policies that promote economic growth and reduce the chance of economic crisis.
- Employ liberalized trade and investment arrangements to promote regional stability.
- Provide debt relief where necessary to deal with balance of payments crises, and fund assistance programs consistent with sound economic and social policies.
- Mobilize resources of international financial institutions to provide post-conflict assistance, including reconstruction, demobilization and capacity-building.

V: Illustrative Examples of FY 2003 Achievements

Economic Prosperity and Security	
Transportation Liberalization	The Department led negotiations to guarantee and expand U.S. airlines' rights, yielding an agreement with Hong Kong that will increase U.S. passenger/cargo revenue by $1.5 billion over the next three years, and an Open Skies agreement with Jamaica. We helped structure U.S. approaches for resumed commercial air service to Iraq. Our advocacy preserved night flight landing rights in Europe; fought off monopoly postal regulations in China; helped carriers surmount SARS epidemic disruptions; and confronted discriminatory fees and practices against U.S. airlines in Latin American markets. A new maritime agreement with China will eliminate restrictions on U.S. shipping firms, saving millions of dollars in fees. We spearheaded global efforts to protect transportation networks through stronger shipping and aviation security rules. Nineteen of the 20 largest world ports committed to our Container Security Initiative (CSI) procedures, and aircraft cockpit doors were reinforced on all U.S.-bound flights one-half year before required by international standards.
Debt Forgiveness for Pakistan	In recognition of the Government of Pakistan's critical support to the Global War on Terrorism, the President, in February 2002, announced his intention to forgive up to $1 billion of Pakistan's debt to the U.S. The Department worked with Treasury and OMB to secure Congressional authorization and funding to fulfill the President's commitment. Due to interagency efforts, a bilateral agreement signed in April 2003 cancelled $1 billion of Pakistan's outstanding debt to the U.S. This debt reduction, which lowers Pakistan's debt service by approximately $14 million per year, enables Pakistan to devote more resources to stabilizing its economy, boosting economic growth, and improving the lives of the poor.

Economic Prosperity and Security, *cont'd*	
Terrorism Financing	State, Treasury, Justice, FBI, the Department of Homeland Security and other agencies all work together in the fight against terrorism finance. The U.S. supported the submission by many countries of al-Qaida-linked names for inclusion in the UN asset-freeze list, requiring all countries to act against these names. We have taken action – including asset-freezing – against charities supporting terrorism, creating an incentive for charities worldwide to ensure their funds are not being diverted to terrorist organizations. In addition, many essential complementary actions have also been taken. These include the building of an international alliance against terrorism, training and technical assistance to help countries develop the capacity to fight terrorist financing, the development of international standards, and the exploitation of intelligence. All of these efforts work together to protect the United States and our allies from the scourge of terrorism now and in the future.
U.S. Trade and Investment	As a key part of the interagency advocacy and outreach process, the Department assisted over 180 U.S. companies to ensure transparency and fair play in foreign government procurements and other actions; promote market access and reform; and expand business promotion activities. The Department assisted over 75 U.S. companies seeking foreign government procurement, advised over 50 companies involved in aviation services, and consulted regularly with 30 biotech groups and IPR associations. Advocacy with foreign telecom regulators alone saved $125 million for U.S. business. Three aviation liberalization agreements were also concluded to expand markets for U.S. firms.

VI: Data Verification/Validation by Performance Goal

Performance Goal 1 Institutions, laws, and policies foster private sector-led growth, macroeconomic stability, and poverty reduction.
• World Bank information is widely used and available to the public.
Performance Goal 2 Increased trade and investment, achieved through market-opening international agreements and further integration of developing countries into the trading system
• The WTO, USTR, and the Department provide reliable information on their websites. • The Department and the Department of Transportation provide reliable information on their websites. • The Department provides reliable information to the public. • WTO provides reliable information on its website.
Performance Goal 3 Secure And Stable Financial And Energy Markets
• The IMF provides reliable information on its website. • The IEA provides reliable information to the public on its website.

VII. Resource Detail

Table 1: State Appropriations by Bureau ($ Thousands)

Bureau	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
International Organization Affairs	$198,561	$209,426	$288,402
Western Hemisphere Affairs	72,446	74,640	78,270
European and Eurasian Affairs	50,944	52,857	35,042
Educational and Cultural Affairs	16,708	32,370	32,336
Other Bureaus	85,526	91,172	99,049
Total State Appropriations	**424,185**	**460,465**	**533,099**

Table 2: Foreign Operations by Account ($ Thousands)

Title/Accounts	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
Title I - Export and Investment Assistance			
Export-Import Bank	564,422	54,467	156,040
Overseas Private Investment Corporation	(239,381)	(199,001)	(187,115)
Trade and Development Agency	30,052	31,832	31,762
Title II - Bilateral Economic Assistance			
USAID	628,810	596,077	599,533
Other Bilateral Economic Assistance	2,249,079	1,109,851	998,830
Independent Agencies	95,571	1,093,514	2,618,409
Department of State			
Department of Treasury	12,980	113,328	217,500
Complex Foreign Contingencies			
Title III – Military Assistance			
International Military Education and Training	100	0	0
Foreign Military Financing			
Peacekeeping Operations			
Title IV – Multilateral Economic Assistance			
International Financial Institutions	1,295,781	1,383,042	1,492,731
International Organizations and Programs	109,500	229,156	223,650
Total Foreign Operations	**4,746,914**	**4,412,266**	**6,151,340**

Grand Total	**$5,171,099**	**$4,872,731**	**$6,684,439**

Strategic Goal 9: Social and Environmental Issues

Improve Health, Education, Environment, and Other Conditions for the Global Population

I. Strategic Goal Public Benefit

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

- Secretary Colin L. Powell

Disease, poverty, environmental degradation, and unchecked migration destroy lives, ravage societies, destabilize regions, and cheat future generations of prosperity. While these social and environmental problems are daunting, ample experience at the international and national level demonstrates that progress is possible through concerted efforts. The United States has 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, forestall the conditions that sow the seeds of terrorism, 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. We will encourage good governance, necessary for making sustainable gains against social and environmental problems by bringing problems to light, enabling varied, creative solutions in the context of public debate, and holding governments accountable for results.

II. Resource Summary ($ in Millions)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Change from FY 2004	
				Amount	%
Staff [1]	689	694	694	0	0%
Funds [2]	$3,687	$4,070	$4,554	$484	11.9%

[1] Department of State direct-funded positions.
[2] Funds include both Department of State Appropriations Act Resources and Foreign Operations Resources, where applicable, which include resources for other USG agencies to which the Department provides foreign policy guidance (e.g., USAID, EXIM, OPIC, TDA, Peace Corps).

III. Strategic Goal Context

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

Strategic Goal	Performance Goal (Short Title)	Initiative/ Program	Major Resources	Lead Bureau(s)	External Partners
Social and Environmental Issues	Global Health	Global Health	D&CP, GAI, CS&H, ESF	S/GAC, OES, IO	HHS, USAID, DOD, DOL, EPA, CDC, NSC, CEQ, Commerce, UN, UNAIDS, WHO, private sector entities
		Combating Bioterrorism	D&CP	PM, OES, IO	HHS, DHS, DOD, Commerce, CIA, NSC, HSC, UN, WHO
		Population	D&CP	PRM	UNFPA, UN Population Division, USAID, HHS
	Environmental Protection	Institutionalizing Sustainable Development	D&CP, ESF	OES	USAID, EPA, USDA, NOAA, DOE, Smithsonian Institution, civil society and private sector organizations
		Marine Resources	D&CP, ESF, IO&P	OES	DOC National Oceanic and Atmospheric Administration, USAID, USDA, DOE, DOI USFWS, EPA, NSF, NRC, NASA, DOD, USTR, USCG, NGOs, International Organizations, and International Coral Reef Initiative Partners
		Conservation of Protected Areas and Tropical Forests	D&CP ESF	OES, AF, WHA	USAID, USDA, Treasury Department, USDA-Forest Service, NGOs, International Organizations
		Global Climate Change and Clean Energy	D&CP, IO&P, ESF	OES, STAS	DOE, EPA, CEQ, CEA, NOAA, NASA, USAID, Treasury, USDA, NSF, DOC, DOI, DOT, DOD,
		Science and Technology Cooperation	D&CP, ESF	OES, STAS, EB	USAID, USDA, DOE, DOC, DOI, EPA, NSF, NRC, NASA, DOD, USPTO, USTR, private sector entities
	Access to Quality Education	Accomplishment of this performance goal is the responsibility of USAID, and is therefore not reported in the Department of State's FY 2005 Performance Summary.			
	Migration Policies and Systems	Effective and Migration Policies and Systems	MRA, ERMA	PRM	IOM, DHS

IV. Performance Summary

For each Initiative/Program that supports accomplishment of this strategic goal, the most critical FY 2005 performance indicators and targets are shown below.

Annual Performance Goal #1
IMPROVED GLOBAL HEALTH, INCLUDING CHILD, MATERNAL, AND REPRODUCTIVE HEALTH, AND THE REDUCTION OF ABORTION AND DISEASE, ESPECIALLY HIV/AIDS, MALARIA, AND TUBERCULOSIS

I/P #1: Global Health				
Improve global health by fighting the global HIV/AIDS pandemic and combating other infectious diseases.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #1: Countries or Regions With Stabilized or Reduced Rates of New HIV Infections				
2000: N/A **2001:** Uganda, Senegal and Thailand had stabilized or reduced rates of new HIV infections.	A total of five countries had stabilized or reduced rates of new HIV infections (Uganda, Senegal, Thailand, Zambia and Cambodia).	Tanzania is added as the sixth country to have stabilized or reduced rates of new HIV infections.	A total of seven countries stabilize or reduce rates of new HIV infections.	One additional country with stabilized or reduced rates of new HIV infections.
Output Indicator				
Indicator #2: Implementation of the President's Emergency Plan for AIDS Relief				
2000: N/A **2001:** 0	0	President announced his AIDS initiative in January, and signed legislation authorizing the plan in May.	Prevention of new HIV infections. Treatment of HIV infected people. Care for HIV infected people and AIDS orphans. Yearly targets will be developed by the Global AIDS Coordinator.	Prevention of new HIV infections Treatment of HIV infected people. Care for HIV infected people and AIDS orphans. Provide services and support to women and their families.

I/P #1: Global Health, *cont'd*				
Improve global health by fighting the global HIV/AIDS pandemic, combating other emerging diseases, and countering bioterrorism.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #3: Status of International Collaboration, and Partnerships to Support Health, Including the Global Fund to Fight AIDS, Tuberculosis, and Malaria				
2000: N/A **2001:** The level of bilateral and multilateral collaboration on global health increased significantly; UN Special General Assembly Session on HIV/AIDS; negotiations completed for the Global Fund.	The Global Fund began work; negotiations continued to put mechanisms in place that guarantee program and financial accountability, set rules for procurement, etc.; The Global Fund had multi-year pledges totaling $2.1 billion, with approximately $750 million available for the year; one large contribution was from the private sector.	All but one of the first round of grant agreements have been signed. Database has not been established but a survey is evaluating country-level mechanisms. Pledges have increased, with more-in-kind donations from both foundations and commercial enterprises.	Continued viability and success of the Global Fund. As reported by the Global Fund, one-fourth of all Country Coordination Mechanisms include NGO stakeholders as full participants in the design and implementation of proposals. Two more foundations and one more commercial enterprise make contributions to the Global Fund. The Global Fund has conducted evaluations of grants, and half of the grant recipients make progress toward the indicators outlined in the proposals and the monitoring and evaluation (M&E) framework.	Pledges, from both public and private entities, continue to increase, permitting renewal of first and second round proposals, as they reach the end of their initial two-year funding and have met their targets, as well as funding new proposals. NGO stakeholders and business are implementing a larger percentage of proposals.
Outcome Indicator				
Indicator #4: Status of World Health Organization (WHO) International Health Regulations (IHRs)				
2000: N/A **2001:** The World Health Assembly (WHA) linked IHR revision process to global health security and bioterrorism.	WHO continued consultation and elaboration of approach and international consensus building.	WHO strengthened its activities related to global and national-level disease surveillance and undertook major efforts with governments in limiting and controlling SARS. Work continued on revising the WHO International Health Regulations with the target for adoption in 2005 of revised regulations.	Technical review of the revised IHR continues at global, regional, and sub-regional level; regulatory draft IHR revision is submitted to member states for review. Using lessons learned from SARS outbreak, increase surveillance and reporting on infectious disease outbreaks.	Revised IHR are submitted to the 58th WHA and approved by the member states. Revised IHR provide maximum security against international spread of disease, whether of natural or deliberate occurrence, with a minimum interference with world trade and travel. Countries are reporting outbreaks sooner and requesting international help, where necessary, to contain infectious disease outbreaks.

I/P #1: Global Health, *cont'd*				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #5: Number of High Risk Countries or Regions With National Plans to Combat Malaria				
2000: N/A **2001:** N/A	12	17	19	21
Output Indicator				
Indicator #6: Percentage of World Population with Access to Tuberculosis Care and Treatment				
2000: N/A **2001:** 55%	63%	67%	71%	75%
Output Indicator				
Indicator #7: Establishment of International Agreements and Programs That Minimize Use of Toxic Substances that Adversely Impact Human Health				
2000: N/A **2001:** U.S. and many other countries sign the Persistent Organic Pollutants (POPs) Convention to address substances that pose a global environmental and health threat.	General terms of reference for the creation of a pharmaceutical and biotech industry anti-terrorism code of conduct were developed. U.S. submits the POPs Convention to Congress for ratification. 30 other countries ratify the agreement.	U.S. proposes new global actions to address mercury pollution, another toxic substance of global environmental and health concern.	50 countries ratify the POPs Convention and develop national plans to phase out the use of POPs; new global program of action to address mercury pollution is established under the UN Environment Program.	An additional 20 countries ratify the POPs Convention and develop national plans to phase out the use of POPs.
Outcome Indicator				
Indicator #8: Number of Targeted Countries using Market-Based Approaches for Delivering Point-of-Use Technologies for Treating Water at the Household Level.				
2000: N/A **2001:** 2	3	6	8	10

I/P #2: Combating Bioterrorism				
Improve health security by combating bioterrorism.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Input Indicator				
Indicator #9: Status of the Global Health Security Action Group (GHSAG)				
2000: N/A **2001:** Baseline: The United States, Canada, France, Germany, Italy, Japan, Mexico, and the United Kingdom form GHSAG for cooperative, international efforts to counter bioterrorism.	General terms of reference for the GHSAG creation of a pharmaceutical and biotech industry anti-terrorism code of conduct were developed.	GHSAG formed technical working groups. In December 2002, GHSAG formed a new technical working group on Pandemic influenza. During the GHSAG working meeting in September 2003 in Ottawa, GHSAG members decided to add SARS to the topic of the Influenza technical working group. GHSAG has tested Incident Scale. GHSAG members are prepared to submit Terms of Reference.	GHSAG conducts cooperative, multi-nation exercises; the private sector, NGOs, and health and science institutions, are involved in the introduction of new knowledge to a rapidly evolving security area. GHSAG's lab network begins exchange of information, evaluation and validation of diagnostic procedures, and development of communication protocols.	GHSAG develops "lessons learned" and strategies for sharing with countries outside of GHSAG. GHSAG lab network develops safe and secure transport protocols, ensures that biosafety procedures are in place at all GHSAG labs, and promotes voluntary adoption of improved standards. GHSAG implements bioterrorism-related training programs and simulations for both GHSAG and non-GHSAG members. GHSAG develops rapid response methodologies for preventing and responding to bioterrorism.

I/P #3: Population				
Strengthen families worldwide by encouraging reform of the United Nations Population Fund.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Indicator #10: Management Reforms at UNFPA.				
2000: N/A **2001:** N/A	N/A	Data pending.	Baseline: UNFPA reforms methods of monitoring and evaluating 2 programs.	UNFPA reforms methods of monitoring and evaluating 3 programs.

Means for Achieving FY 2005 Targets

One additional country with stabilized or reduced rates of new HIV infections.

- Engage foreign diplomats and health officials to advance bilateral opportunities.

Prevention of new HIV infections, treatment of HIV-infected people, and care for HIV-infected people and AIDS orphans

- Develop a comprehensive, five-year, global strategy for fighting HIV/AIDS globally.
- Begin funding agreed upon programs in the 14 focus countries.
- Develop programs focused on HIV/AIDS and trafficking in persons, and HIV/AIDS and women.

Pledges to the Global Fund, from both public and private entities, continue to increase, permitting renewal of first and second round proposals. NGO stakeholders and business are implementing a larger percentage of proposals.

- Use U.S. diplomatic missions to increase awareness of the Global Fund, especially among the private sector and NGOs, and to facilitate their involvement in Country Coordination Mechanisms.

Adopt revised International Health Regulations at the World Health Assembly.

- Actively participate in the U.S. Government interagency review of the draft IHR and World Health Assembly discussions to ensure that revised IHR meets goal of increased global surveillance of infectious disease with minimum impact on global trade and travel.

Twenty-one high-risk countries adopt national plans to combat malaria.

- Encourage political commitment to development of country-specific strategies.
- Assist Roll Back Malaria's efforts to provide technical assistance to countries to develop plans.

Seventy-five percent of the world's population living in tuberculosis-endemic countries has access to DOTS.

- Support efforts to overcome human and financial resources constraints to achieve 100% access to DOTS.
- Target "hard-to-reach" population groups for DOTS.
- Where needed, advocate health sector reforms to ensure maintenance and sustainability of tuberculosis-control programs.

An additional 20 countries ratify the POPs Convention and develop national plans to phase out the use of POPs.

- Work with other countries to maximize involvement in POPs phase-out.
- Support Global Environment Facility for assistance to key countries in developing national implementation plans.

Ten additional countries using market-based approaches for delivering point-of-use technologies for economically treating water at the household level to reduce exposure to water-borne diseases.

- Launch initiatives with other donors to expand the use of water treatment technologies at the household level; mobilize investment for water-related infrastructure through revolving funds and loan guarantees; and support regional management of shared water resources.
- Use multilateral fora to advance policies that promote sound water management, improve hygiene practices and strengthen the environment for water-related investments. (Key upcoming fora include the UN Commission on Sustainable Development's 2004-05 work cycle, and the Forth World Water Forum in FY06)

Development of "lessons learned," training programs and simulations, and rapid response methodologies for preventing and responding to bioterrorism.

- Work with GHSAG member nations to create "lessons learned" documents.
- Work collaboratively with GHSAG member nations and others (e.g., WHO) to design training programs and simulation exercises.
- Participate in GHSAG working groups to develop rapid response methodologies.

Development of strategies for sharing these materials with countries outside of GHSAG.

- Work with GHSAG member nations to create framework for outreach to non-member nations.

GHSAG lab network develops safe and secure transport protocols, ensures that biosafety procedures are in place at all GHSAG labs, and promotes voluntary adoption of improved standards.

- Work with GHSAG member nations to identify and evaluate effective protocols.
- Collaboratively review GHSAG labs to assess biosafety standards.
- Identify candidate nations for voluntary adoption of improved standards.

UNFPA reforms methods of monitoring and evaluating 2 programs.

- Discuss monitoring and evaluation methods with UNFPA.
- Monitor UNFPA programs in the field.

Annual Performance Goal #2

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

I/P #4: Institutionalizing Sustainable Development

Reform bilateral and multilateral processes and institutions to focus efforts on key sustainable development issues (water, energy, and domestic good governance) and on implementation of sustainable development practices.

Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
Indicator #1: Extent to Which Key Institutions and Processes Highlight Energy, Water, and Domestic Good Governance Issues and Adopt Approaches that Support the Implementation of Sustainable Development Projects.				
2000: N/A **2001:** UN processes, including the Commission on Sustainable Development, the UNECE, and Ministers at the World Water Forum are focused on a negotiated outcome – not implementation.	The Johannesburg Plan of Implementation calls for reform of the Commission on Sustainable Development to place more emphasis on implementation at all levels, including promoting and facilitating multi-stakeholder partnerships, and contains the strongest language to date on domestic good governance as a foundation for sustainable development. U.S. continues to promote multi-stakeholder partnerships to advance international development. WSSD is the first UN conference to recognize partnerships as an official outcome.	U.S. discussion paper on CSD reform influences CSD Secretariat's proposed plan of work, which now focuses on implementation Bilateral and regional meetings in key regions (Europe, Latin America) emphasize need for implementation, not new norm-setting. Europeans remain wedded to norm-setting approach in high-level multilateral meetings, although some begin supporting U.S.-led partnerships and OESI programs focusing on good domestic governance and implementation.	Commission on Sustainable Development focuses efforts on implementing the water elements of the Johannesburg Plan of Implementation and other internationally agreed development goals relating to water. Capacity-building Institute at CSD 12 presents 8-12 classes, each with 10-20 issue experts and multi-stakeholder participants; CSD 12 Partnership Fair highlights 20 partnerships. Key developing countries (e.g., Brazil, South Africa, India, Indonesia) support implementation and partnerships focused CSD reforms.	Energy fora including the World Energy Forum and the World Energy Council focus on public/private partnerships to implement sustainable development objectives. Within the Commission on Sustainable Development, activities are centered on the development and implementation of partnerships and capacity building of key sustainable development areas included in the Johannesburg Plan of Implementation and Agenda 21. EU members advocate more strongly for U.S. supported positions on sustainable development.

I/P #4: Institutionalizing Sustainable Development, *cont'd*				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #2: Key Developing Countries Build Capacity for Good Domestic Environmental Governance				
2000: N/A **2001:** U.S. and EU support Regional Environmental Centers in Eurasia to develop civil society organizations and enhance their engagement with governments. Anti-corruption and Environmental Protection Initiative (AEPI) is launched, resulting in the development of projects to improve environmental rule of law and anti-corruption capacity in Mexico, Thailand, Uzbekistan and China. International Network on Environmental Compliance and Enforcement (INECE), founded in 1989, launches efforts to promote regional sub networks in key regions.	USG efforts at the World Summit for Sustainable Development successfully led to inclusion in the Johannesburg Plan of Implementation of the strongest language to date on domestic good governance as a foundation of sustainable development. EnviroLaw Conference in South Africa focused on importance of domestic good governance as a foundation for sustainable development. First environmental crime course held at International Law Enforcement Academy (ILEA) in Budapest. U.S. funds American Bar Association (ABA) Rule of Law program to engage government and civil society stakeholders in improving environmental law in China.	USG interagency teams explore and develop partnerships with civil society, private sector organizations, and governments to promote good domestic governance. U.S.-Chile Free Trade and Environmental Cooperation Agreements include focus on capacity-building for environmental enforcement, compliance and public access to information. U.S. funds efforts to promote public participation and access to information on environmental matters in Baltic states and Chile. U.S. funds course for Southeast Asian representatives on enforcement of laws on trade in endangered species at International Law Enforcement Academy (ILEA) in Bangkok.	USG interagency teams launch capacity-building efforts to promote effective environmental legal regimes and enforcement programs in Southern Africa, South America and the Middle East. Bilateral and regional U.S. Free Trade Agreements and environmental cooperation arrangements with Central American, southern African and Middle Eastern countries commit these nations to effective enforcement of environmental laws, and to cooperation programs to improve domestic environmental governance capacity. INECE promotes the development of national-level performance indicators to measure the success of environmental enforcement and compliance programs in Latin America, Africa and Eastern Europe.	2-3 key developing countries or emerging economies demonstrate measurable improvements in the effectiveness of domestic environmental enforcement programs, compliance with environmental laws, and national systems for public participation, access to information and access to justice on environmental matters.

I/P #5: Marine Resources				
Develop, negotiate, and implement initiatives, treaties, and agreements to better protect both living and nonliving marine resources and promote sustainable development.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
Indicator #3: Status of Marine Resources Agreements				
2000: N/A **2001:** The UN Fish Stocks Agreement (UNFSA) enters into force. The Inter- American Sea Turtle Convention (IAC) enters into force. The Indian Ocean Sea Turtle MOU becomes effective with 7 signatories. Efforts to renegotiate the eastern Pacific tuna convention ongoing. Efforts to negotiate an amendment to the U.S. albacore tuna treaty with Canada and to extend the 1988 agreement with Russia ongoing. International Maritime Organization (IMO) adopted changes to the International Convention on the Prevention of Pollution from Ships (MARPOL), the Hazardous and Noxious Substances Protocol for the Oil Pollution Response Convention, and U.S. draft instrument to manage invasive species through ballast water controls as the base document for negotiations.	Began consultations with other States Parties to the UN Fish Stocks Agreement (UNFSA) to promote its effective implementation, particularly cooperation with developing states. A U.S.-drafted rebuilding plan of the International Commission for the Conservation of Atlantic Tunas (ICCAT) contributed to the near full recovery of North Atlantic swordfish stocks, up from 65% of healthy levels in just four years. Southern Ocean Albatross and Petrel Agreement entered into force. Further progress was made toward establishing a regime to conserve and manage highly migratory fish stocks in the central/western Pacific. Raised U.S. concerns with EU fisheries policies at a high level. Continued to work with EU counterparts as the Common Fisheries Policy (CFP) was finalized. U.S./Canada agree to amend albacore tuna treaty; agree to negotiate an agreement on Pacific whiting stocks. U.S. and Taiwan sign MOU on fisheries issues.	Japan rejoins the discussions to establish a regime to conserve and manage highly migratory fish stocks in the central and western Pacific. The package of amendments to the U.S. – Canada Albacore Treaty is submitted to the Senate. Renegotiation of the eastern Pacific tuna convention is concluded. Extension of 1988 U.S.-Russia Agreement is submitted to Congress. The Second Meeting of the Parties to the Inter-American Sea Turtle Convention is held; other States in the region become Parties. First meeting of the signatories to the Indian Ocean MOU is held. Three new marine species are listed on CITES. UNFSA has 34 parties. CITES rejected proposals to down list whale and other marine species and allow trade in whale products. The SPAW Protocol was ratified.	Central and Western Pacific fisheries convention and Eastern Pacific tuna agreement are submitted to the Senate. U.S. –Canada agreement on Pacific whiting stocks concluded. FAO holds policy level meeting on sea turtle conservation and fisheries bycatch reduction. Institutional arrangements to implement the IAC are established; additional States become parties. EU members become party to UNFSA; bringing total number to 50. IWC adopts the revised management scheme.	The Western and Central Pacific fisheries convention enters into force and Japan and Korea join as Parties. U.S. –Russia agreements on science and enforcement are concluded. IAC Parties adopt and implement regional sea turtle conservation measures. Indian Ocean MOU implements regional sea turtle/habitat conservation programs and measures. Canada hosts UNFSA implementation review meeting. U.S. judge is elected to the International Tribunal for the Law of the Sea; U.S. begins implementation of the Law of the Sea, including a review of domestic and international policies and practice. U.S. negotiates an oil spill response agreement with the U.K. on behalf of the British Virgin Islands.

I/P #5: Marine Resources, *cont'd*				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #4: Partnerships to Build Capacity for the Sustainable Use and Protection of Marine Resources				
2000: N/A **2001:** FAO activities were often limited to pelagic fisheries which are limited by weak fisheries data collection and reporting. The World Bank Fund for Sustainable Fisheries established with a donation from Japan. Earth observation systems, GCOS (Climate), GTOS (Land) and GOOS (Ocean), are operated as independent Earth observation systems. Issue of protected areas, terrestrial and marine, is placed on the agenda of several international fora.	APEC workshop on shark conservation and management was held to build capacity to implement FAO International Plan of Action (IPOA). The UN General Assembly and States Parties to the UNFSA agreed in principle to establish a voluntary trust fund to help developing states implement the UN Fish Stocks Agreement. New FAO voluntary program to support responsible fisheries and aquaculture implemented in some developing countries. FAO drafts strategy for improving data collection and reporting in fisheries.	U.S. provides assistance to help developing States implement the Indian Ocean Sea Turtle MOU. FAO adopts strategy for improving data collection and reporting in fisheries. World Bank initiates projects with targeted sustainable fisheries components in developing countries.	World Bank, FAO, and other institutions increase cooperation on and resources devoted to sustainable fisheries programs. FAO begins work on its strategy for improving fisheries data collection and reporting, particularly in developing countries. APEC holds workshop on economic sustainability of aquaculture. FAO convenes international conference on fisheries enforcement with U.S. support.	U.S. conducts law enforcement training and capacity building work in Caribbean region. Work begins in FAO and APEC on a mechanism to promote closer cooperation on aquaculture issues in the Americas. Countries adopt the implementation plan created by the Earth Observation System ad-hoc working group. Countries adopt the implementation plan for an integrated and sustained earth observation system as created by the ad-hoc working group.

Indicator 5 continued on next page.

I/P #5: Marine Resources, *cont'd*				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Indicator #4, continued				
Initiated interagency dialog regarding the White Water to Blue Water Initiative (WW2BW) designed to promote regional cooperation and strengthen developing country capacity to address land-based sources of marine pollution, promote sustainable fisheries, agricultural and forestry practices, challenges associated with tourism; and degradation of coastal areas Funded Regional workshops held in support of the International Coral Reefs Initiative (ICRI).	U.S. holds successful Western Indian Ocean Fisheries Enforcement Workshop that increases capacity for fisheries enforcement and compliance monitoring. U.S. contributions to the Inter-governmental Oceanographic Commission (IOC) and other organizations enabled the international scientific community to discuss the production of an integrated and sustained earth observation system WW2BW launch at the World Summit on Sustainable Development generates international interest in both this initiative and cross-sectoral approaches to integrated management of watersheds and marine ecosystems.	The U.S. hosts ministerial-level Earth Observation Summit in July to promote the development and financial support of an integrated and sustained earth observation system. Significant progress is made through DOS-led WWW2BW to energize partnerships to address integrated approaches to watershed and marine ecosystems management.	Implementation plan for the Earth Observation System is completed and undergoing review by the participating countries U.S. supports the Global Ocean Observation system of the IOC. Secretariat for the Antarctic Treaty becomes operational. USG hosts WW2BW Miami Partnership conference designed to generate 20 new public-private partnerships in the Wider Caribbean. USG funds WW2BW implementing projects on priority areas including coral reefs, fisheries management, land- and ship- based sources of pollution, improved regional cooperation between regional bodies, etc. The International Maritime Organization (IMO) adopts the ballast water convention, to manage the spread of invasive marine species.	With U.S. support and an expanded number of government and private partners, ICRI becomes more effective in conservation of the world's coral reefs as evidenced by establishment of additional national coral reef committees and new or expanded marine protected areas. International Council for the Exploration of the Seas (ICES) and the North Pacific Marine Science Organization (PICES) produce ecosystem status reports on the North Atlantic and North Pacific; data will be used to better manage marine resources in the two regions. Conference convened in the Wider Caribbean to develop a regional protocol for the handling of cruise ship-based pollution. 1996 Protocol to the London Dumping Convention is ratified.

I/P #6: Conservation of Protected Areas and Tropical Forests				
Promote economic development, alleviate poverty, and improve local governance by improving conservation and management of the world's natural protected areas.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #5: Status of Agreements and Programs Related to Forest Conservation				
2000: N/A **2001:** TFCA agreements concluded with El Salvador and Belize. USG develops government and non-government partners for CBFP to be launched at WSSD to sustainably manage forests of the region.	TFCA agreements concluded with Peru and the Philippines. Secretary Powell launches CBFP with 29 partners at WSSD. U.S. commits $50 million over 4 years. WSSD reaffirms the importance of protected areas in sustainable development.	USG launches President's Initiative Against Illegal Logging with up to $15 million first-year commitment. TFCA agreement concluded with Panama.	TFCA agreements concluded with Jamaica, Sri Lanka and Colombia. All FY03 CARPE funds committed to projects which implement the CBFP objectives. Development of proposed training approach and schedule developed. Training of senior forest officials carried out in U.S. New funds committed by other partners for 11 landscapes. Federal Advisory Committee established at DOS; Studies begun on 2 major issues; Africa Forest Law Enforcement and Governance Ministerial held in Cameroon and commitment for action in the region agreed to. CBD COP 7 adopts concrete recommendations to conserve biological diversity in protected areas.	TFCA agreements concluded with Guatemala, Costa Rica, and Ecuador. The 6 CBFP regional partners agree to protect 11 areas of tropical forests for permanent management thorough national legislation. PIAIL % generates political commitments from 4 countries, one per region, identified as strategic targets under this initiative The CBD program of work and other fora develop plans for increased capacity building in developing countries on protected area designation and management.

I/P #7: Global Climate Change and Clean Energy				
Implement the President's new approach to climate change and energy technologies.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
Indicator #6: Status of Bilateral Regional, and Global Climate Change Partnerships[1] and Initiatives				
2000: N/A **2001:** New partnerships announced with Japan, the EU, Central American countries, and Italy to initiate the President's directive to engage internationally toward more effective global effort to address climate change.	New bilateral partnerships announced or initiated with Australia, Canada, India, South Korea, and China. Implementation of partnerships with Japan, the EU, Central American countries, Italy, and Australia. Key working groups were established and specific projects and project-related activities agreed to and begun.	Initiated partnerships with New Zealand, Russia, Mexico, and South Africa. Continued exploratory discussions with Kazakhstan and Brazil. Advanced a range of cooperative activities with Australia, Canada, Central American countries, China, the EU, India, Italy, and Japan. Results were consistent with 2002 timelines, and existing partnerships were reviewed. Launched new ministerial-level international initiatives on earth observation, carbon capture and storage, and the hydrogen economy.	Establish additional climate change partnerships, as necessary (Brazil and/or Egypt). For existing climate change partnerships, the Department meets timelines and deliverables established in previous years. Review existing climate change partnerships, increase or adjust engagement where needed. Implement international initiatives on earth observation, carbon capture and storage, and the hydrogen economy and build consensus on U.S. positions in support of U.S. energy and science policy objectives.	Establish partnerships with additional targeted countries as necessary and strengthen existing partnerships, with particular emphasis on activities and deliverables related to international initiatives on adaptation, science, and energy technologies. Continued implementation of U.S. initiatives on earth observation, carbon capture and storage, and the hydrogen economy.

[1] Climate change partnerships defined as officially established bilateral relationships on climate change.

I/P #8: Science and Technology Cooperation				
Negotiation and implementation of bilateral multilateral science and technology agreements and partnerships, promoting sound science and technological advance as a foundation of sustainable development and environmental stewardship.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #7: Status of Science and Technology Agreements				
2000: N/A **2001:** Policy review was concluded of the S&T activities under the U.S.-Russia S&T agreement.	Policy review was conducted of the S&T activities under the U.S.-China S&T agreement.	Established new S&T agreements in Bangladesh, Pakistan, and the Philippines. Renewed Ukraine S&T Agreement for 1 year to allow time to negotiate a new five-year agreement. Conducted S&T assessments of Maghreb (Morocco, Algeria, and Tunisia). Initiated S&T dialogue with Baltic States (Estonia, Latvia, and Lithuania), Kazakhstan, Norway, and Switzerland. Expanded S&T relationships under existing agreements with Italy, Japan, South Korea, and Vietnam by adding new topics and partnerships. Achieved record levels for Embassy Science Fellows Program. Agreements with several additional states stalled due to lengthy negotiation over IPR negotiations, liability, and taxation issues.	Conduct a policy review of S&T activities under the U.S.-China S&T agreement. Implement new S&T partnerships with Pakistan, Bangladesh and the Philippines. S&T partnerships with India, Australia, Chile, Russia and Ukraine to be renewed. New S&T partnerships with Estonia, Latvia, Lithuania, Morocco, Tunisia, Algeria, and Kazakhstan to be initiated.	Develop new partnerships with Central Asia and Central America. Renew partnerships with Brazil, Argentina. Significant implementation of new partnerships in North Africa and South Asia. Significantly advance U.S. science agenda in international forums, such as UNESCO, OECD, APEC and G-8. Streamline processes for negotiating S&T Agreements and subsidiary arrangements.

Means for Achieving FY 2005 Targets

Energy fora including the World Energy Forum and the World Energy Council focus on public/private partnerships to implement sustainable development objectives.

- Negotiate changes in bilateral, regional and multilateral processes.
- Outreach through workshops, conferences and other mechanisms, including the Internet, to key stakeholders and donor countries to build support for approach
- Catalyze new partnership activities as "proof-of-concept" for proposed approaches in water and energy.

Within the Commission on Sustainable Development, activities are centered on the development and implementation of partnerships and capacity building of key sustainable development areas included in the Johannesburg Plan of Implementation and Agenda 21.

- Negotiate changes in bilateral, regional and multilateral processes.
- Outreach through workshops, conferences and other mechanisms, including the Internet, to key stakeholders and donor countries to build support for approach
- Catalyze new partnership activities as "proof-of-concept" for proposed approaches in water and energy.

EU members advocate more strongly for U.S. supported positions on sustainable development.

- Negotiate changes in bilateral, regional and multilateral processes.
- Outreach through workshops, conferences and other mechanisms, including the Internet, to key stakeholders and donor countries to build support for approach
- Catalyze new partnership activities as "proof-of-concept" for proposed approaches in water and energy.

2-3 key developing countries or emerging economies demonstrate measurable improvements in the effectiveness of domestic environmental enforcement programs, compliance with environmental laws, and national systems for public participation, access to information and access to justice on environmental matters.

- Partner with U.S. agencies, donor countries, international organizations, and civil society institutions to build environmental governance capacity in key countries and regions.
- Focus on partners in free trade agreements as well as developing countries and countries in transition in work to promote improved legislation to reduce illegal activities and enhance public participation and access.
- Develop and promote training programs to build policy-making, institutional and technical capacity for sound environmental laws and regulation, enforcement and compliance, public participation, access to information and justice, and anti-corruption efforts.
- Identify and involve the full range of stakeholders including the legal and regulatory community, civil society, and regulated industry.
- Develop mutually supportive linkages between these efforts and USG efforts to promote democracy and the rule of law, and to combat organized crime and corruption.

The Western and Central Pacific fisheries convention enters into force and Japan and Korea join as Parties.

- Promote the development and implementation of practical and effective policies and measures under the Convention that continue to take into account the interests and concerns of the Asian distant water fishing nations.
- Press other nations, particularly the Pacific Island states, to consider the importance of the participation of the distant water nations, as Parties, to the work of the Commission and the effective conservation of the resource.
- Strengthen U.S. fisheries ties with Japan and Korea on issues of mutual concern and maintain constructive relationship with the Pacific Island states.

U.S.-Canada agreement on Pacific Whiting enters into force.

- Arrange for signing ceremony for the new agreement.
- Submit the text of the agreement to Senate for its advice and consent to ratification.
- Work with the Commerce Department to develop domestic implementing regulations.

U.S.–Russia agreements on science and enforcement are concluded.

- Undertake multiple rounds of negotiations with Russia to determine and resolve concerns regarding the agreements.
- Seek and incorporate input from U.S. stakeholder groups in these negotiations.
- Work with U.S. Coast Guard to strengthen practical cooperative measures in fisheries law enforcement.

IAC Parties adopt and implement regional sea turtle conservation measures.

- Press to establish the scientific committee, as provided for in the Convention, and promote the committee to conduct scientific analyses, assessments, and recommend sea turtle protection measures to the Parties.
- Engage other Parties to agree to adopt national and regional measures implementing the IAC that are consistent with scientific advice and the provisions of the agreement.
- Promote the effective implementation of such measures through technical training and other efforts.

Indian Ocean MOU implements regional sea turtle/habitat conservation programs and measures.

- Support the work of the advisory body and Secretariat and propose specific regional conservation programs and measures to implement the MOU.
- Engage other signatories to agree to implement the national and regional measures called for in the MOU, consistent with scientific advice and the provisions the MOU.
- Promote the effective implementation of such measures through technical training and other efforts.

Canada hosts UNFSA implementation review meeting.

- Press for a balanced meeting that does not deter the major distant water fishing states from acceding to the Agreement in the future.
- Engage other Parties and states to set the agenda and priority outcomes for the meeting.

1996 Protocol to the London Dumping Convention is ratified;

- Facilitate interagency agreement on the domestic legislation required to support the Protocol.
- Submit the package to the Senate for Advice and Consent.

U.S. judge is elected to the International Tribunal for the Law of the Sea; U.S. begins implementation of the Law of the Sea, including a review of domestic and international policies and practice.

- Create process for nominating U.S. judge and support his/her election
- Form interagency group on implementation

U.S. negotiates an oil spill response agreement with the U.K. on behalf of the British Virgin Islands.

- Obtain Letter of Entrustment from London so the BVI can enter negotiations
- Obtain C-175 Authorization
- Initiate negotiations

U.S. incorporates innovative protected area approaches through international activities and partnerships.

- Promote the development of ocean observation systems and other technologies to provide accurate assessments of ecosystems
- Facilitate interagency discussion and participate in international fora designed to develop policy with regard to marine protected areas.

World Bank, FAO, and other institutions increase cooperation on and resources devoted to sustainable fisheries programs; craft possible projects.

- Engage other donors and fishing nations to provide resources and set project priorities.
- Work with international financial institutions and other multilateral development banks to encourage environmentally sound policies and appropriate sustainable development projects.

U.S. conducts law enforcement training and capacity building work in Caribbean region

- Work with U.S. Coast Guard and other agencies to provide technical enforcement training and other assistance to strengthen fisheries management capabilities in the region.
- Work through regional and global organizations and with other donor nations to contribute to this effort.

Work begins in FAO and APEC on a mechanism to promote closer cooperation on aquaculture issues in the Americas.

- Engage APEC and FAO partners to support and assist in developing an appropriate mechanism.
- Press for recognition of the need for aquaculture food safety and animal health standards in the Americas.

Countries adopt the implementation plan for an integrated and sustained earth observation system as created by the ad-hoc working group.

- Facilitate the intersessional gathering of experts, and provide timely U.S. response to all stages of development.

International Council for the Exploration of the Seas (ICES) and the North Pacific Marine Science Organization (PICES) produce ecosystem status reports on the North Atlantic and North Pacific; report data will be used to better manage marine resources in the two regions.

- Maintain and enhance U.S. IFC Account, to enable U.S. scientific participation in ICES and PICES and the development of the reports.

Conference convened in the Wider Caribbean to develop a protocol for the handling of cruise-ship-based pollution regionally.

- Engage regional groups to set and implement criteria for endorsement by international bodies.
- Continue the dialog between the cruise industry and Caribbean stakeholders during the WW2BW Conference in March 2004 are further developed at the UNEP-CEP Intergovernmental Meeting in May 2004.

With U.S. support and an expanded number of government and private partners, ICRI becomes more effective in conservation of the world's coral reefs as evidenced by establishment of additional national coral reef committees and new or expanded marine protected areas.

- Coordinate with other member states and NGOs to develop new partners
- Drafting and meetings with other member states to complete reorganization of ICRI
- Implement policies and programs already in place to improve impact of funding for conservation of coral reefs.
- Utilize the White Water to Blue Water Conference to highlight coral reef issues, consider potential economic benefits from reef conservation and economic loses from reef degradation, and provide opportunities for private sector leadership in coral reef protection.

TFCA agreements concluded with Ecuador, Costa Rica, and Guatemala

- Funding made available through Congress and Treasury Department for TFCA.
- Discussions with developing countries regarding their participation.
- Negotiation of agreements under TFCA.

The 6 CBFP regional partners agree to protect 11 areas of tropical forests for permanent management through national legislation.

- Discussions in partnership meetings.
- Use of OESI and partner funding for training and capacity building.
- Frequent discussion with Congo Basin country partners.

PIAIL generates political commitments from 4 countries, one per region, identified as strategic target areas under this initiative (South and South-East Asia, The Congo Basin, Amazon Basin, and Central America).

- OESI funded Forest Law Enforcement Ministerial Conference in Latin America
- Follow-up of previous Forest Law Enforcement Ministerial Conferences in Asia and Africa
- Coordination with other governments and international organizations to provide training and capacity building for community-based forest management and protection, forest monitoring technologies, and reduced impact-logging techniques.

The CBD program of work and other fora develop plans for increased capacity building in developing countries on protected area designation and management.

- Negotiations in the CCD, CEC, and other fora related to protected areas.

Establish climate change partnerships with additional targeted countries as necessary and strengthen existing partnerships, with particular emphasis on activities and deliverables related to international initiatives on adaptation, science, and energy technologies.

- Senior-level interagency delegations will meet in-country with senior officials of host countries, with tailored messages that emphasize Administration initiatives of likely interest (e.g. in the case of South Africa, a major coal producer, emphasis on the Carbon Sequestration Leadership Forum).

Advance U.S. initiatives on earth observation, carbon capture and storage, and the hydrogen economy.

- Ministerial-level meetings to be conducted in 2003 and/or 2004, with implementation plans developed by working groups of partner countries for each initiative.

Develop new S&T partnerships with Central America, Jordan, Ecuador, and key countries in Central Asia. Renew partnerships with Brazil, Argentina. Significant implementation of new partnerships with Morocco, Tunisia, Algeria, and Kazakhstan.

- Negotiate S&T agreements which support USG funded research and access to plant, animal and aquatic genetic materials, promote equitable benefit sharing and protection of intellectual property, with increased emphasis on bringing science to market.
- Promote S&T cooperation as a component to Free Trade Agreement negotiation and implementation.
- Place USG representative at posts overseas under a fellowship to identify areas of common science interest and potential collaboration in health, agriculture, biotechnology, energy and other science fields.
- USAID collaboration with State on implementation of development-oriented science programs will be encouraged along similar lines as the 2003 USAID $2 million contribution to S&T partnerships under the U.S.-Pakistan Agreement.
- Develop new language and/or annexes to address taxation, intellectual property rights. Evaluate adequacy of existing agreements, negotiate amendments or annexes as necessary.
- Greater emphasis will be placed on utilizing AAAS and other scientific Fellows in the organization and execution of seminars and workshops on science issues to enhance implementation of S&T agreements/partnerships.

Annual Performance Goal #3
BROADER ACCESS TO QUALITY EDUCATION WITH EMPHASIS ON PRIMARY SCHOOL COMPLETION [USAID Goal]

Annual Performance Goal #4
EFFECTIVE AND HUMANE MIGRATION POLICIES AND SYSTEMS

I/P #9: Effective and Humane Migration Policies and Systems				
Promote orderly and humane migration policies on the regional and inter-regional level.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #1: Percentage of Initiatives Agreed Upon at Regional Migration Dialogues that are Implemented				
2000: N/A **2001:** N/A	N/A	Data pending.	Baseline: Implement approximately sixty percent of the activities agreed upon in the Regional Conference on Migration (RCM), and about half of the activities agreed upon in the Intergovernmental Consultations on Asylum, Refugees, and Migration (IGC), and the Western and Southern African dialogues.	Seventy percent of activities agreed to in the Regional Migration Dialogues are implemented.

Means for Achieving FY 2005 Targets

Seventy percent of activities agreed to in Regional Migration Dialogues are implemented.

- The U.S. will advance proposals that are practical and achievable. We will work diplomatically to advance their success, and support appropriate projects as funds are available.

V: Illustrative Examples of FY 2003 Achievements

Social and Environmental Issues	
Regional Conference on Migration (RCM)	FY 2003 was a successful year for the RCM. Made up of 11 member states in North and Central America and the Caribbean, the RCM tackled several important migration issues of regional concern, including migrant smuggling and trafficking in persons and the return of regional and extra-regional migrants. Member states formulated work plans, including training and project proposals, in the areas of consular protection and combating migrant smuggling and trafficking in persons. RCM member countries also agreed to include UNHCR protection modules in training courses to inform border guards how to help ensure protection of asylum seekers, even if they use fraudulent documents to seek such protection. To improve the treatment of returning migrants, member countries committed to create a framework for returns of nationals within the region, as well as a framework to address the return of extra-regional migrants.
Global Fisheries	Effective multilateral conservation and management of highly migratory and straddling fish stocks requires the participation and commitment of all major distant water fishing nations and coastal states active in the fishery. Multilateral management regimes that prevent or do not include such broad participation will be unable to promote long-term sustainable conservation and management of such fisheries because any measures adopted will not have the support or buy-in of all those that harvest the resource. Furthermore, those nations that are not party to such arrangements have no binding legal obligation to implement adopted conservation and management measures. With respect to highly migratory fisheries in the Pacific, the Department led a successful 3-year international effort to work with certain Asian distant water fishing nations, within the context of an adopted fisheries management agreement, to create the conditions under which these nations could re-engage in the process and ultimately be in a position to join the management arrangement.
The President's Emergency Plan for AIDS Relief	President Bush announced his Emergency Plan for AIDS Relief in January 2003. It will provide $15 billion, including nearly $10 billion in new funding, to fight the HIV/AIDS pandemic over the next five years, focusing on 14 of the hardest hit countries. The Emergency Plan pledges $1 billion to the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) over the next 5 years, increasing the total U.S. commitment to over $1.6 billion since the Fund's inception. The U.S. Leadership Against HIV/AIDS, Tuberculosis and Malaria Act, authorizing the initiative, was passed in May 2003. Ambassador Randall Tobias was confirmed in October as Global AIDS Coordinator to administer the Emergency Plan.

VI: Data Verification/Validation by Performance Goal

Performance Goal 1 Improved global health, including child and maternal health, the reduction of abortion, and the reduction of disease, especially HIV/AIDS, malaria, and tuberculosis.
• Data will be validated and verified by comparison with data supplied by international organizations, (including UNAIDS, UNFPA, and WHO), information supplied by the Global Fund, and information from other sources.
Performance Goal 2 Partnerships, initiatives, and implemented international treaties and agreements that protect the environment and promote efficient energy use and resource management.
• The Department consult with USG agencies, foreign governments, the private sector, and NGOs to critique the effectiveness of its activities, provide relevant data, and assist in evaluating the extent to which U.S. objectives are being met. There will be formal, fully documented reviews of the China S&T agreement and the implementation of agreements conducted by UN agencies/ treaty Secretariats. In other cases, validation will occur in the context of ongoing formal and informal consultations.
Performance Goal 4 Effective and humane international migration policies and systems.
• The Bureau of Population, Refugees, and Migration (PRM) manages the Department's participation in multilateral migration dialogues and tracks the implementation of follow-on activities.

VII. Resource Detail

Table 1: State Appropriations by Bureau ($ Thousands)

Bureau	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
International Organization Affairs	$233,023	$248,193	$168,653
Educational and Cultural Affairs	11,523	12,526	14,724
Oceans and International Environmental and Scientific Affairs	12,098	12,287	12,315
East Asian and Pacific Affairs	9,093	9,473	9,759
Other Bureaus	24,328	25,178	21,038
Total State Appropriations	**290,065**	**307,657**	**226,489**

Table 2: Foreign Operations by Account ($ Thousands)

Title/Accounts	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
Title I - Export and Investment Assistance			
Export-Import Bank			
Overseas Private Investment Corporation			
Trade and Development Agency	11,437	12,084	12,159
Title II - Bilateral Economic Assistance			
USAID	2,560,520	2,385,858	1,938,634
Other Bilateral Economic Assistance	531,290	548,659	531,399
Independent Agencies	228,189	238,343	309,451
Department of State	16,275	505,406	1,465,500
Department of Treasury			
Complex Foreign Contingencies			
Title III – Military Assistance			
International Military Education and Training			
Foreign Military Financing			
Peacekeeping Operations			
Title IV – Multilateral Economic Assistance			
International Financial Institutions			
International Organizations and Programs	48,975	71,942	70,700
Total Foreign Operations	**3,396,686**	**3,762,292**	**4,327,843**

Grand Total	**$3,686,751**	**$4,069,949**	**$4,554,332**

Strategic Goal 10: Humanitarian Response

Minimize the Human Costs of Displacement, Conflicts, and Natural Disasters

I. Strategic Goal Public Benefit

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

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

II. Resource Summary ($ in Millions)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Change from FY 2004	
				Amount	%
Staff [1]	166	169	163	(6)	(3.7%)
Funds [2]	$1,631	$1,511	$1,450	($61)	(4.0%)-

[1] Department of State direct-funded positions.
[2] Funds include both Department of State Appropriations Act Resources and Foreign Operations Resources, where applicable, which include resources for other USG agencies to which the Department provides foreign policy guidance (e.g., USAID, EXIM, OPIC, TDA, Peace Corps).

III. Strategic Goal Context

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

Strategic Goal	Performance Goal (Short Title)	Initiative/ Program	Major Resources	Lead Bureau(s)	External Partners[1]
Humanitarian Response	Assistance for Refugees and Other Victims	Refugee Assistance	MRA, ERMA	PRM	UNHCR, UNRWA, ICRC, IOM, other international and nongovernmental organizations, USAID
		Protection	MRA & ERMA	PRM	UNHCR, UNRWA, ICRC, IOM, other international and nongovernmental organizations, USAID
		Refugee Admissions to the United States	MRA & ERMA	PRM	DHS, HHS, UNHCR, IOM, NGOs
		Humanitarian Demining	NADR	PM	DoD, USAID, NGOs, the UN and other international organizations and donor states
		World Food Program Donor Base	D&CP, IO&P, MRA, ERMA	IO & PRM	USAID, WFP, other WFP donors
		Partner Accountability	MRA & ERMA	PRM	UNHCR, UNRWA, ICRC, IOM, other international and nongovernmental organizations
	Disaster Prevention and Response Through Capacity Building	Accomplishment of this performance goal is the responsibility of USAID, and is therefore not reported in the Department of State's FY 2005 Performance Plan.			

[1] Selected acronyms are defined as follows: UNRWA: United Nations Relief and Works Agency for Palestine Refugees in the Near East; UNHCR: United Nations High Commissioner for Refugees; ICRC: International Committee of the Red Cross; IOM: International Organization for Migration; WFP: World Food Program; NADR: Nonproliferation, Anti-Terrorism, Demining, and Related Programs

IV. Performance Summary

For each Initiative/Program that supports accomplishment of this strategic goal, the most critical FY 2005 performance indicators and targets are shown below.

Annual Performance Goal #1
EFFECTIVE PROTECTION, ASSISTANCE, AND DURABLE SOLUTIONS FOR REFUGEES, INTERNALLY DISPLACED PERSONS, AND CONFLICT VICTIMS

I/P #1: Refugee Assistance				
Address the humanitarian needs of refugees, victims of conflict, and internally displaced persons.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
Indicator #1: Crude Mortality Rates (CMR)				
2000: No reports of excessive mortality rates based on set criteria. **2001:** Complex humanitarian emergencies did not exceed a CMR of 1/10,000 people/day. Links established between the Bureau of Population, Refugees and Migration (PRM) and USAID to strengthen data collection.	Where data was available, Complex humanitarian emergencies did not exceed a CMR of 1/10,000 people/day for an extended period. PRM and USAID developed tools to measure and track CMR and the nutritional status of children under 5 years of age. A training workshop for practitioners was held in July.	Where data was available, crude mortality rates did not exceed 1/10,000 people per day in refugee crises. Efforts to expand pilot data collection have been delayed; Department implementing partner was behind schedule and did not reach the pilot stage of the project. Nonetheless, guidelines and methodology for CMR surveys were finalized.	Complex humanitarian emergencies do not exceed a CMR of 1/10,000 people per day. Improve and expand data collection and reporting.	Complex humanitarian emergencies do not exceed a CMR of 1/10,000 people/day. Support efforts to improve data collection, e.g., expand pilot data collection effort to other countries and partner organizations, and to take other measures to address any problems of excess mortality.
Outcome Indicator				
Indicator #2: Nutritional Status of Children Under 5 Years of Age				
2000: N/A **2001:** N/A	N/A	Baseline: In humanitarian crises where Department funds were provided, at least ninety percent of children under five had weight-for-height ratios that were greater than or equal to two standard deviations below the mean, or greater than eighty percent median weight-for-height, and an absence of nutritional edema. PRM & USAID continued supporting new tools/measures to improve data collection and reporting on nutritional status.	In complex humanitarian emergencies, less than ten percent of children under five suffer from global acute malnutrition. Global acute malnutrition is defined as weight-for-height ratios that are less than or equal to two standard deviations below the mean (Z score of less than -2), or less than eighty percent median weight-for-height, and the presence of nutritional edema. Improve and expand data collection and reporting.	In complex humanitarian emergencies, less than ten percent of children under five suffer from global acute malnutrition.

I/P #2: Protection				
Ensure access to effective protection for refugees, conflict victims, especially for women and children, and, in certain cases, internally displaced persons.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #3: Percentage of Partners Receiving Funding That Have Adopted a Code of Conduct That Contains All of the Internationally Accepted "Common Elements" To Protect Against Exploitation of Beneficiaries				
2000: N/A **2001:** N/A	N/A	Data pending.	Baseline: 100% of all partners have instituted codes of conduct, 100% have developed awareness training, 100% have implemented reporting and follow-up mechanisms, and 90% of investigations are launched within 60 days of a case report of exploitation.	100% of all partners have instituted codes of conduct, 100% have developed awareness training, 100% have implemented reporting and follow-up mechanisms, and 90% of investigations are launched within 60 days of a case report of exploitation.

I/P #3: Refugee Admissions to the U.S.				
Resettled refugees are received and initially assisted in appropriate ways, so that they can begin the process of becoming self-sufficient, fully integrated members of U.S. society.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
(P) Indicator #4: Refugees Resettled in the U.S., as a Percentage of the Ceiling[1]				
2000: N/A **2001:** Baseline: As a percentage of the established ceiling, 87 percent of refugees were resettled.	Out of a ceiling of 70,000 refugees, 27,113 were resettled. This number was significantly affected by developments since the events of 9/11.	Out of a ceiling of 70,000 refugees, 28,422 (or forty-one percent) were resettled.	100% of the allocated ceiling of 70,000 refugees.	Number to be set by the President in FY 2004.

[1] The ceiling is established by Presidential determination each year through consultations with voluntary agencies, Congress, the Immigration and Naturalization Service, and the Department of Health and Human Services.

I/P #4: Humanitarian Demining				
Humanitarian Mine Action (HMA) reduces casualties, allows refugees and IDPs to return in safety, and allows for the delivery of humanitarian assistance, food, and medical services.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
(P) Indicator #5: Square meters of Land Cleared in U.S. Program Countries				
2000: 7,000,000 m^2 **2001:** 211,000,000 m^2 /1.3 billion km^2	82,500,000 m^2	103,319,920 m^2	88,000,000 m^2	88,000,000 m^2
Impact Indicator				
(P) Indicator #6: Number of U.S. Program Countries in Sustainment or End State (Cumulative)				
2000: 5 **2001:** 7	9	19	23	28

I/P #5: World Food Program Donor Base				
Coordinate humanitarian assistance and head off actions contrary to U.S. foreign policy objectives.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #7: Percentage of Non-U.S. Donors to the World Food Program (WFP)				
2000: N/A **2001:** N/A	Baseline: Out of a total of $1.8 billion, U.S. contributions were 52 percent and non-U.S. contributions were 48 percent.	As of 09/22/2003, WFP had nine new donors. "New donors" are defined as those that did not contribute in either 2002 or 2001. They are: Cameroon, El Salvador, Greece, Kuwait, Malta, Marshall Islands, Qatar, Russia, and Vietnam. As of 09/22/2003, non-USG contributions to WFP totaled $877 million, compared to $871 million as of 12/31/2002. This is an increase of 0.7% (short of the 4% target).	Number of donors to WFP increased by five, and non-U.S. contributions increased to 50% of total.	WFP should have sufficient funds to carry out its work, with contributions from many donor countries and the private sector. Number of donors to WFP increased by three, and non-U.S. contributions increased to more than 50% of total.

I/P #6: Partner Accountability

Develop more formalized agreements with our partners to ensure accountability and mutual progress toward achieving stated goals.

Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
Indicator #8: Number of Negative Findings in Financial Audits of Our International and Nongovernmental Organization Partners				
2000: N/A **2001:** N/A	N/A	Data pending.	95% of our partners do not receive any negative finding in any audit conducted of their organizations.	95% of our partners do not receive any negative finding in any audit conducted of their organizations.

UNHCR
(PART Program Efficiency Measure)

Results			Targets	
2000 & 2001	2002	2003	2004	2005
Efficiency Indicator				
Indicator #9: Ratio of Total Value of Non-Expendable Items Procured by Headquarters in One Year to Total Value of Recorded Non-Expendable Property Procured by Headquarters in that Year (Inventory Control)				
Baseline: 2.1:1 (Ratio A:B A= $24.9m B= $11.9m)	Goal: New goal for FY 2005 Actual: 1.8:1 (Ratio A:B A= $36.2m B= $14.8m)	Goal: New goal for FY 2005 Actual: 5.9:1 (Ratio A:B A= $33.6m B= $5.7m Data as of 9-30-03 [1])	Goal: 2:1	Goal: 1.5:1

Explanation: The amount of new procurements recorded should equal the amount procured in any year. Currently, the level is approximately 6:1. The procurement database at Headquarters is not linked to the asset tracking databases in 130 field offices, so data has to be manually entered twice – once as procured at HQ and again in the field. It is a time-consuming process that, too often, is not carried out in the field. MSRP will connect those databases, decreasing the amount of data that the field office is required to enter, thereby encouraging better performance.

Headquarters procures about 25% of all non-expendable items for the agency, much of which is deployed directly to the field. This indicator will be applied to headquarters procurement only until the MSRP is deployed to the field, which should be completed by the end of 2005. At that time, the indicator will be expanded to include UNHCR field office procurement (25% of total), as well as procurement done for UNHCR by implementing partners (approximately 50% of total procurements at present).

The measure is calculated as follows: "A" = FY HQ Non-Expendable Procurements
"B" = FY HQ Non-Expendable Inventory

[1] UNHCR prepares calendar-year financial statements.

Refugee Admissions to the U.S. (PART Program Efficiency Measure)				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Efficiency Indicator				
Indicator #10: Total Average Cost per Refugee Arrival in the U.S.				
2000: N/A **2001:** N/A	Baseline: $4,602 per refugee arrival in the U.S.	$4,428	$4,000	$3,700

Humanitarian Migrants to Israel (PART Program Efficiency Measure)				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Efficiency Indicator				
Indicator #11: Reduction in Time Migrants from the Former Soviet Union Stay at Absorption Centers, Thereby Reducing Cost				
2000: N/A **2001:** N/A	N/A	Baseline: Average stay/cost: 183.3 days or $2,487.4	2% reduction in cost Target Average Cost: $2,437.7	2% reduction in cost Target Average Cost: $2,388

Humanitarian Demining (PART Program Efficiency Measure)				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Efficiency Indicator				
Indicator #12: Countries Reaching Sustainment of End State/Cumulative Budget Authority				
2000: N/A **2001:** Baseline: 7 countries $218 million Measure: 3.2	9 countries $258 million Measure: 3.5	Data pending.	23 countries $308 million Measure: 4.2	28 countries $383 million Measure: 4.7

Explanation: This ratio measures the efficiency of the Demining Sustainment program. The efficiency is captured as a result of more countries graduating compared to any funding increases, proportionately. The seemingly slow initial results exist partially because the larger, more mine-intensive countries were the ones that were selected to start the program. As the program progresses, smaller countries or those with smaller problems are incorporated, leading to more countries reaching sustainment level quickly. One cannot divide the budget by the number of countries reaching Sustainment and come up with a per country cost as that is not a meaningful measure.

Means for Achieving FY 2005 Targets

Refugee crises do not exceed a CMR of 1/10,000 people/day. Support efforts to improve data collection, e.g., expand pilot data collection effort to other countries and partner organizations, and to take other measures to address any problems of excess mortality.

- Prioritize appropriate resource allocation and interventions to reduce the major causes of mortality in refugee settings.
- Continue collaborating with the Standard Monitoring and Assessment of Relief and Transitions (SMART) initiative and SPHERE partners to improve and expand data collection.
- Encourage international and NGO partner organizations to report on CMR data collected.
- Increase the number of refugee situations where data collection and reporting are conducted.
- Improve data accuracy by encouraging implementing partners to adopt standardized surveillance methods, survey tools and data triangulation.

- Use manual and mechanical demining resources, as well as Mine Detection Dogs. Achieve Sustainment or End State in 5 additional mine-affected countries.
- Target funds on those countries most nearly at the Sustainment or End State of their humanitarian demining program.

In complex humanitarian emergencies, less than 10 percent of children under five suffer from global acute malnutrition.

- Prioritize appropriate resource allocation and interventions to reduce the major causes of child malnutrition in refugee settings.
- Continue collaborating with the Standard Monitoring and Assessment of Relief and Transitions (SMART) initiative and SPHERE partners to improve and expand data collection.
- Encourage international and NGO partner organizations to report on CMR data collected.
- Increase the number of refugee situations where data collection and reporting are conducted.
- Improve data accuracy by encouraging implementing partners to adopt standardized surveillance methods, survey tools and data triangulation.

WFP should have sufficient funds to carry out its work, with contributions from many donor countries and the private sector. Number of donors to WFP increased by three, and non-U.S. contributions increased to more than 50% of total.

- Work with WFP to encourage "twinning," a mechanism to match non-traditional donors of commodities with non-traditional donors of cash for the delivery of humanitarian assistance in food emergencies.
- Urge traditional and non-traditional donors to initiate/increase their cash or commodity contributions to WFP.

95% of our partners do not receive any negative finding in any audit conducted of their organizations.

- Review periodic external audits conducted on all our NGO and international organization partners. Some United Nations organizations and programs are audited by the UN Office of Internal Oversight Services, including the Office of the UN High Commissioner for Refugees.

100% of all partners have instituted codes of conduct, 100% have developed awareness training, 100% have implemented reporting and follow-up mechanisms, and 90% of investigations are launched within 60 days of a case report of exploitation.

- Require all NGO partners to institute codes of conduct as a condition of future PRM funding.
- Participate in discussions with members of the Interagency Standing Committee to encourage adherence to codes of conduct and implementation of reporting and follow-up mechanisms.
- Monitor international and NGO partner activities in the field with sensitivity to exploitation issues: verify that humanitarian workers are aware of codes of conduct, have received training, and have reported cases of exploitation and launched investigations in a timely and effective manner.

V: Illustrative Examples of FY 2003 Achievements

Illustrative Examples of FY 2003 Achievements	
Humanitarian Demining	In FY 2003, more than 30 mine-affected countries in the U.S. Humanitarian Demining Program benefited from the clearance of land suitable for agriculture, pastoral use, and potential for restoring economic infrastructure. These countries also witnessed the safe return of tens of thousands of refugees and internally displaced persons, who were able to travel on formerly mine-affected roads. Finally, several countries achieved Sustainment status – the ability to implement and manage their own humanitarian demining program – while others were able to declare themselves mine-safe.
Angola Repatriation	The end of civil war in Angola has made it possible for hundreds of thousands of refugees and IDPs to return home, many of whom were displaced as long ago as 1965. In June 2003, the UN High Commissioner for Refugees (UNHCR) launched a major repatriation operation to facilitate the return of some 400,000 Angolan refugees from neighboring countries. The Department contributed over $12.5 million to UNHCR in support of this operation, which includes return transportation and reintegration assistance such as identification and registration, transit centers, food rations, health screening, education and HIV/AIDS awareness.

VI: Data Verification/Validation by Performance Goal

Performance Goal 1 Effective protection, assistance, and durable solutions for refugees, internally displaced persons and conflict victims.
• Department program officers and refugee coordinators who regularly monitor and evaluate humanitarian assistance and resettlement programs will verify and validate data, relying on reports of the Department's international and NGO partners.

Annual Performance Goal #2
IMPROVED CAPACITY OF HOST COUNTRIES AND THE INTERNATIONAL COMMUNITY TO REDUCE VULNERABILITIES TO DISASTERS AND ANTICIPATE AND RESPOND TO HUMANITARIAN EMERGENCIES [USAID Goal]

VII. Resource Detail

Table 1: State Appropriations by Bureau ($ Thousands)

Bureau	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
Western Hemisphere Affairs	$45,449	$46,826	$49,133
East Asian and Pacific Affairs	6,416	6,702	6,919
European and Eurasian Affairs	4,844	4,885	5,577
International Organization Affairs	3,347	3,306	3,577
Other Bureaus	9,369	9,820	9,374
Total State Appropriations	**69,425**	**71,539**	**74,580**

Table 2: Foreign Operations by Account ($ Thousands)

Title/Accounts	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
Title I - Export and Investment Assistance			
Export-Import Bank			
Overseas Private Investment Corporation			
Trade and Development Agency	1,480	1,511	1,608
Title II - Bilateral Economic Assistance			
USAID	493,590	528,669	448,300
Other Bilateral Economic Assistance	127,919	79,148	57,152
Independent Agencies	832	867	1,129
Department of State	914,577	811,782	789,246
Department of Treasury			
Complex Foreign Contingencies	0	0	50,000
Title III – Military Assistance			
International Military Education and Training	315	424	525
Foreign Military Financing	500	2,000	7,096
Peacekeeping Operations	22,850	14,890	20,800
Title IV – Multilateral Economic Assistance			
International Financial Institutions			
International Organizations and Programs			
Total Foreign Operations	**1,562,063**	**1,439,291**	**1,375,856**

Grand Total	**$1,631,488**	**$1,510,830**	**$1,450,436**

Strategic Goal 11: Public Diplomacy and Public Affairs

Increase Understanding For American Values, Policies, and Initiatives to Create a Receptive International Environment

I. Strategic Goal Public Benefit

"As we work to end the scourge of terrorism, let us also work to increase peace, prosperity and democracy. We can do this through international programs that promote the exchange of ideas and the sharing of experiences. These programs give us insight into other languages and cultures and in the process build long lasting relationships among peoples based on mutual understanding, respect and trust." –Secretary of State, Colin Powell

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

Public diplomacy activities promote better appreciation of the United States abroad and greater receptivity for U.S. policies among foreign publics. Anti-American sentiment must be countered to win the War on Terrorism, achieve greater international stability, and dispel worldwide uncertainty. In the struggle of ideas, public diplomacy is a critical component. It provides a rapid and flexible capability for U.S. diplomacy abroad directed at improving understanding of and support for U.S. policy, encouraging and empowering moderates, and discouraging indoctrination in extremism. Used over the long term, public diplomacy programs build and maintain a foundation of positive public opinion that directly supports U.S. approaches to satisfying universal demands for human dignity: the rule of law; limits on the absolute power of the state; free speech; freedom of worship; equal justice; respect for women; religious and ethnic tolerance; and respect for private property. Through public affairs programs, the Department also informs the American people of U.S. foreign policy and initiatives that have a direct impact on their lives. In our democratic society, it is imperative that the public understands the basis of Department policies carried out on their behalf.

Domestic public affairs and international public diplomacy necessarily overlap. In the words of the Administration's National Security Strategy, "Today, the distinction between domestic and foreign affairs is diminishing. In a globalized world, events beyond America's borders have a greater impact inside them. Our society must be open to people, ideas, and goods from across the globe." In the words of the 1961 Fulbright-Hayes Act, educational and cultural exchanges promote "the improvement and strengthening of the international relations of the United States by promoting mutual understanding among the peoples of the world" – including the American people.

II. Resource Summary ($ in Millions)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Change from FY 2004	
				Amount	%
Staff [1]	2,392	2,421	2,435	14	0.6%
Funds [2]	$578	$493	$507	$14	2.9%

III. Strategic Goal Context

[1] Department of State direct-funded positions.
[2] Funds include both Department of State Appropriations Act Resources and Foreign Operations Resources, where applicable, which include resources for other USG agencies to which the Department provides foreign policy guidance (e.g., USAID, EXIM, OPIC, TDA, Peace Corps).

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

Strategic Goal	Performance Goal (Short Title)	Initiative/ Program	Major Resources	Lead Bureau(s)	External Partners
Public Diplomacy and Public Affairs	International Public Opinion	Reaching Out to Allies and Regional Powers	D&CP	IIP/PA, Regional Bureaus	DoD, Board of Broadcasting Governors, International media organizations, think tanks and polling organizations
		Increase Knowledge of U.S. As Agent of Change	D&CP	IIP, Regional Bureaus	USAID, DoD, U.S. NGOs, Think Tanks and Polling Organizations
		Muslim Outreach	D&CP	IIP, Regional Bureaus	USAID, Board of Broadcasting Governors, Private Sector Interest Groups (NGOs), Think Tanks, and Polling Organizations
	Mutual Understanding	Reach Younger Audiences	ECE, ESF	ECA, Regional Bureaus	U.S. NGOs, academia, private sector
		Reach Broader Audiences	ECE, ESF	ECA, Regional Bureaus	U.S. NGOs, USAID, Dept of Education, academia, private sector
		Engage Audiences More Deeply	ECE, ESF	ECA, Regional Bureaus	U.S. NGOs, academia, private sector
	American Values Respected Abroad	Promote Democratic Values and Behavior	D&CP, ESF, FSA/SEED	ECA, IIP, PA, Regional Bureaus	NED, Private Sector, NGOs, Think Tanks and Polling Organizations, Academia
		Engage Young People	D&CP, ECE	ECA, IIP, Regional Bureaus	Board of Broadcasting Governors, Private Sector Interest Groups (NGOs), Think Tanks and Polling Organizations, Academia
		Counter Anti-Americanism	D&CP, ECE	ECA, IIP, Regional Bureaus	BBG, DOD, Foreign Broadcast Information Service, Private Sector Interest Groups (NGOs), think tanks and polling organizations
	Domestic Understanding of Foreign Policy	Outreach to Expanded Audience	D&CP	PA	Educational institutions, IG organizations, NGOs, and community groups
		Historical Research and Publications	D&CP	PA	CIA
		Museum of American Diplomacy	D&CP	PA	Foreign Affairs Museum Council, Private Donors

IV. Performance Summary

For each Initiative/Program that supports accomplishment of this strategic goal, the most critical FY 2005 performance indicators and targets are shown below.

Annual Performance Goal #1
PUBLIC DIPLOMACY INFLUENCES GLOBAL PUBLIC OPINION AND DECISION-MAKING CONSISTENT WITH U.S. NATIONAL INTERESTS

I/P #1: Reaching Out to Allies and Regional Powers				
Emphasize U.S. interests in global security by reaching out publicly to friends, allies, and regional powers.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #1: Number of Weekly Page Views to Department's International Website, Mission Websites and Listservs				
2000: N/A **2001:** N/A	N/A	Baseline: Daily average of 155,000 USINFO pages read, an increase of approximately 20% over FY 2002. Approximately 10% of users come for reference material on U.S. history, government. The USINFO website was rated by users as "above average" in customer satisfaction, slightly higher than what users give commercial websites. 10,153 subscribers to listservs targeting all of the geographic regions of the world in six languages.	Ten percent increase over 2003 baseline. Ten percent increase in listserv subscribers over 2003 baseline.	Ten percent increase over FY-2004 in unique weekly users. Ten percent increase in listserv subscribers over 2004.

I/P #1: Reaching Out to Allies and Regional Powers, *cont'd*				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Input Indicator				
Indicator #2: Level of Media Placement[1] in Foreign Markets in Broadcast and Print				
2000: N/A **2001:** N/A	N/A	Baseline: Placement of Broadcast Media – Two short documentary films aired in 25 countries (*Rebuilding Afghanistan & Afghan Spring*); 120 special TV productions; 75 Foreign Press Center Briefings; 31 TV Co-ops with Foreign Broadcasters, 4 co-productions for Russian Public TV, Belarus TV, Georgian TV, and French African TV; 184 interviews; 38 radio interviews. (PA) Print Media – 22 FPC Briefings, 87 interviews. (IIP) Placement of Op-eds/by-liners/other IIP-generated materials, by region - AF – 48 EAP - 53 EUR – 233 NEA – 50 SA – 48 WHA - 193	Ten percent increase in placement of IIP-generated materials over FY 2003.	Five percent increase in placement of IIP-generated materials over FY 2004.

[1] Placement, or secondary use by international websites and other media organs, is a clear indicator of receptivity among opinion-making elites [in this case, media editors]. Analysis will be applied to subject matter and location of placement, both of which are strong indicators of impact and/or the need to refine program approaches. Indicators will be developed from this analysis

I/P #1: Reaching Out to Allies and Regional Powers, *cont'd*				
Emphasize U.S. interests in global security by reaching out publicly to friends, allies, and regional powers.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #3: Level of International Public Understanding of U.S. Policies				
2000: N/A **2001:** N/A	N/A	Baseline: Post reporting (as reflected in the RESULTS database) indicates that IIP's 846 speakers, 480 DVCs and 500,000 print publications reached their intended target audiences with information about USG policies.	Percentage of international information product/program users who demonstrate increased, accurate awareness of U.S. policies actions. Baseline data to be established. (IIP will gather and establish baseline data for results of selected international information products/programs through targeted surveys evaluation in three or more countries.) Note: Meeting this indicator is contingent upon funding being made available.	Set target and level of increase relative to established 2004 baseline. Expand measurement to 10 countries, contingent upon additional funding.

I/P #2: Increase Knowledge of the U.S. as Agent of Change for a More Hopeful Future				
Underscore the U.S. role as agent for change for a more hopeful future for populations vulnerable to the appeal of demagoguery and thereby diminish conditions that permit terrorism to flourish.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #4: Evidence of Increased Public Awareness of Positive U.S. Actions				
2000: N/A **2001:** N/A	N/A	Data pending.	Baseline: Percentage of international information product/program users who demonstrate increased awareness of positive U.S. actions. Baseline data to be established. Establish baseline data for results of selected international information products/programs.	Set target and level of increase relative to established 2004 baseline. Expand measurement to 10 countries, contingent upon additional funding.

I/P #3: Muslim Outreach				
Muslim population better understands U.S. society and values.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #5: Level of Public Understanding of U.S. Policies in Muslim Societies				
2000: N/A **2001:** N/A	N/A	Data pending.	Percentage of international information product/program users who improve their understanding of U.S. policies. Baseline data to be established. Establish baseline data for results of selected international information products/programs.	Set target and level of increase relative to established 2004 baseline. Expand measurement to 10 countries, contingent upon additional funding.

I/P #3: Muslim Outreach, cont'd				
Muslim population better understands U.S. society and values.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
Indicator #6: Degree of Independent Media in Afghanistan				
2000: N/A **2001:** No free and independent media in Taliban-controlled Afghanistan.	150 media publications exist, with at least 35 owned by the government. The government also controls almost all of the electronic media. Provincial governments regularly harass journalists who are critical of government. Draft press law contains articles that curtail press freedom.	USG-funded independent community radio stations begin broadcasting. Press law adopted does not contain articles that curtail press freedom. Radio and TV transmitters are provided to Afghan radio and television, as well as VOA to strengthen civil society programming.	National or provincial leaders harass no journalists. Audiences for independent, non-state controlled media (radio, TV, print) expand 20%. Over 50% of newly established print and electronic media are privately controlled. Independent media monitoring organizations, such as Reporters without Borders, reports that press freedom has improved markedly in Afghanistan.	"Reporters without Borders" notes no incidences of government harassment of journalists in annual report on media freedom. Seventy-five percent of electronic media are privately controlled and no incidences of government harassment.
Outcome Indicator				
Indicator #7: Number of Direct Placements of Articles in the Arab Press that Show Accurate Understanding and Interviews of Senior U.S. Arab Officials on Pan-Arab Satellite TV				
2000: N/A **2001:** Article placements: Kuwait 35, Saudi Arabia 38	Article placements: Kuwait 40, Saudi Arabia 283 45 USG officials interviewed by pan-Arab media.	379 article placements in the following Arabic-speaking countries: Syria, Lebanon, Jordan, Saudi Arabia, Bahrain, Qatar, UAE, Oman, Yemen, Tunisia, Algeria, Egypt, Morocco, and Kuwait (new baseline data). 253 interviews with pan-Arab TV, an increase of 500% over FY 2002, due to the war in Iraq.	5% increase in newspaper placements. 10% increase in pan-Arab TV interviews.	5% increase in newspaper placements. 10% increase in pan-Arab TV interviews.

Means for Achieving FY 2005 Targets

Number of Weekly Page Views to Department's International Website (usinfo.state.gov) and Listservs

- There are approximately 30 public mailing lists ("listservs") hosted on lists.state.gov.
- Web metrics programs track the numbers of users to usinfo.state.gov and the nature of their use (how long they stay on, what they download, etc.).

The Level of Media Placement in Foreign Markets in Print, Broadcast, and Radio

- Analysis will be applied to subject matter and location of placement, both of which are strong indicators of impact and/or the need to refine program approaches.
- In FY 2003, the Department began providing "generic" op-eds in the form of building blocks for chiefs of mission to customize for placement in their respective environments.
- Op-eds published in the U.S. remain popular items for placement overseas. Other "by-line" items continue to be placed in the world's media. This successful approach will continue.
- Develop capability for the production and marketing of Video News Releases (VNRs) on strategic topics, Foreign Press Centers events and Department initiatives on foreign policy goals.
- Develop a strategic editorial broadcast management system utilizing web technology to delivery broadcast-quality video content to journalists and broadcast networks around the globe.
- Increase the number of Foreign Press Center Journalist tours from countries representing Middle East and Muslim countries, to include targeted thematic programs for NEA, EAP, Western Europe, Eastern Europe, Latin America and AF.
- Print 15 to 20 publications each year in English, Spanish, French, Russian, Chinese and Arabic, for distribution through embassies to international publics. At the option of field posts, publications are translated into other local languages.
- Combat the pervasiveness of anti-American rhetoric in Islamic societies, where there is growing access to new information technology, with web-based material in indigenous languages that responds to the deep misunderstanding of the U.S. and its values; increase output in Arabic, Dari, Pashto, and Urdu.

Level of International Public Understanding of U.S. Policies

- The Department's RESULTS database is the central source for Public Diplomacy impact reporting. The nature of reporting is qualitative; ranging from observed evidence that information has reached intended users, through observed evidence of learning and understanding to changed individual and institutional behavior consistent with U.S. interests.
- The Department coordinates USG interagency strategic communication to ensure readiness to employ the appropriate tools and strategies to prevent, deter and/or mitigate international crises.
- Funding is being sought for new research tools to measure the effect of public diplomacy initiatives on international public understanding of U.S. policies, values, and positive actions.

Level of Public Understanding of U.S. Policies in Muslim Societies

- Funding is needed for targeted polling of public diplomacy program participants and users of public diplomacy products in countries with majority or significant Muslim populations in NEA, SA, EAP, EUR and AF to measure evidence that participants/users have more accurate understanding of U.S. policies. Results will be analyzed by geographic region and other relevant categories.

Number of direct placements of articles in the Arab press that show accurate understanding and interviews of senior U.S. officials on pan-Arab satellite TV

- Anti-American editorial slants in much of the Arabic press make it difficult to gain greater acceptance of our message. More frequent placement of positive articles on the U.S. indicates improved receptivity on the part of Arab media to our message, and provides the general public with a greater exposure to USG policies.
- Pan-Arab satellite television has become the most important element in forming Arab public opinion. Anti-American commentary dominates many of the stations. We must project a more positive image of and an objective message on the U.S. by using senior U.S. speakers.
- Increase training for young Arab media professionals.

Developing Independent Media in Afghanistan

- Fund independent media with small grants to promote democracy in Afghanistan.
- Since Afghanistan is at its nascent stage of developing an independent media, and currently lacks an adequate communications infrastructure, the development of a community radio station and of radio and TV transmitters are the best initial indicators of free development. Concurrently, the drafting of press laws tracks progress towards freedom of the press. Expanding audiences and lack of harassment show such development in later years. The number of newspapers available is a good indicator for literate audiences.

Annual Performance Goal #2
INTERNATIONAL EXCHANGES INCREASE MUTUAL UNDERSTANDING AND BUILD TRUST BETWEEN AMERICANS AND PEOPLE AND INSTITUTIONS AROUND THE WORLD

I/P #4: Reaching Younger Audiences				
Increase cultural awareness and mutual understanding among successor generations.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
(P) Indicator #1: Number of Foreign Youth Participants Reached by Exchange Programs				
2000: N/A **2001:** N/A	NEA: 101 WHA: 50 EAP: 83 AF: 24 EUR: 7,212 NIS: 1,595 SA: 54 Total: 9,119	NEA: 310 WHA: 17 EAP: 243 AF: 25 EUR: 1598 NIS: 1491 SA: 107 Total: 3791	3% increase in new participants in youth exchange programs from 2003. NEA: 326 WHA: 60 EAP: 178 AF: 84 EUR: 7,230 NIS: 1,550 SA: 154 Total: 9,582	5% increase in new participants in youth exchange programs from 2003. NEA: 400 WHA: 65 EAP: 200 AF: 100 EUR: 7,230 NIS: 1525[1] SA: 225 Total: 9,750

I/P #5: Reaching Broader Audiences				
Increase cultural awareness and mutual understanding among broader target audiences.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
(P) Indicator #2: Number of Foreign Adult Participants in Exchange Programs from NEA and SA				
NEA: 815 SA: 339 Total: 1,154	NEA: 1238 SA: 706 Total: 1,944	NEA: 938 SA: 390 Total: 1,328	NEA: 1560 SA: 890 Total: 2,450	NEA: 1609 SA: 918 Total: 2,527

[1] This number may actually drop if, as expected, funding formerly supported through the Freedom Support Act funding is reduced in the coming few years. This is the money that supports the current high numbers of youth exchange participants from Eurasia.

I/P #6: Engaging Audiences More Deeply				
Further improve the exchange of U.S. objectives and ideals by involving program participants at a more profound level.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
(P) Indicator #3: Percentage of Participants Who Increased Their Understanding of their Host Country Immediately After Their Program				
2000: N/A **2001:** Baseline: 92%	91%	89%	92%	93%
Outcome Indicator				
(P) Indicator #4: Percentage of Participants who Remain in Contact with Host Country People Met on Their Program one Year or Longer After Their Program				
2000: N/A **2001:** Baseline: 76%	81%	81%	75%	77%
Outcome Indicator				
(P) Indicator #5: Percentage of Participants who Initiate or Implement Positive Change[1] in Their Organization or Community within Five Years of their Program Experience				
2000: N/A **2001:** N/A	N/A	80%	Baseline: 76%	76%

Educational Exchanges in Near East Asia and South Asia (PART Program Efficiency Measure)				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Efficiency Indicator				
Indicator #6: Ratio of Total Administrative Cost to Program Cost (Administrative Efficiency)				
2000: N/A **2001:** N/A	35%	34%	33%	32%

[1] Change is defined as the introduction of new or different methodologies, policies, curriculum, training, organizational structure, etc. into the participant's immediate work area or organization that affects multiple individuals.

Means for Achieving FY 2005 Targets

Ninety-three percent of participants increase their understanding of the United States or host country immediately after the exchange program.

- Provide foreign target audiences with *exposure* to a range of U.S. perspectives on -- and *enhancement of skills and knowledge* (education) relevant to specific strategic goals.
- Improve quality of program instruction, exposure based on program feedback and evaluation.
- During exchange programs, emphasize that the exchange experience is only the start, and that the real work of exchange—building trust and lasting relationships—comes after returning home.

Seventy-seven percent of participants remain in contact with the United States or host country people met on their program one year or longer after the program.

- Improve quality of contacts based on analysis of domestic networks (e.g. Philadelphia study).
- Assist communication via alumni programs. Develop alumni programming to encourage alumni to stay in contact with each other and the people they met on their program by means of websites, scheduled on-line chats, and professional and personal correspondence and collaboration.

Seventy-six percent of participants implement positive change

- Provide alumni follow-on activities that assist in advancing knowledge, skills and ideas gained from program experience.
- Work within programs to have participants develop plans for action upon their return home.

Five percent increase in new participants in youth exchange programs.

- Launch specific YES and PLUS program initiatives
- Shift funding to provide more programming opportunities for key audiences
- In conjunction with regional Bureaus and Missions, and employing Fulbright Commissions, RELOs and advising offices, step up targeting and recruitment.

Annual Performance Goal #3
BASIC HUMAN VALUES EMBRACED BY AMERICANS ARE RESPECTED AND UNDERSTOOD BY GLOBAL PUBLICS AND INSTITUTIONS

I/P #7: Promote Democratic Values and Behavior

Foster the development of democratic institutions, including a vibrant civil society.

Results			Targets	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #1: Percentage of Program Participants who Demonstrate an Affinity for Democratic Values Three or More Years After Their Program Experience				
2000: N/A **2001:** N/A	N/A	68%	Baseline: 65%	65% Attempt to use comparison groups and compare targets to the percentage point difference between exchange participants and the comparison group.
Outcome Indicator				
Indicator #2: Percentage of Participants Who Improve Their Understanding of U.S. Society and Values				
2000: N/A **2001:** N/A	N/A	86%	88%	90%
Output Indicator				
Indicator #3: Number of American Corners and Interactive Exhibits				
2000: N/A **2001:** Embassy Moscow opens a network of 12 American Corners using FSA funding.	Baseline: Eight additional Corners established in Russia, bringing the total number to 19.	Throughout FY 2003, new American Corners were developed in other regions of the world. There are now a total of 71 American Corners in operation in EUR, AF, SA, and EAP. Interactive Exhibit prototype developed in partnership with the Smithsonian Institution.	Target: An additional 221 American Corners are under development and are expected to be open in FY 2004 and FY 2005; 15 in Iraq alone. All geographic regions of the world will have opened American Corners by the close of FY 2004. Field test a prototype of the Interactive Exhibit in Turkey. Baseline of public interaction will be established from this test.	TBD once budget levels have been identified. Interactive Exhibit: Target levels for public interaction and impact will have been determined from test results in FY-04.

I/P #8: Engage Young People				
Reach out to young international audiences to promote international public understanding of U.S. society and values.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #4: Sales of Arabic-Language Periodicals for the Under-30 Generation				
2000: N/A **2001:** N/A	N/A	Produce Arabic language periodical for the under-30 successor generation in the Arab world. Baseline: A baseline figure for sales is not yet available. However, the online version of "hi" was read by approximately 80,000 people during the last quarter of FY 2003.	200,000 online readers throughout the Arabic-speaking world. Baseline sales data not yet available.	TBD once budget levels have been identified.

I/P #9: Counter Anti-Americanism				
Educate global publics on American human values, policies, and leadership in order to promote a positive image of the U.S. abroad.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #5: Timeliness of U.S. Responses to Misinformation or Deliberate Disinformation in International Media				
2000: N/A **2001:** N/A	N/A	All reported incidents are countered in a timely manner, 50% within 24 hours. Posts report that some (no baseline figure available) rebuttals are published or aired in media, which initiated offending item(s).	All reported incidents are countered in a timely manner, 60% within 24 hours. Posts report that rebuttals are published or aired in 25% of media which initiated offending item(s).	All reported incidents are countered in a timely manner, 65% within 24 hours. Posts report that rebuttals are published or aired in 35% of media which initiated offending item(s).

Means for Achieving FY 2005 Targets

Ninety percent of participants improve their understanding of U.S. society and values

- Provide participants with experiences to meet Americans in hospitality and host family settings.
- Provide participants balanced programs that demonstrate the diversity within the United States

Evidence shows that information has reached the intended user.

- Conduct quantitative and qualitative opinion research to manage the effectiveness of our messages.
- Purchase re-broadcast and educational rights to high-quality commercial documentary programs that depict American government, society and values, and secure placement on these programs on foreign broadcast outlets.

Effectiveness Of American Corners In Engaging Users To Seek Greater Access To Information

- Facilitate international public access to extensive American reference sources, which could be a vital link in building the institutions of a democratic culture, through American Corners & Interactive Exhibits, an expanded Information Resource Officer corps, Information Resource Centers and reference specialist services.
- As of the end of FY 2003, there are a total of 71 American Corners in operation in EUR, AF, SA, and EAP. The Russian Parliamentary Library has requested a Corner at the Russian Duma (parliament).
- Field-test a prototype of the Interactive Exhibit in Turkey. This exhibit will make use of interactive, multimedia technology and provide visitors access to written material about the U.S. in the form of encyclopedias, current literature, and other themes.

Sales of Arabic-language periodical for the under-30 generation

- "hi" magazine and its companion website (www.himag.com or www.himagazine.com) was launched in late FY-03 with an initial print run of 50,000 copies per month. The magazine is intended for sale in Arabic speaking countries. The level of sales, as well as the number of online readers are important indicators of the magazine's success.

Timeliness of U.S. responses to misinformation or deliberate disinformation in international media.

- Create a permanent Counter-Propaganda Unit to spot hostile media reaction, misinformation or deliberate disinformation, and provide U.S. spokespersons and foreign news media with factual information to respond.
- Refine methods to detect incidents of hostile statements from responsible media outlets and, either directly, or through U.S. Mission spokespersons.

Annual Performance Goal #4
AMERICAN UNDERSTANDING AND SUPPORT FOR U.S. FOREIGN POLICY, DEVELOPMENT PROGRAMS, THE DEPARTMENT OF STATE, AND THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

I/P #10: Outreach to Expanded U.S. Audience

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

Results			Targets	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #1: Number of Interviews and Contacts With U.S. Media				
2000: N/A **2001:** N/A	N/A	Baseline: 120 daily press briefings 15,000 calls from the press 1,000 print, radio, and TV interviews, Opinion Editorials (OP Eds), and major press conferences with Department principals	16,000 interviews/contacts per year with the media.	16,000 interviews/contacts per year with the media.
Output Indicator				
Indicator #2: Increase in the Number of Outreach Activities to Targeted U.S. Audiences				
2000: N/A **2001:** N/A	Information provided has reached intended user.	Distributed 14,000 curriculum video packages to U.S. educators Conducted over 1500 outreach activities. Reached over 12,000 students through in-house briefings and other programs. Conducted 23 student town meetings at high schools and colleges Conducted over 600 Washington and Regional Events for the Department's Speakers Program. Delivered over 70 presentations at state and national Governmental conferences	Ten percent increase in FY 2003 baseline to include student events, town meetings, and intergovernmental Conference participation.	Ten percent increase in FY 2003 baseline to include student events, town meetings, and intergovernmental Conference participation. Evidence shows that information provided has reached intended user.
Output Indicator				
Indicator #3: Number of "hits" on the Department's Domestic Website				
2000: N/A **2001:** 4.8 million hits per month	4 million hits per month	5 million hits per month	6 million hits per month	7 million hits per month

I/P #11: Historical Research and Publications

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

Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
Indicator #4: Number of Historical, Research, and Educational Publications				
2000: N/A **2001:** N/A	N/A	Published six Foreign Relations of the United States (FRUS) volumes: 1964-1968, Vol. V. Vietnam 1964-1968, Vol. VI, Vietnam, 1968 1969-1976, Vol. III, Foreign Assistance 1952-1954, (retrospective) Guatemala 1969-1976, Vol. I, Foundations of Foreign Policy 1964-1968, Vol. VII, Vietnam, 1968-Jan, 1969	Publish five for a total of eleven Foreign Relations of the United States (FRUS) volumes.	Publish four for a total of fifteen Foreign Relations of the United States (FRUS) volumes.

I/P #12: United States Diplomacy Center's Museum of American Diplomacy

Work toward the creation of a museum of the history, practice, and challenges of American diplomacy.

Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
Indicator #5: Progress Toward Museum Completion				
2000: N/A **2001:** N/A	N/A	Completed 75% of the Initial Concept Design Phase Completed the Feasibility Study	Raise $9M of the Capital Campaign goal of $25M (36%). Complete the Initial Concept Design Phase Complete the Concept Phase. Complete 50% of the Design Development Phase	Raise $21M of the Capital Campaign goal of $25M (84%) Complete the Design Development Phase Complete the Construction Documents and Bid Phase. Complete 15% of the Construction of Exhibitions and Installation Phase.

Means for Achieving FY 2005 Targets

Sixteen thousand interviews and contacts with media per year.

- Increase media engagement in local, national and international markets to deliver our foreign policy messages.

Ten percent increase in outreach activities to targeted audiences.

- Develop products for an educational/informational grassroots campaign for domestic audiences including CD ROM components, brochures, and newsletters
- Launch strategic marketing designed to reach youth in all segments of American society.
- Implement a Speakers Pool and Core to create a cadre of speakers from each of the bureaus who will be sent out on speaking engagements on a proactive basis.
- Develop a Hispanic outreach program involving media, NGOs, government officials, and the public.
- Through the United States Diplomacy Center, develop outreach programs for the public that will dramatize the challenges that American diplomacy has faced in the past, engages in the present, and will confront in the future.

The department's website (www.state.gov) receives 7 million hits per month.

- Added site promotion through an ongoing translation of English into Spanish for the Spanish site.
- Augment the Youth Website on www.state.gov where youth can explore U.S. foreign affairs and learn about foreign policy and the work of the Department using interactive programs, teacher aids, and research guides.

Progress made in meeting mandated compliance with legislative mandate for completion of FRUS volumes.

- Increase the staff of the Historian's Office to address legislative mandate for completion of the Foreign Relations process.
- Update, and develop new historical products for broad-based use throughout the Department, and for inclusion in the Public Affairs Speakers Kit and the Department website.
- Increase the number of policy-supportive historical studies for the Administration.
- Engage in Cultural Diplomacy with the Russian Ministry of Foreign Affairs on the joint preparation and publication of two volumes of historical documents on the era of détente (1969-1976).

Progress in completion of the United States Diplomacy Center.

- Engage the services of a professional fundraising contractor to coordinate the capital campaign to raise $25M in private funds for the museum of American diplomacy.
- Continue to work with commercial contractors to complete the design, construction, and installation phases of the museum of American diplomacy.
- Increase staffing of the Diplomacy Center to develop outreach and educational programs on American diplomacy.

Publish four for a total of fifteen Foreign Relations of the United States (FRUS) volumes.

- Increase resources needed to publish four volumes.
- Separated the positions of General Editor and Deputy Historian to allow the General Editor concentrate fully on overseeing the Foreign Relations series
- Created Declassification and Publishing Division (what do this do?)
- Hire contract historians for the three Foreign Relations Divisions and the Declassification and Publishing Division.
- Institute a mixture of print and e-volumes for the series. E-volumes allow the series to meet its requirement for "comprehensiveness" at a lesser cost.
- Fill vacant FTE positions stemming from resignation and retirements.

For the Diplomacy Museum - Raise $21M of the Capital Campaign goal of $25M (84%), complete the design development phase, complete the construction documents and bid phase, and complete 15% of the construction of exhibitions and installation phase.

- Seek assistance from the non-profit Foreign Affairs Museum Council to raise $21M. Funds will be used to pay for the architectural and design fees that will pay for the Design Development Phase, and Construction Documents and the Bid Phase and 15% of the Construction and Installation Phase.

V: Illustrative Examples of FY 2003 Achievements

Public Diplomacy and Public Affairs	
A Responsible Press Office: An Insider's Guide	As of July 2003, the Department's publication, "A Responsible Press Office: An Insider's Guide," has been distributed in 18 languages. Presidential/prime ministerial spokespersons have reported using the publication with staffs, in seminars and in organizing their offices. One prime minister opened discussions with the press after reading the volume. A presidential spokesperson in another country reported the publication "saved our lives." The publication, released in December 2001 was written by Marguerite Sullivan, a former spokesperson for Lynne Cheney and Marilyn Quayle. It is a direct response to the many questions Ms. Sullivan was asked during her tours as U.S. Speaker.
Persian Website	Within a week after the Department's Persian website: *Pol-e-Ettela'ati* (Information Bridge) went live on May 12, 2003, it recorded an average of 30,000 hits per day (although it has subsequently eased off). News of the site spread quickly, by e-mail, and by word of mouth: one Iranian-American telephoned his father in Iran to tell him about the site; the father's response was "I know, I've already seen it!" Other samplings from the many e-mails we have received: "(I) hope this to be the start of a process that ends up in restoration of bilateral relations with the U.S. "I thank you for building many bridges for communication." – signed: "Hoping for Iran's freedom." "Please force this Islamic government to stop this scandal and give us back our freedom, which was granted by his majesty Cyrus the Great 2500 years ago." "I sent your site address to most of my friends… we hope we can communicate with the U.S. Government and U.S. people as soon as possible."
Former Exchange Participants Lead "Revolution of Roses" in Georgia	Ten years of individual and institutional exchange programming in Georgia reached a critical mass as ECA exchange alumni led the opposition in democratic ferment in 2003. The backbone of a new Georgian era is a network of participants in U.S. visits for students and young government officials, professionals, and experts in a variety of fields, who were introduced to U.S. counterparts in carefully designed programs on themes ranging from "Human Rights Protection" to "U.S. Democratic Principles." In the new Georgian government, exchange alumni include: President-elect (FSA Muskie 2-year graduate program, International Visitor), interim President (NATO Tour), Foreign Minister (Voluntary Visitor), Deputy State Minister (Muskie Fellowship), members of parliament and leaders of major political parties and voluntary associations.
Educating the Public About Terrorism	In an exciting new outreach initiative, the Bureau of Public Affairs produced a high-quality historical video and curriculum package on terrorism for use in high school classrooms around the country. A War Without Borders was designed to give students a brief overview of the history and impact of terrorism and help them understand its relationship to their own lives. Distributed to nearly 13,000 social studies teachers, A War Without Borders reached more American students than any other post-9/11 curriculum package, according to an independent university study. Feedback has been overwhelmingly positive, and many teachers have decided to re-use the package annually. The video is the first in a series created especially for students to help them understand both the complexities and opportunities of the world in the 21st century.

VI: Data Verification/Validation by Performance Goal

Performance Goal 1 Public diplomacy influences global public opinion and decision-making consistent with U.S. national interests
• The RESULTS database is the most comprehensive public diplomacy impact reporting database currently available to the Department. (All PD) • Independent polling and targeted survey research. • Independent program evaluation. (ECA, IIP) • Media placement tracking (PA, IIP). • Field reporting by posts (PA, IIP). • Listserv analysis and feedback on website effectiveness (IIP). • Other verification sources, including IIP's Project Tracker (database) and post program reviews and evaluations.
Performance Goal 2 International exchanges increase mutual understanding and build trust between Americans and people and institutions around the world.
• Grant reporting from program agencies using ECA/P-designed, standardized questionnaire/reporting templates. • ECA participant database. • Political, economic, public affairs and topical reporting from U.S. missions. • Exchange alumni activities and communications. • GPRA reports from field and domestic USG agencies. • Planned program evaluations conducted by independent evaluators using recognized and valid data collection methodology and scientifically valid sampling. • Quantitative measures based on increases in number of programs and participants are reliable and give an accurate measure of potential increased impact of ECA activities. • Qualitative measures combine rigorous measurement based on statistically valid survey research with ad hoc feedback from knowledgeable professionals on the quality of programs. Together they present a reliable picture of quality.
Performance Goal 3 Basic human values embraced by Americans are respected and understood by global publics and institutions.
• The RESULTS database is the most comprehensive public diplomacy impact reporting database available to the Department. (All PD) • Independent polling and targeted survey research. • Focus groups, qualitative/quantitative sampling and audience polling (PA). • Field reporting by posts and NGOs. • Listserv analysis and feedback on website effectiveness (IIP) • Other verification sources, including IIP's Project Tracker (database) and post program reviews and evaluations.
Performance Goal 4 American understanding and support for U.S. foreign policy, development programs, the Department of State, and the U.S. Agency for International Development.
• Website customer survey and data reports (PA) • Feedback reporting (PA)

VII. Resource Detail

Table 1: State Appropriations by Bureau ($ Thousands)

Bureau	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
Educational and Cultural Affairs	$193,155	$234,955	$238,006
European and Eurasian Affairs	60,522	61,509	67,756
East Asian and Pacific Affairs	40,670	40,446	41,754
Coordinator of International Information Programs	38,872	38,110	39,054
Other Bureaus	111,563	110,721	114,314
Total State Appropriations	**444,782**	**485,741**	**500,884**

Table 2: Foreign Operations by Account ($ Thousands)

Title/Accounts	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
Title I - Export and Investment Assistance			
Export-Import Bank			
Overseas Private Investment Corporation			
Trade and Development Agency	1,479	1,259	1,256
Title II - Bilateral Economic Assistance			
USAID	805	2,048	1,629
Other Bilateral Economic Assistance	130,540	3,977	3,640
Independent Agencies			
Department of State			
Department of Treasury			
Complex Foreign Contingencies			
Title III – Military Assistance			
International Military Education and Training	0	50	65
Foreign Military Financing			
Peacekeeping Operations			
Title IV – Multilateral Economic Assistance			
International Financial Institutions			
International Organizations and Programs			
Total Foreign Operations	**132,824**	**7,334**	**6,590**

Grand Total	**$577,606**	**$493,075**	**$507,474**

Strategic Goal 12: Management and Organizational Excellence

Ensure a High Quality Workforce Supported by Modern and Secure Infrastructure and Operational Capacities

I. Strategic Goal Public Benefit

Human Resources: The 28,000 Foreign Service, Civil Service, and Foreign Service National employees posted in over 300 locations throughout the world are the Department's most significant resource. To maintain the U.S. role as a world leader in the twenty-first century, America's foreign policy representatives must be the best the nation has to offer. The Department must have sufficient resources to attract, train, promote, and retain the very best employees.

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

Information Technology: The Department's ability to fulfill its mission successfully depends heavily on the collection, analysis, communication, and presentation of information in forms useful to its stakeholders - the public, businesses, other USG agencies, foreign governments, and its employees. A secure, modern, information technology infrastructure is a vital tool that enables the Department to serve these stakeholders effectively. The Department is making a concerted effort to use commercial best practices to deploy modern automation platforms, secure global networks (unclassified, classified and the Internet), maintain a centrally managed IT infrastructure, deploy a modern messaging/archiving/information sharing system, streamline administrative systems, and introduce a customer-focused portal.

The Department continues to implement a comprehensive risk management program for IT systems, enhancements to user access information and services, and virtual collaboration in such areas as passport and visa services, crisis management, grants management, acquisition functions and streamlining of internal administrative processes.

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

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

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

At the end of the fiscal year, the Department had seventeen capital projects under construction, nine capital construction projects awarded and sixty-eight major rehabilitation projects underway overseas. The Capital Security Cost Sharing (CSCS) program will accelerate construction and encourage rightsizing. Domestically, the consolidation and renovation of the Department's office space in Foggy Bottom will serve the conduct of diplomacy in Washington and provide a more secure and efficient workspace. Likewise, the completion of a modern office building for the U.S. Mission to the United Nations (USUN) in New York will provide a safe, secure and functional facility for our diplomatic mission.

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

Administrative and Information Services: The Bureau of Administration provides support to diplomatic activities by ensuring timely delivery of products and services to U.S. embassies and consulates around the world. E-logistics processes enhance services by eliminating redundancies, increasing efficiencies, and providing secure real-time query tools. Electronic commerce offers American businesses expanded opportunities to compete for Department contracts. Performance-based contracting ensures more efficient and effective use of program dollars. The 80 percent reduction in the backlog of Freedom of Information Act (FOIA) requests by FY 2005 will contribute significantly to the public's timely knowledge of foreign policy issues. A new information system being implemented by the Office of Allowances will provide overseas posts with a faster, more accurate and reliable system for submitting allowances data electronically. U.S. accreditation of overseas schools ensures the availability of an appropriate, high quality American-style education for USG dependents overseas, and facilitates their transfer between overseas and U.S. schools.

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

II. Resource Summary ($ in Millions)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Change from FY 2004	
				Amount	%
Staff [1]	9,573	9,807	10,304	497	4.8%
Funds [2]	$4,923	$5,209	$5,325	$116	2.2%

[1] Department of State direct-funded positions.
[2] Funds include both Department of State Appropriations Act Resources and Foreign Operations Resources, where applicable, which include resources for other USG agencies to which the Department provides foreign policy guidance (e.g., USAID, EXIM, OPIC, TDA, Peace Corps).

III. Strategic Goal Context

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

Strategic Goal	Performance Goal (Short Title)	Initiative/Program	Major Resources	Lead Bureau(s)	External Partners
Management and Organizational Excellence	Human Resources and Training	Talented & Diverse Employees	D&CP	HR	HBCU, HACU, OPM, Partnership for Public Service
		Diplomatic Readiness and Other Priority Training[1]	D&CP	HR, FSI	HBCU, HACU, OPM, Partnership for Public Service, USAID, FCS, FAS, and other foreign affairs agencies
		Core Training Programs	D&CP	FSI	USAID, FCS, FAS, and other foreign affairs agencies
		Locally Employed Staff	D&CP	HR	USAID, FCS, FAS
		Leverage Technology	D&CP	FSI	IRM, HR, USAID, FCS, FAS, and other foreign affairs agencies
		American Citizens Employed by UN System Organizations	D&CP	IO	International organizations, other USG agencies
	Information Technology	Secure Global Network & Infrastructure	D&CP, CIF, ICASS, and expedited passport fees	IRM	USAID and 30 other USG Agencies at overseas posts
		Ready Access to International Affairs Applications and Information	D&CP, CIF, ICASS, and expedited passport fees	IRM, IIP, CA, PM	USAID and 30 other USG Agencies at overseas posts
		Integrated Messaging (State Messaging and Archive Retrieval Toolset)	CIF	M	USAID and 30 other USG Agencies at overseas posts
		Leveraging IT to Streamline Operations	D&CP and CIF	A, HR, RM	USAID and 30 other USG Agencies at overseas posts
	Diplomatic Security	Secure Employees	D&CP	DS	N/A
		Protect Critical Infrastructure	D&CP	RM	Dept. of Homeland Security; President's Homeland Security Council; Dept. of Defense; Intelligence Community
		Improve DS Infrastructure	D&CP	DS	N/A

… The Strategic Goal Context table is continued below…

Strategic Goal	Performance Goal (Short Title)	Initiative/Program	Major Resources	Lead Bureau(s)	External Partners
Management and Organizational Excellence	Overseas and Domestic Facilities	Capital Security Construction	ESC&M[1]	OBO	DS, regional bureaus, posts, other agencies
		Foggy Bottom Renovation/ Consolidation	ESC&M and Prior Year Unobligated Balances	A	GSA
		New Office Building for USUN	D&CP	A	GSA, USUN, IO
		Compound Security Program	ESC&M	OBO	Various USG agencies
		Maintenance and Repair of Assets	ESC&M	OBO	DS, regional bureaus, posts, other agencies
	Resource Management	Integrate Budget & Performance	D&CP	RM	OMB, Congressional committees & subcommittees, foreign affairs agencies, GAO
		Improved Financial Performance	D&CP	RM	OMB, GAO, Treasury
	Administrative Services	Worldwide Logistics	D&CP	A	Various USG agencies
		Overseas Schools	D&CP	A	USG agencies, international schools, diplomatic community, educational associations
		Allowances	D&CP	A	USG agencies
		Records and Publishing Services	D&CP	A	NARA[2], GAO, GPO, OMB, various foreign affairs agencies
		Competitive Sourcing	D&CP	A	OMB

[1] Embassy Construction and Maintenance
[2] National Archives and Records Administration.

IV. Performance Summary

For each Initiative/Program that supports accomplishment of this strategic goal, the most critical FY 2005 performance indicators and targets are shown below.

Annual Performance Goal #1
A HIGH PERFORMING, WELL-TRAINED, AND DIVERSE WORKFORCE ALIGNED WITH MISSION REQUIREMENTS

I/P #1: Recruit and Hire Talented, Diverse Employees				
Maintain a talented and diverse workforce in the Department.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Input Indicator				
Indicator #1: Number of Individuals Taking the Foreign Service Written Exam (FSWE)				
2000: 8,000 **2001:** 13,000	FSWE: 31,400	20,342	Maintain FY 2003 level.	Maintain FY 2003 level.
Input Indicator				
Indicator #2: Number of Applicants to Foreign Service Specialist Positions				
2000: 3,028 **2001:** 3,695	4,000	4,800	Maintain or increase FY 2003 level.	4,200
Input Indicator				
Indicator #3: Number of Minority Individuals Taking the Foreign Service Written Exam (FSWE)				
2000: 2,100 **2001:** 4,000 – 27%	10,700 - 34 %	6,238 – 31%	Maintain or increase FY 2002 percentage.	Maintain or increase FY 2002 percentage.

I/P #1: Recruit and Hire Talented, Diverse Employees, *cont'd*				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #4: Percent of Authorized Strength Achieved At Year End				
2000: N/A **2001:** 96.1%	98.4%	99.3%	99%	99%

I/P #2: Diplomatic Readiness and Other Priority Training				
Training to support the Diplomatic Readiness Initiative (DRI) and the Department's Hiring Plan.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #5: Mandatory Leadership Training Participation				
2000: N/A **2001:** Baseline: 3,118 course offerings. Mandatory Leadership/ Management courses did not exist.	3,329 course offerings. Mandatory Leadership/ Management requirements approved. About 700 employees received mandatory Leadership/ Management training.	3,752 course offerings provided. Mandatory Leadership/ Management training provided for 1,754 employees. Senior Executive Training Seminar course initiated.	Mandatory Leadership/ Management training for twenty-five percent (1,725) of eligible target audience.	Mandatory Leadership/ Management training for twenty-five percent (1,725) of eligible target audience.

I/P #3: Core Training Programs				
Provide base level training in tradecraft, foreign languages, leadership/management, and information technology.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
Indicator #6: Percentage of Employees Assigned to Language Designated Positions (LDPs) who Meet the Requirement of the Position				
2000: N/A **2001**: Baseline: In CY 2001, 80 percent fully met and 13 percent partially met LDP requirement.	In CY 2002, 88 percent fully met LDP requirement.	Data not yet available for CY 2003; will be reported to Congress in separate report.	Eighty percent or better.	Eighty percent or better.
Output Indicator				
Indicator #7: Percent of Language Students Attaining Skill Objectives when Enrolled for at least the Recommended Amount of Training				
2000: N/A **2001**: Baseline: 74%	75%	78%	75% or better.	75% or better.

I/P #4: Locally Engaged Staff				
Overseas employment: outreach and training.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
Indicator #8: Percent of Eligible Family Members Employed in Local Economies Overseas Through Spouse Networking Assistance Program (SNAP)				
2000: N/A **2001:** N/A	Baseline: 2%	4%	6%	Maintain 6% level.
Output Indicator				
Indicator #9: Percent of Eligible Family Members Employed Overseas in Missions and Outside Missions				
2000: N/A **2001:** N/A	Baseline: 47%	Data pending.	49%	50%

I/P #5: Leverage Technology				
Exploit technology-enabled distance learning to the maximum extent possible in order to make training more widely available and to enhance traditional classroom-based training.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #10: Technology-Based Distance Learning (DL) Enrollments (SmartForce, FasTrac, and FSI-Produced Distance Learning Products)				
2000: N/A **2001:** 1,810 DL enrollments	1,697 DL enrollments	2,398 enrollments (State only)	3,000 DL enrollments	3,500 DL enrollments

I/P #6: Americans Employed by UN System Organizations				
Increase the percentage of Americans working in UN System organizations , especially where they are currently not employed in equitable numbers.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #11: Percentage of UN System Organizations' Workforce (Positions Subject to Geographical Distribution) **That are American Citizens**[1]				
2000: N/A **2001:** CY2000 Result: 12.0%.	CY2001 Result: 11.8%.	CY 2003 data is not yet available.	CY2003 Target: 11.9%.	CY2004 Target: 12.2%.

Means for Achieving FY 2005 Targets

Meet hiring targets. Sustain level of hiring to minimize staffing gaps. Ninety-nine percent of authorized personnel strength achieved at year end.

- Continue broad-based outreach through the Department's website, advertising, colleges and universities, and professional organizations to widen and deepen the talent pool.
- Continue using e-gov technologies to maintain contact with registrants and to encourage them to take the exam.
- Continue targeted advertising and web-based recruiting for specialized skills.
- Continue outreach to colleges and universities.
- Offer paid internships to expand opportunities.
- Maintain high levels of interest in employment by implementing effective recruitment plans to provide a diverse and talented pool of candidates.
- Continue to improve hiring processes for Foreign Service and Civil Service positions.

[1] UN System organizations gather their information on a Calendar Year basis. Given the delay in gathering and reporting the data, each fiscal year's targets correspond to the previous calendar year. The annual targets listed herein are averages among those international organizations where the U.S. is most inequitably employed or which attract a high level of interest (i.e., for CY2000 – CY2004, the UN, ILO, ITU, ICAO, FAO, UNHCR, and WHO. IAEA for CY2003 and CY2004 only.)

- Use a variety of staffing mechanisms such as Presidential Management Internships and the Career Entry Program.
- Implement effective recruitment plans to provide pool of candidates.
- Continue to improve hiring processes for Civil Service positions.
- Use a variety of staffing mechanisms such as Presidential Management Internships and the Career Entry Program.

Sufficient number of courses offerings supports the Department's hiring plan, about 1,725 mandatory leadership training enrollments, and ongoing training demand.

- Provide orientation and other appropriate training for all new hires under the Department's hiring plan.
- Provide additional mid-level courses to accommodate the training needs of personnel who were hired under DRI.
- Provide sufficient offerings of mandatory leadership training in order to train the targeted population of approximately 7,000 by end of CY 2006.
- Provide a mandatory senior level leadership course for newly promoted OC's and SES equivalent employees and executive coaching for senior level employees above the OC level.
- Provide enhanced consular training with specific focus on training interviewing skills, and orientation for CMs, DCMs, and Principal Officers.
- Emphasize training on economic crisis, development assistance programs, trade agreement implementation and compliance, environmental and health issues, and negotiations in both tradecraft and mid-level programs.
- Continue to offer and expand specialized training on formulating a response to and understanding international terrorism and terrorism financing.

Meet increased training demand resulting from assignments to target languages. Continue "Beyond 3" Arabic program.

- Provide additional offerings of language/area studies in national security-critical languages sufficient to meet assignment-driven and other demand.
- Launch "Beyond-3" Arabic pilot program in partnership with NEA, HR, posts and regional educational institutions.
- Continue to implement a language learning continuum to systematize building cadres of personnel with advanced language skills.

Improve/maintain current rate of language students attaining skill objectives when enrolled for at least the recommended amount of training.

- Continue to tailor language programs to customer-identified need, and by continuous upgrading of trainer skills and the technology available to deliver and enhance the training.
- Continue to promulgate a "Language Learning Continuum" designed to guide individuals and bureaus in the career-long acquisition, maintenance, and improvement of professional competence in foreign languages.
- Expand use of DL offerings, Post Language Program initiatives, and leverage technology to assist employees and family members to acquire, maintain, and improve language skills.

Six percent of eligible family members employed in local economies overseas through Spouse Networking Assistance Program (SNAP).

- Continue to address spousal employment overseas and seek to expand opportunities at post and on the local economy.
- Utilize best practices as program expands.

Fifty percent of eligible family members employed overseas at Mission and in local economy.

- Continue to address spousal employment overseas and seek to expand opportunities at post and on the local economy.
- Continue to negotiate bilateral work agreements.
- Work with other agencies overseas.

3,500 technology-based distance learning enrollments.

- Provide worldwide accessibility to a range of learning options provided and/or supported by FSI through the development and/or acquisition of web-enabled Distance Learning (DL) courseware, the development and maintenance of OpenNet web pages; integrating and upgrading existing FSI infrastructure, and providing the infrastructure support needed to effect worldwide DL; integrating and upgrading existing FSI corporate applications to support DL; and seeking flexibility in delivery mode via Internet, OpenNet, ClassNet, videoconferencing, CD-ROM, and other means.
- Continue to develop DL vehicles to make available to a wider audience courses or modules of courses in tradecraft training.
- Introduce DL selectively to augment mandatory leadership courses.

Twelve and two tenths percent of UN System Organizations' Workforce (Positions Subject to Geographical Distribution) Consists of American Citizens

- Meet annually with senior officials of key international organizations about recruitment of American citizens in their organizations.
- Ensure that efficient vacancy information dissemination procedures are in place. Expand outreach efforts to identify qualified American candidates.
- Encourage other USG agencies to get more involved in identifying potential vacancies in, and recruiting for, their respective international organizations.

V. Data Verification/Validation for Performance Goal 1

Performance Goal 1 A high performing, well-trained, and diverse workforce aligned with mission requirements.
• Maintain and generate training data from the Department corporate training database (STMS) and validate data through regular comparison with attendance rosters, program reviews, and periodic enrollment reports. • Assess success in language skill based on end-of-training proficiency tests, instead of length of time in training. • HR and FSI track these indicators as part of regular program management Staff regularly measure these indicators and report on them.

Annual Performance Goal #2
MODERNIZED, SECURE, AND HIGH QUALITY INFORMATION TECHNOLOGY MANAGEMENT AND INFRASTRUCTURE THAT MEET CRITICAL BUSINESS REQUIREMENTS

I/P #7: Secure Global Network and Infrastructure

Achieve the Department's IT goals by establishing a reliable and secure global telecommunications and processing infrastructure.

Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
Indicator #1: Global IT Modernization (GITM)				
2000: N/A **2001:** OpenNetPlus (Internet) pilot completed. CCP installed at seventy-four posts. Replacement of 1,875 desktops and 90 servers classified program for 2002 jump-started.	OpenNetPlus pilot period completed; lessons learned documented. Substantial progress made on deployment to domestic and overseas posts. CCP significantly increased for a surge in installations in 2002 and completion in 2003. CCP installed at 135 posts. Six percent of overseas classified desktop computers are slower than the 450MHz standard. Thirty-five percent of unclassified desktop computers are over four years old.	OpenNetPlus project completed. More than 43,000 users representing over 99% of Department knowledge workers have desktop Internet access. Expand CCP to all 224 eligible overseas posts. Unclassified refresh continues. No significant numbers of desktops are more than four years old.	Establish aggressive life-cycle modernization program for both OpenNetPlus and CCP infrastructure. Complete Classified program, thus providing classified connectivity to all eligible and overseas locations. Continue consolidated program to modernize classified and unclassified computers.	Establish aggressive life-cycle modernization program for OpenNetPlus and CCP, centrally managed by the GITM Program Management Office.
Outcome Indicator				
Indicator #2: Global Network Availability				
2000: Enterprise Network Management Program initiated to consolidate global network and systems management. **2001:** Baseline: Network availability was 85 percent. Twelve Virtual Private Networks (VPNs) installed	Network availability was 97 percent. A cumulative total of fifty-four VPNs installed.	Network availability was 98 percent. A cumulative total of 125 VPNs installed.	Improve network availability to 99 percent. A cumulative total of 200 VPNs installed, thus providing over 75 percent of all posts with this capability.	Network availability to improve to 99.5 percent. A cumulative total of 260 VPNs installed, thus providing 100% of posts with this capability.

I/P #8: Secure Global Network and Infrastructure, *cont'd*				
Achieve the Department's IT goals by establishing a reliable and secure global telecommunications and processing infrastructure.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #3: System Authorization (C&A)				
2000: N/A **2001:** N/A	Baseline: Four percent of Department systems and networks certified and accredited in accordance with National standards.	Thirty-three percent of the identified major applications and general support systems were authorized.	All major applications and general support systems authorized.	Adopt a three-year recurring centrally-monitored process.

Several systems contribute to I/P #8. These are shown below.

Name of System	Purpose	Expected Benefit/Result	Client(s)	Strategic Goal(s)
Enterprise Server Operations Center	Consolidates bureau/post servers into larger server centers	Ensure high level of system reliability, availability and serviceability. Other benefits include improved security, data integrity, and cost effectiveness of operational and technical support.	All bureaus	Strategic Goal 12: Management and Organizational Excellence
Public Key Infrastructure (PKI)	Provides for user authentication, non-repudiation, communications integrity and privacy	Provides means for Department to exchange information securely with citizens, businesses, other Federal agencies, state governments, and other nations using the Internet. Permits employees to exchange information and collaborate securely over the Internet.	All bureaus	Strategic Goal 12: Management and Organizational Excellence
Enterprise Software-Licensing and Maintenance	Supports Department's Enterprise Licensing Agreements	Permits software used throughout the Department worldwide to be supported and updated in a timely fashion for a reasonable cost; facilitates ready access to international affairs applications through standardized software technology for major users that include consular, financial management, medical and administrative applications.	All bureaus	Strategic Goal 12: Management and Organizational Excellence
Post Telephones	Replaces Department's outdated PABX systems	Provides a state of the art modular platform, which allows Department employees access to modern services such as Voice over IP and wireless trunks, Direct In Dial, Voice Mail, Conference calls, Auto Attendants, Video Teleconferencing, and Call Accounting.	All bureaus	Strategic Goal 12: Management and Organizational Excellence
Domestic Wireless Project	Replaces current wireless equipment for sensitive operations	Supports Department's efforts in law enforcement and protective services as set forth in Public Law 88-46 93 and Public Law 84-104.	DS bureau	Strategic Goal 12: Management and Organizational Excellence
Post HF Communications	Replaces HF radio systems worldwide to upgrade obsolete units	Supports post and regional Emergency Action Plans by providing voice communications in emergency situations when natural causes or hostile forces have disabled local communications systems.	All bureaus	Strategic Goal 12: Management and Organizational Excellence

I/P #9: Ready Access to International Affairs Applications and Information				
Ensure effective means of electronic communication and connectivity.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
Indicator #4: Access to International Affairs Information and IT Support for Public Diplomacy				
2000: N/A **2001:** D-Trade is a PKI-protected web-based "paperless" license application component of Defense Trade Application System (DTAS), a fully electronic system to support USG control of munitions and weapons technology exports. Prototype project plan and design report completed. Content Management System (CMS) is a web-based web and print publishing system that allows delivery of timely policy information and informational products to foreign citizens, opinion leaders and key foreign audiences at posts worldwide. CMS allows for creation and delivery of content in multiple languages and formats through an automated publishing process that has eliminated manual procedures that were formerly used. Pilot developed and implemented successfully.	D-Trade prototype ("proof of concept") completed and conceptual design of larger system, DTAS, initiated to embrace electronic handling of other defense trade controls activities (e.g., export compliance transactions). First phase of CMS implemented; over 70 writers/editors using content development and submission interface.	D-Trade developed, industry and interagency participants systems in-place and fully electronic arms export licensing export pilot initiated. Hundreds of cases processed, with electronic referrals to other offices and agencies. Pilot expanded in terms of scope and industry participation. Design and development of other DTAS components initiated. Development completed, 95% of the publishing platform is operational. Products currently hosted include: usinfo.state.gov (20% implemented from within CMS), future.state.gov (100% implemented through CMS), usvisas.gov, globaltechcorps.org, and 76 post websites. 95% operational on CMS at 5 out of the 100 posts targeted for full CMS capability in FY 2005	D-Trade Pilot completed and evaluated. Functionality of other DTAS components expanded. 100% of system operational at 75 out of all 100 posts, 90% of usinfo.state.gov site operational within CMS. 50% of language websites operational within CMS.	DTAS design completed and implementation of fully operational system begins. 100% of system operational at all 100 posts. 100% of usinfo.state.gov and language sites implemented within CMS.

Other systems, most notably the Consular Support and Visa Application system, contributes to I/P #9. This system also supports other strategic goals as identified below.

Name of System	Purpose	Expected Benefit/Result	Client	Strategic Goal(s)
Consular Support and Visa Applications	Provides automated systems for the consular management and visa functions.	Improve border security by issuing new machine-readable immigrant visa at selected visa issuing facilities; collect biometric identifiers as required by Enhanced Border Security and Visa Entry Reform Act of 2002; and maintain percentage of visa issuance data shared with Border Security agencies	CA bureau	Strategic Goal 3: Homeland Security; Strategic Goal 6: American Citizens; Strategic Goal 12: Management and Organizational Excellence

I/P #10: Modern, Worldwide, Integrated Messaging				
Provide the Department with a simple, secure, and user-driven system to support the conduct of diplomacy through modern messaging, dynamic archiving, and information sharing.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
Indicator #5: Elimination of the Legacy Cable System-& Status of SMART Deployment				
2000: N/A **2001:** Significant progress made in preparing groundwork for upgrade. No actual work completed.	Comprehensive requirements analysis completed, steering committee formed, users consulted to determine requirements, BPR completed, and prototype developed.	Prototype evaluated. Request For Quote for SMART design demonstration, deployment, operations drafted and released.	System piloted. Initial Operational Capability (IOC). Dynamic archive of foreign affairs record begins to be established.	Complete Pilot Bring Online Second Secure Processing Facility Initiate Worldwide Deployment National Archives and Records Administration (NARA) compliant records management and transfer capabilities established.

I/P #11: Leveraging Information Technology to Streamline Operations				
Provide the Department with a simple, secure, and user-driven system to support the conduct of diplomacy through modern messaging, dynamic archiving, and information sharing.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #6: Availability of User-Empowered Administrative Systems				
2000: N/A **2001:** Integrated Personnel Management System (IPMS) is an initiative to modernize the Department's Human Resources technical architecture, unify disparate hardware systems, eliminate duplicate data entry and storage systems, and update business applications. Implemented HR Knowledge Center (KC) to provide self-service data analysis and reporting tool.	Knowledge Center, Global Employment Management System (GEMS), and Foreign System Assignment Management Application availability increased to 99% during regular working hours.	Increased the number of HRM services under the IPMS program to 60.	Increase the number of HRM services under the IPMS program to 62.	Increase the number HRM services under the IPMS program to 63.

Systems being developed that contribute to I/P #11 are also mentioned below

Name of System	Purpose	Expected Benefit/Result	Client	Strategic Goal(s)
Integrated Logistics Management System (ILMS))	Replaces 20-year old stovepipe logistics systems with modern technology and COTS products that support integrated supply chain business processes	ILMS will lead to a more efficient, effective and timely procurement process with real time ability to report on costs, delivery times, etc. Record keeping will be greatly improved as will service to all Department employees, bureaus and posts.	All bureaus	Strategic Goal 12: Management and Organizational Excellence
A/OPR E-Allowances	Implements a database to collect, analyze, and publish USG allowance and benefits data for civilian employees working overseas	Reduced training time for employees to collect and analyze information, fewer ad hoc requirements (primarily responding to post inquiries about allowances and how to complete allowance surveys), and streamlined data collection through elimination of "work-arounds."	"A" bureau	Strategic Goal 12: Management and Organizational Excellence

Means for Achieving FY 2005 Targets

Aggressive life-cycle modernization program established for OpenNetPlus and CCP, now centrally managed by the GITM Program Management Office.

- Enhance overall enterprise security by modernizing Department LANs on a four-year cycle using emerging technologies to meet new business requirements, instead of simply replacing equipment on a one-for-one basis. The PMO will use the IRM joint lab to ensure all equipment introduced is required to support the lines of business and is interoperable with existing and projected systems, equipment, software, and applications.
- Centralize programs under a single PMO to eliminate duplicative efforts and gain organizational efficiencies to protect the investment in IT and reduce the total cost of IT ownership to the Department.
- "Right-size" the infrastructure to reflect the efficiencies the Department can realize as a result of the introduction of new technology and the evolving reengineered business processes.

Network availability to improve to 99.5 percent.

- Continue a number of modernization projects designed to increase network and systems availability above 99%.
- Continue to secure and retain certified network and systems engineers to design improvements to the Global Network.
- Continue to increase operational efficiency at the ENM Operations Center at Beltsville through system and process improvements to the Global Network.

A cumulative total of 260 VPNs installed, thus providing 100% of posts with this capability.

- Continue use ANSI standard Earned Value Management System to manage contract and project performance and report status of project to senior management.
- Continue use of ENM office's integrated project team to set policies, procedures, service agreements, and target technical solutions.
- Obtain required funding via Department's E-Government Program Board process to complete the project.

Adopt a three-year recurring process for System Authorization (C&A) of major applications and general support systems starting in FY 2005.

- Systems Authorization project becomes the Systems Authorization program, including the fourth authorization phase of continuous monitoring.
- Instigate training program to ensure that senior managers understand their performance requirements for conducting system authorization reviews on their organizations' systems on a three-year recurring basis.
- Institute mandatory partnerships with system-owning bureaus and service-providing bureaus to support three-year cycle system authorization effort.
- Make available Department staff and resources to support and assist bureaus, as necessary, to complete all requirements for their systems under the three-year C&A cycle.

DTAS design completed and implementation of fully operational system begins.

- Use performance information from Phase II to validate and refine DTAS designs and implement additional functionality required.
- Obtain all required security approvals for sensitive business proprietary and national security data on PM/DDTC computer systems by designing and implementing appropriate software systems.
- Enhance speed and accuracy in the sharing of munitions licensing information through establishment of DoS-DoD common formats supported by high speed communications lines.

100% of CMS operational at all 100 posts. 100% of usinfo.state.gov and language sites implemented within CMS.

- Deploy desktop CMS integrated publishing platform to 100 post and mission sites to produce web, digital, and print products.
- Complete Phase II of content management system at 100 posts to increase significantly the number of active web pages (estimated increase is over 11,500 or 15%)

- 50% increase in delivery of syndicated feeds of content published by CMS, i.e., the media, press, other web publishers, etc.
- Complete Phases III, IV, V, and VI of content management system at 100 posts to increase production of web pages (estimated increase is over 6,000 web pages or 16%)

Continue elimination of current cable system and processes by completing pilot, bringing second secure processing facility online, and engaging in beginning worldwide deployment of new system.

- Use senior management Steering Committee to ensure timely decisions and user needs are met.
- Utilize Statement of Objective (SOO) and Firm Fixed Price (FFP) with incentives contracting approach to maximize flexibility and minimize risks to the Department.
- Conduct Design Competition to ensure best value.
- Use segmented contract by phases with appropriate metrics.
- Manage activities proactively to enable the Department to meet aggressive schedules and increase user satisfaction and buy-in.

Increase the number of HR services under the IPMS program to applications that are available via OpenNet to 63.

- Implement the Enterprise Performance Management software solution to expand Human Resources management reporting and information distribution capabilities through the Knowledge Center.
- Continue to upgrade software that combines a series of Internet applications designed to leverage technology, information, and processes to increase user productivity.
- Continue integration of core HR Management Systems, Global Employment Management System (GEMS), the Knowledge Center, the Foreign Service Assignment Management System, and the Post Personnel System to improve IPMS efficiencies.

V. Data Verification/Validation for Performance Goal 2

Performance Goal 2 Modernized, secure, and high quality information technology management and infrastructure that meet critical business requirements.
• OpenNetPlus PMO reports monthly to the CIO and Under Secretary for Management on progress towards milestones and performance measures. The E-Government Program Board, chaired by the Under Secretary for Management, also reviews OpenNetPlus at least annually. • ENM uses Business Engine Software Corp's MPM to manage contract and project performance and generate comprehensive reports to senior management on status of VPN and network availability. The IT Capital Planning Program Board also reviews ENM. • The management controls currently in place consist of a work breakdown structure that clearly defines roles, responsibilities and requirements for the entire program. The IT Capital Planning Program Board also reviews CCP. • The Steering Committee for SMART, headed by a retired career ambassador, monitors progress and reports directly and regularly to the Under Secretary for Management. In addition, the IT Capital Planning Board reviews SMART. Once the project approach has been determined, a performance-based management system will be employed based on a detailed work breakdown structure and cost estimates. Currently, Microsoft Project is being used to manage the project. • The Department submits a completed security corrective action plan and quarterly updates to OMB on the Department's progress in remediating security weaknesses. These reports will detail the Department's progress on implementing a C&A program, developing Public Key Infrastructure, a strengthened network intrusion and detection capability, an improved anti-virus capability, and other components of a comprehensive IT security program that provides the Department with a defense in depth.

Annual Performance Goal #3
PERSONNEL ARE SAFE FROM PHYSICAL HARM AND NATIONAL SECURITY INFORMATION IS SAFE FROM COMPROMISE

I/P #12: Secure Employees

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

Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
Indicator #1: Installation of Technical Security Upgrade (TSU) Equipment				
2000: N/A **2001:** Baseline: TSUs completed at twenty-three posts.	TSUs completed at seventy-seven posts.	TSUs completed at 111 posts.	TSUs completed at 133 posts. (An additional forty-four posts are deemed to meet the standard or cannot be completed because they require substantial renovations)	TSUs completed for 47% (i.e., 60/127 identified as requiring upgrades) of facilities that house foreign affairs personnel (i.e., facilities other than embassies or consulates).
Output Indicator				
Indicator #2: Deployment of CW/BW Countermeasure Masks to Posts Abroad				
2000: N/A **2001:** First Responder masks and equipment deployed to all posts.	Two of 240 posts with employee countermeasure masks.	Seventy-five of 240 posts provided with and trained in the use of countermeasure equipment; this includes 25,528 overseas personnel trained and ninety-five courses provided for security professionals being trained overseas.	149 of 240 posts with employee countermeasure masks.	240 of 240 posts with employee countermeasure masks.

I/P #12: Secure Employees, *cont'd*				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #3: Replacement of Armored Vehicles				
2000: N/A **2001:** N/A	N/A	Baseline: Forty-eight armored vehicles replaced.	225 of 1,265 armored vehicles replaced.	450 of 1,265 armored vehicles replaced.
Output Indicator				
Indicator #4: Installation of DoS Access Control Systems (ACS)				
2000: N/A **2001:** Baseline: Phase 1 completed for HST and 150 new Smart Card badges issued.	Phase 2 was 85 percent complete; 75 percent of personnel data has been gathered and entered into the computer database. Phase 2 completed for HST; half of personnel in the Washington National Capital area received new badges.	Completed: 100% of HST Perimeter ACS 100% of HST Visitor ACS 95% of HST Network required to support ACS 25% of HST Infrastructure required to support ACS 20% of HST ACS readers installation	Access Control Systems installed in 50% of the Department's annexes in the Washington DC area.	Access Control Systems installed in the remaining 50% of the Department's annexes in the Washington DC area.

I/P #13: Protect Critical Infrastructure				
Develop a CIP program plan to identify our worldwide critical infrastructure assets and protect them.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #5: Remediation of Identified Critical Infrastructure Protection (CIP) Vulnerabilities				
2000: N/A **2001:** Beltsville Information Management Center (BIMC) information assurance vulnerability review conducted.	Status of remediation for all Tier 1 vulnerabilities progressed to yellow. All other tiers remained at red.	Alternate Communications Site reaches IOC with 50% of BIMC redundant circuits installed and operational. Tier 1 vulnerabilities progress to green. All Tier 2 and 50% of Tier 3 vulnerabilities progress to yellow.	Alternate Communications site reaches Full Operational Capability (FOC), with all BIMC circuits installed. All Tier 2 and 3 vulnerabilities progress to green.	Department-wide CIP vulnerabilities status of remediation is green.

I/P #14: Improve and Enhance Diplomatic Security Infrastructure				
Create a management framework that integrates program policy, planning and budget formulation in a results oriented structure to enable evaluation of program success.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #6: Presence of Intrusion Detection Systems for ClassNet and OpenNet are in Place Domestically and Abroad				
2000: N/A **2001:** Intrusion detection system for OpenNet are in place at 75% of posts abroad and 60% of domestic facilities; intrusion detection systems for ClassNet has not begun domestically or abroad.	Intrusion detection system for OpenNet is deployed both domestically and abroad.	Intrusion detection system for ClassNet is deployed at 75% of overseas posts.	The intrusion detection system for ClassNet is completed at the remaining 60 posts. The Department's Classified information network is fully operational overseas.	OpenNet and ClassNet networks are supported by a network situational awareness system; high traffic/volume choke points are monitored.

World Wide Security Upgrades (PART Program Efficiency Measure)				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Efficiency Indicator				
Indicator #7: Number of Staff/ Time Needed to Complete Background Investigation Cases				
2000: N/A **2001:** N/A	N/A	Baseline: 159 staff completed 63% of applicant cases in 77 days	159 staff completed 70% of applicant cases in 70 days	159 staff completed 75% of applicant cases in 60 days

Means for Achieving FY 2005 Targets

TSUs completed for 47% (i.e., 60/127 identified as requiring upgrades) of facilities housing foreign affairs personnel (other than embassies/consulates, e.g. State annexes)

- Retain skills and expertise of the original TSU project to implement life-cycle replacement of embassies and consulates beginning in FY-07. Interim steps, FY-04-FY-08, include upgrades to "other facilities" requiring crucial TSU upgrades based on initial findings in the TSU reviews.

Countermeasure masks deployed to all posts

- Increase contract training staff
- Enhance logistical support of equipment
- Streamline logistics, planning and training based on lessons learned

450 of 1,265 armored vehicles replaced

- Implement purchasing schedule with vendor and armorer to meet need
- Develop a logistical plan to level the annual requirements for vehicles based upon an average six-year replacement cycle

Install Access Control Systems installed in the remaining half of the Department's annexes in the Washington DC area.

- Implement a plan for the installation of the remaining annexes based on lessons learned from the initial 50% installation plan for the Washington D.C. area.

OpenNet and ClassNet networks are supported by a network situational awareness system; high traffic/volume choke points are monitored.

- Develop a travel and installation plan for the upgrade based on surveys of site requirements

V. Data Verification/Validation for Performance Goal 3

Performance Goal 3 Personnel are safe from physical harm and national security information is safe from compromise
• Data are verified and compiled quarterly through program managers. Project-completion close-out reports are obtained from both the program manager and through cable track with posts to ensure deliverables and installation. • CIP Governance Board and CIP Working Group Reports and Budget Recommendations; Director of Central Intelligence's Community Management Staff Reports; Other RM/IRP/CIP-facilitated inter-agency and internal working group recommendations. • Department-wide BPP's, FinPlan reviews and supplementals that track CIP-related remediation program requirements.

Annual Performance Goal #4
SECURE, SAFE, AND FUNCTIONAL FACILITIES SERVING DOMESTIC AND OVERSEAS STAFF

I/P #15: Capital Security Construction Program				
Award capital security construction projects as scheduled in the Long-Range Overseas Buildings Plan (LROBP)				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
(P) Indicator #1: Number of New Sites Acquired for Capital Security Construction Projects				
2000: N/A **2001:** 6	10	5	8	12
Output Indicator				
(P) Indicator #2: Number of Capital Security Construction Projects Awarded In Accordance With LROBP				
2000: N/A **2001:** N/A	13	9	11	14

I/P #16: Foggy Bottom Renovation/Consolidation				
Consolidate essential staff in Foggy Bottom.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
Indicator #3: Renovation of the Harry S. Truman Building (HST)				
2000: Phase 1A on schedule. **2001:** Phase 1A of Old State demolition begun.	Phase 1A of Old State demolition completed; infrastructure construction started.	Old State Renovations – Key Achievements: Old State 8th floor vacated and demolition 100% complete. Infra-structure construction 95% complete. Space planning complete; office and special space design complete. Interiors construction contract bids received. Blast-resistant windows replacement started in Old State. Perimeter Security Improvements Concept Design approved by the Secretary. Network Control Center Construction complete. U. S. Diplomacy Center Pre-concept design 50% complete Phase 2 New State Cafeteria dining area upgrades complete, with North server upgrades 90% complete. 6th Floor corridor improvements 75% complete. Delegates Lounge upgrades complete. Jefferson Information Center concept design complete.	Complete Network Control Center relocation; complete Phase 1A Old State window replacement; start Old State construction build-out; begin planning for New State Phase 1B; complete Perimeter Security Master Plan with final jurisdictional approvals pending with the National Capital Planning Commission and others; complete Pre Concept Design for Diplomacy Center; complete design for Jefferson Information Center.	Old State Phase 1A renovation complete and occupied; complete "New State" Phase 1B space planning; [United States Diplomacy Center construction is pending private fund donations]; start Perimeter Security construction.

I/P #16: Foggy Bottom Renovation/Consolidation, *cont'd*

Results			Targets	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #4: Foreign Affairs Consolidation				
2000: N/A **2001**: Initial ACDA and USIA office moves to Foggy Bottom completed. General requirements provided to architect for APhA building addition.	100% of Foggy Bottom office renovations completed; Concept approval from Commission on Fine Arts presented to Historic Preservation Review Board, Advisory Neighborhood Council and Zoning Commission hearing. Consolidation 85 percent complete.	Owner/developer secured approval of most of the reviewing agencies for APhA building addition.	Programming/Planning completed for APhA building addition. Prior year funds will be used to renovate SA-3 to be used for swing space while discussions with the APhA on design planning continue.	Begin Programming/Planning of APhA building addition in Fall 2003, with completion/move-in estimated for FY 2006.

I/P #17: New Office Building for U.S. Mission to United Nations

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

Results			Targets	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #5: USUN New Construction				
2000: 50% design level **2001:** NOB 90 percent design level completed; interim office building IOB space sought.	New Office Building (NOB) 98 percent design level completed; Interim Office Building (IOB) space sought.	$14.0 million IOB funding obtained. GSA not able to finalize IOB lease in FY 2003. Lease signing and IOB build-out delayed to FY 2004.	Complete IOB build-out; occupy IOB; Existing Office Building (EOB) demolition.	Complete EOB demolition; award New Office Building construction; NOB construction 25% complete.

I/P #18: Compound Security Program

Compound security provides technical security (e.g., alarms, cameras, lighting, CCTV's) and physical security (e.g., perimeter security, vaults, safe havens, escape hatches) installations and upgrades to Department overseas facilities to protect employees from terrorist and other security threats

Results			Targets	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #6: Number of Technical Security Projects Completed Each Fiscal Year In Accordance With the Schedule				
2000 & 2001: N/A	Baseline: 75	71	65 technical security installation and upgrade projects are scheduled for completion.	70 technical security installation and upgrade projects are scheduled for completion.

I/P #19: Maintenance and Repair of Assets				
Maintain, repair, and rehabilitate overseas Diplomatic and Consular facilities in an effective manner that enhances the quality of life of employees while allowing them to perform their duties in secure, safe, and functional facilities.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Efficiency Indicator				
Indicator #7: Percent of Major Rehabilitation Projects Completed On Schedule (LROBP) and Within Budget				
2000: N/A **2001:** Started construction on 3 new major rehabilitation projects Continued construction on 15 major rehabilitation projects requiring funding in the fiscal year	One hundred percent of new major rehabilitation construction projects completed on time and on budget per construction contract.	100% of new major rehabilitation projects were completed on time and on budget per the construction contract.	100% of new major rehabilitation construction projects to be completed on time and on budget per construction contract.	100% of new major rehabilitation construction projects to be completed on time and on budget per construction contract.

Capital Security Construction (PART Program Efficiency Measure)				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Efficiency Indicator				
Indicator #8: Ratio of Construction Management Costs to Total LROBP Construction Project Costs for Projects in Excess of $25 Million				
2000: N/A **2001:** 8.5%	8.0%	Baseline: 7.5%	7.0%	6.5%

Means for Achieving FY 2005 Targets

Acquire fourteen capital security construction sites in accordance with Long-Range Overseas Buildings Plan (LROBP).

- Include NEC site candidates in the LROBP to better ensure target sites are identified, planned, and purchased.
- Use global real estate firms, internal assets, and post assets to identify suitable NEC sites.
- Ensure responsibility and accountability in the acquisition of NEC sites.
- Actively employ performance measures and program reviews for NEC sites acquisitions.

Old State Phase 1A renovation complete and occupied; complete "New State" Phase 1B space planning and design; Phase 1B current occupants vacate space; start United States Diplomacy Center construction; start Perimeter Security construction.

- Adhere to GSA and DOS-approved detailed plan for meeting all milestones as approved by GSA and DOS.

Programming/Planning of American Pharmaceutical Building addition scheduled to begin in 2004.

- DOS and GSA are working closely with the APhA owner/developer as well as the National Capital Planning Commission and others to facilitate the design approval process.

USUN New Office Building Construction 25% complete.

- GSA and DOS have been working closely together since 1995 to build a safe, energy-efficient and modern facility for USUN and other DOS offices in Manhattan. Demolition completion for the existing office building and construction start for the new office building are expected in FY 2005.

Award fourteen capital security construction projects in accordance with the LROBP

- Work extensively with stakeholders and partners to identify capital security construction projects to be included in the LROBP.
- Seek funding in accordance with the LROBP, award contracts expeditiously while taking advantage of flexibility in procurement, and use other initiatives such as design-build contracts and standard embassy designs.
- Actively employ performance measures and program reviews to ensure targets are met.

Seventy compound security installation and upgrade projects are scheduled for completion in the '05 fiscal year.

- Effectively employ an outside security contractor in performing overseas compound security projects under a soon-to-be awarded performance-based contract
- Define and analyze compound security project candidates thoroughly considering such factors as priority, cost, and executability.
- Negotiate with host governments to approve compound security enhancements expeditiously at posts to protect USG employees overseas.
- Include compound security projects in the LROBP and, when possible, combine such projects with other M&R and major rehabilitation projects to gain efficiencies and economies of scale.

Ensure that 100% of major rehabilitation projects are constructed on time and on budget as specified in the construction contract

- Use the LROBP to program major rehabilitation projects
- Conduct monthly program performance reviews to ensure major rehabilitation projects are accomplished on time and on budget
- Place maximum emphasis on up-front planning of major rehabilitation projects to include consideration of such factors as host government permitting processes

V. Data Verification/Validation for Performance Goal 4

Performance Goal 4 Secure, safe, and functional facilities serving domestic and overseas staff.
• Contract documents, real estate transactions, and status reports from OBO project director's at construction sites are reviewed and data are reported during Director's monthly Program Performance Reviews (PPRs). • Director/Chief Operating Officer conducts monthly performance review meetings to ascertain that the acquisition schedule is on track such that sites are identified, researched, and surveyed, and contracts are closed on and signed based on established timeframes. • Data are verified by records and budgetary documents of the Bureau of Administration.

Annual Performance Goal #5
INTEGRATED BUDGETING, PLANNING, AND PERFORMANCE MANAGEMENT; EFFECTIVE FINANCIAL MANAGEMENT; AND DEMONSTRATED FINANCIAL ACCOUNTABILITY

I/P #20: Integrate Budget and Performance

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

Results			Targets	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #1: Budget and Performance Integration (President's Management Agenda, OMB Scoring)				
2000: N/A **2001:** Baseline: Status: Red. Progress: Red	Status: Red. Progress: Green.	Status: Red. Progress: Green.	Status: Green. Progress: Green.	Status: Green. Progress: Green.
Output Indicator				
Indicator #2: Implementation of Central Financial Planning System (CFPS) Modules				
2000: N/A **2001:** N/A	Baseline: The initial design, funding, and preparations with pilot bureau completed.	Both Mission and Bureau Performance Planning (MPP/BPP) modules were completed and used in the Department's FY 2005 planning cycle. In addition, interfaces between the Department's budgeting and accounting systems were established – an important first step towards better integration of planning, budgeting, and execution together.	Complete development and deployment of the following modules: - Mission Performance Plan, Version 2 - Bureau Performance Plan, Version 2 - Bureau Resource Management System, Version 1	Complete development and deployment of the following modules: - Financial Performance and Reporting, Version 1 and 2 - Bureau Resource Management System, Version 2

I/P #21: Improved Financial Performance				
Provide world-class financial services that support strategic decision-making, mission performance, the President's Management Agenda, and improved accountability to the American people.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #3: Improved Financial Performance (President's Management Agenda, OMB Scoring)				
2000: N/A **2001:** Baseline: Status: Red (i.e., Unsatisfactory Results). Progress: Red.	Status: Red. Progress: Green (i.e., Successful Results).	Status: Red Progress: Green	Status: Green. Progress: Green.	Status: Green. Progress: Green.
Outcome Indicator				
Indicator #4: Financial Services Consolidation				
2000: USIA and ACDA financial services integrated into Department. Foreign currency purchasing from FSC Paris and FSC Bangkok consolidated to FSC Charleston. **2001:** The Department approved the transfer of certain financial management functions to FSC Charleston. The Department approved the transfer of posts serviced by FSC Paris to FSC Charleston and FSC Bangkok.	Implementation plan submitted to OMB. Initial implementation of RFMS in Charleston. The Department took occupancy of the second building in Charleston complex in April 2002.	Domestic processing for American payroll and Foreign Service Pension is now operating in Charleston. All overseas posts serviced by former FSC Paris are now serviced by Charleston and Bangkok.	The Department takes occupancy of the third building in Charleston complex.	Complete the relocation of portable domestic financial services into Charleston FSC.

Means for Achieving FY 2005 Targets

Improve financial performance rating. Status: Green. Progress: Green.

- The implementation of a new Global Financial Management System (GFMS) will establish a single, worldwide integrated financial management system that allows standardization of our business processes. Leveraging the benefits of a standardized, modern worldwide financial management system, the Department will continue to streamline and consolidate the Department's worldwide financial operations into the Charleston Financial Services Complex. Having resolved all outstanding material weaknesses, the Department will continue to aggressively administer the Department's management controls program. The Department will also meet OMB's accelerated deadline of November 15, 2004 for the FY 2004 audited financial statements.

Complete the relocation of portable domestic financial services into Charleston FSC.

- Detailed planning, oversight of construction of building including incentive clauses, human resource rightsizing and hiring plan, and continued funding.
- In collaboration with various offices, develop a comprehensive transition plan to ensure employees are equipped with the tools and resources necessary to plan for relocating, retiring or finding other jobs. Funding for contract services will be used to implement performance based and task oriented contracts.

Data Verification/Validation for Performance Goal 5

Performance Goal 5 Integrated budgeting, planning, and performance management; effective financial management; and demonstrated financial accountability.
• COTR certifications of milestones achieved. • Independent Auditor's Report on annual financial statements. • Date of submission of Financial Statements to OMB. • Annual FMFIA Statement of Assurance by the Secretary. • CFO's annual determination on FFMIA compliance. • Date of submission of Performance and Accountability Report. • OIG review and semi-annual report on FFMIA. • Circulate proposed measure and targets to Department bureaus and to OMB for comment/concurrence. • Consult with other Department offices, overseas missions, OMB and other international affairs agencies for comments and suggestions on milestones. • Consult with other federal agency central budget/funds control offices and OMB for comment on standards. • The indicator is a tangible activity that can be judged to have happened or not have happened. • OMB Scorecard • Periodic progress reports on Consolidation Plan.

Annual Performance Goal #6
CUSTOMER-ORIENTED, INNOVATIVE DELIVERY OF ADMINISTRATIVE AND INFORMATION SERVICES, AND ASSISTANCE

I/P #22: Worldwide Logistics

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

Results			Targets	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Input Indicator				
Indicator #1: ILMS Development and Implementation				
2000: N/A **2001:** Detailed implementation Plan and requirements analysis 100%; design 25% complete.	Design/ development 50% complete; deployment strategy complete; initial implementation of diplomatic pouch and mail bar-code tracking system.	ILMS procurement module operational in four domestic bureaus (fully integrated with the Department's Central Financial Management System) and one overseas regional procurement facility. ILMS Asset Management module piloted at one overseas post. ILMS Diplomatic Pouch and Mail module fully deployed and operational at both the unclassified and classified pouch facilities.	Design, development, implementation and acceptance of the ILMS Acquisition, Distribution, Transportation, and Personal Effects modules in the Bureau of Administration 100% complete. Domestic deployment of ILMS Acquisition modules 95% complete. Domestic deployment of ILMS Asset Management module 25% complete. Conduct an overseas pilot by the end of the year.	ILMS fully integrated with the Department's financial system and fully operational domestically. Conduct overseas pilot at up to 5 posts.
Efficiency Indicator				
Indicator #2: Percentage of Service Contract Dollars that are Performance-Based				
2000: N/A **2001:** N/A	Baseline: Plan approved; 16% performance-based service contract dollars.	Program implemented; 8% of Department's contract dollars are performance-based.	Thirty percent performance-based service contract dollars.	Fifty percent performance-based service contract dollars.

I/P #23: Overseas Schools Accreditation				
Support posts abroad by ensuring to the fullest extent possible the availability of elementary and secondary educational opportunities to prepare USG dependents for reentry into the U.S. educational system.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Outcome Indicator				
Indicator #3: Accreditation of Overseas Schools				
2000: N/A **2001:** Baseline: A total of 148 accredited schools out of approximately 187.	A total of 150 accredited schools out of approximately 187.	A total of 165 accredited schools out of approximately 187.	A total of 170 accredited schools out of approximately 187.	A total of 175 accredited schools out of approximately 187.

I/P #24: Records and Publishing Services				
Leverage information resources and institutional knowledge in support of goals for information availability and objectives regarding protection of and access to critical information.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Efficiency Indicator				
Indicator #4: FOIA Backlog Reduction				
2000: 0 percent **2001:** 0 percent	Baseline: Twenty percent reduction in the FY 2001 backlog of 6,214 FOIA requests.	Achieved a fifty percent reduction.	Eighty percent reduction in the FY 2001 level by July 2004.	Limit operating backlog to no more than twenty percent of new requests.

I/P #25: Allowances				
Maintain timely review and processing of overseas submissions for allowance and differential rates in order to compensate employees properly for current costs and conditions, and to ensure that the U.S. Government is paying appropriate rates.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #5: Status of E-Allowances System				
2000: N/A **2001:** N/A	Baseline: User requirement identification underway.	Customer Focus Team Meeting held and Alternative Analysis, Systems Requirements Specs, and Per Diem BPR completed. User requirements completed. OMB Exhibit 300 developed; Statement Of Work in draft.	RFP for development/ deployment issued. Preliminary work on systems development; Phase One deployment. Deliverables include Per Diem analysis module and development of internet and intranet interface including program management and IV&V.	Development/deployment of Phase Two. Significant portion of design and construction work for COLA, Hardship Differential, Living Quarters Allowance and Education. Phase Two to last 22 months with FY 2006 completion.

I/P #26: Competitive Sourcing				
Use competition between the public and private sectors to enhance the Department's capability to conduct its vital foreign policy mission while being effective and accountable stewards of the taxpayer's money.				
Results			**Targets**	
2000 & 2001	**2002**	**2003**	**2004**	**2005**
Output Indicator				
Indicator #6: Competitive Sourcing				
2000: N/A **2001:** N/A	No competitions were held. OMB approved competition plan.	Streamlined competition was held for warehousing. Preliminary planning was initiated for first standard competition. Competitive Sourcing infrastructure created to include: an office of competitive sourcing; training; business case process.	Full A-76 cost comparisons completed within 12 months of announcement; streamlined competitions completed within 90 days of announcement.	Complete agreed-upon competitions; complete 85% of full A-76 cost comparisons within 12 months of official announcement; all commercial activities exempt from competition have OMB-approved justifications.

Means for Achieving FY 2005 Targets

ILMS fully integrated with the Department's financial system and fully operational domestically. Conduct overseas pilot at up to 5 posts.

- Apply Government and contractor resources to design, develop, test, and deploy an integrated, enterprise wide, supply chain management system.
- Leverage the available commercial off-the-shelf product interfaces provided by major software vendors.
- Partner with strategic stakeholders in the Department to insure all the combined logistics and financial reporting needs of the Department are met.
- ILMS will follow a structured approach to the systems development life cycle which includes proven program management fundamentals, design reviews, customer feedback, prototypes, and pilots.

Fifty percent performance-based service contract dollars.

- Review advance acquisition plans, analysis of OMB Form 300 submittals for IT capital projects, and coordination with program offices to provide a means to identify contracts that could become performance-based.
- Pursue additional outreach to program offices and dissemination of instruction material. Hold informational seminars on Performance-Based Contracting.

Accreditation of 175 schools of approximately 187.

- Provide grants and technical assistance to overseas schools that educate USG dependent children.
- Encourage accreditation, Advanced Placement (AP) examinations, programs for children with special needs, fundraising, and in-service training.
- Enhance assistance to Department families about overseas schooling during bidding and assignment process.
- Encourage the use of technology in overseas schools.
- Provide support for the work of Regional Educational Associations.

Limit FOIA operating backlog to no more than twenty percent of new requests.

- The DOS invested resources to ensure the resolution of this problem by FY 2004.
- The Bureau of Administration committed FTE and contract staff and instituted procedures to clear the backlog and keep current in 2005 and beyond.

Development/deployment of Phase Two for the new E-Allowances system for reporting from posts to Washington.

- The RFP to develop/deploy the system will be issued in FY 2004.
- USG stakeholders have been and will continue to be key to success of implementation.

Competitive Sourcing

- Set up Competition Council and involve entire organization.
- Recruit professional team, and establish and fund Competitive Sourcing office.
- Develop and implement comprehensive training plan.
- Enhance FAIR Act inventory and create infrastructure to support annual inventory.
- Review competitive sourcing candidates for competition feasibility.

V. Data Verification/Validation for Performance Goal 6

Performance Goal 6 Customer-oriented, innovative delivery of administrative and information services, acquisitions, and assistance.
• Data verified by records and budgetary documents of the Bureau of Administration.

VI: Illustrative Examples of FY 2003 Achievements for Strategic Goal 12

Management and Organizational Excellence	
OpenNet Plus	With its OpenNet Plus program, the Department accomplished the Secretary's highest IT priority - providing worldwide desktop Internet access for over 43,000 Department users. Since completion in mid FY 2003, all sites have Internet services and augmented bandwidth to handle increased workload. OpenNet Plus provides an appropriate level of security against cyber intruders, consistent with good risk management practices. Open access to the Internet enables employees to take full advantage of its tremendous capability, and to facilitate communication and collaboration internally as well as with the public, business, other USG agencies, and foreign governments. Using the Department's existing OpenNet infrastructure instead of installing a new network has enabled this initiative to be accomplished rapidly in a cost-effective manner. In FY 2004 OpenNet Plus will become part of the new Global Information Technology Modernization (GITM) project, an aggressive life-cycle modernization program for both classified (CCP) and unclassified (OpenNetPlus) infrastructure.
Network Availability	The Enterprise Network Management (ENM) office provides the services and infrastructure to manage the Department's global network. In FY 2003, ENM continued to focus on improved network availability through Virtual Private Networks (VPN), consolidation of unclassified and classified network operations, windows 2000 transition, Remote Systems Management, application management, Universal Trouble Ticket, and IT Asset Management. By the end of FY2003, network availability improved to 98%, and in FY 2004 is projected to improve to 99%.
Classified Connectivity Program (CCP)	During FY2003 CCP was expanded to all 224 eligible overseas posts. The program provides Department employees worldwide who are authorized access to classified material with a single, modern, and secure classified network and e-mail system; greater access to web-based information via a classified Intranet; and improved communication and collaboration with other national security agencies via connection to the Secret Internet Protocol Router Network (SIPRNET). In FY 2004, CCP will become part of the new Global Information Technology Modernization (GITM) project, an aggressive life-cycle modernization program for both classified (CCP) and unclassified (OpenNetPlus) infrastructure.
Improved Administrative Services	OMB approved the Department's competitive sourcing plan, which also includes a plan for performance-based contracting and efforts to implement are now under way. The amount of business available through the Statebuy Interactive Platform for e-Commerce (www.statebuy.gov) has been expanded. Projects are under way to enhance quality of life services to employees via the web and through program improvements.

Management and Organizational Excellence	
Strengthening Embassy Compounds	The Bureau of Overseas Buildings Operations (OBO) has completed seven capital construction projects thus far in FY2003. These include new embassy compounds (NECs) in Tunis, Dar es Salaam, Nairobi, Zagreb, Istanbul; the USAID facility in Dar es Salaam; and the Bogota USAID/NAS Annex. These facilities were accomplished on time and within budgets based on their construction contracts. In addition, OBO had 17 capital projects under construction and another 9 projects awarded at the end of FY 2003. These, plus 81 new embassy compound (NEC) capital projects currently in planning, will significantly strengthen embassy and consulate compounds to provide secure, safe, and functional facilities for U.S. Government employees serving the nation's interests overseas. The Department's overseas buildings plan is in high gear as evidenced by the number of fine new facilities being completed and those on the way.
Counterintelligence Strengthening	Periodic Background Reinvestigations are critical to protecting national security information. For many years, only 100 reinvestigations were done per month; a rate significantly behind that needed to achieve reinvestigation every 5 years per Executive Order. At the end of FY 2002 we almost doubled that rate to 189 per month. We are now, in FY 2003, at our target rate of 360 reinvestigations per month and we will sustain this rate to keep us on the 5-year cycle. This mandate will reduce the counterintelligence risk to the Department.
CFPS Modules	Successfully implemented the Department automated and streamlined its mission-to-headquarters planning process. This is an important step in explaining State Department program performance to the American people. As subsequent modules are added, the Department will be better able to associate costs with programs from budgeting through execution.
Protection in Afghanistan	In less than three months DS stood up a 46 person protective detail for President Karzai; established a professional security training facility; and, through the Anti-terrorism Assistance Program (ATA), successfully trained 180 Afghanis. We are working to integrate 120 Afghan Presidential Protective Service (PPS) agents into the Karzai Protective Detail to make PPS a self-sustaining entity.
Mandatory Leadership Training	Mandatory leadership training requirements, instituted in 2002, were fully implemented in this first full year (of four) to train a target population of about 7,000 Foreign Service and Civil Service mid-level employees. 1,734 employees received mandatory training by the end of FY 2003, keeping us on track to complete this initial rollout of training by the end of FY 2006. The initiative has been further expanded to the ranks of senior executive staff with the successful introduction of the Senior Executive Training Seminar which will be mandatory for all newly promoted Senior FS and CS employees.
Foreign Language Training	In FY 2003, FSI's School of Language Studies conducted, for Department personnel, 82,053 hours of training for 227 enrollments in national security-critical languages of Arabic, Dari, Kurdish, Pashto, Persian/Farsi, Tajiki, Urdu and Uzbek. A pilot Iraqi Familiarization course was piloted in 3rd Quarter FY 2003. Curriculum development began for Kurdish and Iraqi Variety Arabic, with curricula being updated in Dari, Pashto, and Persian/Farsi. Preparation has begun towards expanding "Beyond 3" training opportunities, designed to increase the Department's cadre of speakers of the most difficult languages (especially Arabic), as well as the development of a Language Learning Continuum to promote and guide the building and replenishment of cadres of personnel with advanced skills in other priority languages needed by the Department.

VII. Resource Detail

Table 1: State Appropriations by Bureau ($ Thousands)

Bureau	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
Overseas Building Operations	$1,404,787	$1,420,659	$1,539,000
Diplomatic Security	740,499	780,692	811,577
Administration	347,747	367,211	381,088
European and Eurasian Affairs	270,747	290,103	297,573
Other Bureaus	1,448,950	1,531,459	1,529,745
Total State Appropriations	**4,212,730**	**4,390,124**	**4,558,983**

Table 2: Foreign Operations by Account ($ Thousands)

Title/Accounts	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
Title I - Export and Investment Assistance			
Export-Import Bank			
Overseas Private Investment Corporation			
Trade and Development Agency			
Title II - Bilateral Economic Assistance			
USAID	676,129	781,598	731,200
Other Bilateral Economic Assistance	0	2,000	0
Independent Agencies	4,791	3,995	3,862
Department of State	263	268	273
Department of Treasury			
Complex Foreign Contingencies			
Title III – Military Assistance			
International Military Education and Training	100	109	400
Foreign Military Financing			
Peacekeeping Operations			
Title IV – Multilateral Economic Assistance			
International Financial Institutions			
International Organizations and Programs			
Total Foreign Operations	**681,283**	**787,970**	**735,735**

Grand Total	**$4,894,013**	**$5,178,094**	**$5,294,718**

PART Tables

Status of Recommendations – FY 2004 PART Programs

1. Visa and Consular Services Program (Border Security)

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Annual goals and targets must adequately link to the long-term goals or provide relevant performance data.	05/31/03	Y	COMPLETED In CA BPP and in FY 2005 DPP
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
Provide performance data for the Department's Performance Report.	10/30/03	Bureau of Consular Affairs	Maura Harty

2. Refugee Admissions to the U.S.

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Review the relationship between the Refugee Admissions program at the Department and the Office of Refugee Resettlement at HHS.	09/30/04	N	Because of Homeland Security Act, attention has been focused on other aspects of the HHS program in FY 2003.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
OMB will convene HHS and State to review.	03/31/04	Office of Management and Budget	James Kulikowski

2. Refugee Admissions to the U.S., *cont'd*

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Continue ongoing efforts to improve strategic planning to ensure that goals are measurable and mission-related.	07/31/03	Y	COMPLETED Measurable goals included in FY 2005 PART and will also be included in the FY 2005 Budget
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
State submitted its FY 2005 request to OMB.	09/08/03	Bureau of Population, Refugees, and Migration	Arthur E. Dewey

3. Anti-Terrorism Assistance (ATA)

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Develop performance indicators or other long-term targets for long-term goals.	06/20/03	Y	COMPLETED Long-term targets and indicators were approved by the Department and submitted to OMB.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Officials**
N/A	N/A	Bureau of Diplomatic Security and the Office of the Coordinator for Counterterrorism	Cofer Black and Francis X. Taylor

3. Anti-Terrorism Assistance (ATA), *cont'd*

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Establish measures to gauge progress toward long-term goals.	06/20/03	Y	COMPLETED Established system to measure the impact of the ATA program.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Officials**
Established baseline measures.	07/30/03	Bureau of Diplomatic Security and the Office of the Coordinator for Counterterrorism	Cofer Black and Francis X. Taylor

4. Educational and Cultural Exchanges in Near East Asia and South Asia

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Set long-term goals relative to established baseline.	05/05/03	Y	COMPLETED Goals were set to established baselines.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
Provided proposed measures to OMB for review.	07/08/03	Bureau of Educational and Cultural Affairs	Patricia Harrison

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Clearly define targets and timeframes for which to measure annual progress.	05/05/03	Y	COMPLETED Targets and timeframes included in indicators
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
Provided proposed measures to OMB for review.	07/08/03	Bureau of Educational and Cultural Affairs	Patricia Harrison

4. Educational and Cultural Exchanges in Near East Asia and South Asia, *cont'd*

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Create regional long-term goals.	05/05/03	Y	COMPLETED Goals established through coordination with regional bureaus.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
Provided proposed goals to OMB for review.	07/08/03	Bureau of Educational and Cultural Affairs	Patricia Harrison

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Program should tailor its planning by region/country to effectively reach target audiences.	05/05/03	Y	COMPLETED P4L Initiative launched. NEA/SA program coordinator and evaluator hired.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
Provided planning process to OMB for review.	07/08/03	Bureau of Educational and Cultural Affairs	Patricia Harrison

5. Humanitarian Migrants to Israel

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Establish better long-term goals, as well as more annual goals, with the United Israel Appeal in the 2003 grant agreement.	06/30/03	Y	COMPLETED Long-term and annual goals agreed with United Israel Appeal in 2003. Efficiency measure established.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
Continue progress in 2004 grant agreement.	06/30/04	Bureau of Population, Refugees, and Migration	Arthur E. Dewey

6. Capital Security Construction

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Develop new goals that closely link performance to budget.	05/01/03	Y	COMPLETED Goals/performance measures developed/linked to budget.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
N/A	N/A	Overseas Buildings Operation	Charles Williams
Recommendation/Finding	**Completion Date**	**On Track? (Y/N)**	**Comments on Status**
Effects of management changes in OBO not yet fully known at time of FY 2004 PART review.	05/01/03	Y	COMPLETED Effects of management changes well documented in FY 2005 PART review.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
N/A	N/A	Overseas Buildings Operation	Charles Williams

7. NATO

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
There is no regularly scheduled evaluation of program effectiveness by independent parties.	09/30/03	Y	COMPLETED The USEUCOM Inspector General office conducts annual inspections independent of the unified command.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
Continue annual inspections in 2004 grant agreement.	09/30/04	Bureau of European and Eurasian Affairs	Elizabeth Jones

7. NATO, *cont'd*

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
DoS and DOD differ on priorities and do not produce coinciding budget schedules.	09/30/03	Y	COMPLETED DoS and DOD goals are discussed during several interagency meetings to balance DOD requirements (i.e. MAP,Support to OEF, OIF, OAE, PKO in the Balkans, etc.) with State Department goals. This produces a single agreed upon recommendation.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
N/A	N/A	Bureau of European and Eurasian Affairs	Elizabeth Jones

8. Peacekeeping Operations OSCE

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
PM, EUR, and USOSCE should develop measurable criteria for the assessment of peacekeeping efforts in OSCE states.	07/01/03	Y	COMPLETED USOSCE Mission Performance Plan (MPP) established detailed performance indicators for resolution of conflicts in OSCE states.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
PM, EUR, and USOSCE to refine efficiency indicators for peacekeeping missions.	02/01/04	Bureau of European and Eurasian Affairs	Elizabeth Jones

9. Security Assistance to Africa

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Program did not specify between annual and long-term goals, or include targets and baseline information	05/05/03	Y	COMPLETED New goals, long-term and annual have been identified.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
Provided proposed measures to OMB for review.	07/08/03	Bureau of African Affairs	Charles Snyder

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Performance goals are overly broad and dependent on numerous factors.	05/05/03	Y	COMPLETED Goals have been narrowed.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
Provided proposed measures to OMB for review.	07/08/03	Bureau of African Affairs	Charles Snyder

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Information in performance reports is not linked to performance plan measures or compared against baseline data.	05/05/03	Y	COMPLETED New performance data collected for use in BPP and Department PAR.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
Provide performance data for use in Department's Performance and Accountability Report.	09/15/03	Bureau of African Affairs	Charles Snyder

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Program managers should be held accountable for program performance.	04/15/03	Y	COMPLETED Job requirement statements drafted to incorporate program management and efficiency
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
Performance evaluation cycle.	04/15/04	Bureau of African Affairs	Charles Snyder

Status of Recommendations – FY 2005 PART Programs

1. Terrorist Interdiction Program (TIP)

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Complete program management staff improvements	05/01/04	Y	A full time program manager position has been approved and is being advertised. Awaiting candidate interviews.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
Interview potential candidates	03/01/04	Office of the Coordinator for Counterterrorism	J. Cofer Black

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Develop targets for long-term goal of system installations	08/01/04	Y	Long-term installation targets are driven by anticipated funding. Program plan for FY 2004 and 2005 calls for 5-6 new TIP installations based on anticipated level of funding for both years.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
Not applicable	N/A	Office of the Coordinator for Counterterrorism	J. Cofer Black

1. Terrorist Interdiction Program (TIP), *cont'd*

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Seek to improve long-term outcome measure to capture qualitative improvements in host country capabilities.	09/30/04	Y	Program is developing process to gather field reporting on the qualitative results of Terrorist Interdiction Program installation in host nations. Installation in many countries is too new to provide a full understanding of the program's impact until host nations have had sufficient time operating the system.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
Establish field reporting process	05/01/04	Office of the Coordinator for Counterterrorism	J. Cofer Black

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Demonstrate progress on newly developed efficiency measures and incorporate refined measures into the PART for FY 2006 budget.	08/01/04	Y	Current efficiency measure is based on the number of TIP installations accomplished each year per program funding. Efficiency measure will be reexamined for the FY 2006 PART process.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
N/A	N/A	Office of the Coordinator for Counterterrorism	J. Cofer Black

2. Nonproliferation and Disarmament Fund (NDF)

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Continue to support the NDF work to establish a long-term performance measure.		Y	NDF is in the process of evaluating these recommendations, and will be preparing a schedule to employ them.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
N/A	N/A	Bureau of Non-Proliferation	John S. Wolf

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Further develop long-term goals for the program for the FY 2006 budget.		Y	NDF is in the process of evaluating these recommendations, and will be preparing a schedule to employ them.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
N/A	N/A	Bureau of Non-Proliferation	John S. Wolf

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Demonstrate progress on newly-developed efficiency measures and incorporate into the PART for the FY006 budget.			NDF is in the process of evaluating these recommendations, and will be preparing a schedule to employ them.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
N/A	N/A	Bureau of Non-Proliferation	John S. Wolf

3. Support for East European Democracy (SEED)

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Unclear linkage between BPP/MPP process and Coordinator's Office budget allocation process.	12/31/03	Y	Coordinator's Office has synchronized its budget allocation process with the MPP/BPP process, and will be using a common set of indicators for its annual reports and the MPP/BPP process.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
Coordinator's Office will provide FY 2005 planning levels in time for FY 2006 MPP cycle.	01/30/04	Bureau of European and Eurasian Affairs	Carlos Pascual

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
SEED and FSA annual reports do not contain sectoral performance measures.	01/30/04	Y	Posts have been asked to include performance measures in their annual report submissions.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
Submission of FY 2003 annual reports, which will include sectoral performance measures.	01/30/04	Bureau of European and Eurasian Affairs	Carlos Pascual

4. United Nations Development Program (UNDP)

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Performance Plan for UNDP should set measurable targets. Budget requests should be explicitly tied to accomplishment of the annual and long-term performance goals. Federal managers and program partners should be held accountable for achieving key program results, and explicit performance standards should be set for those managers.	01/30/05	N	The evaluation method does not distinguish between the goals and targets for which UNDP is responsible and those for which the Department of State is held accountable. The Department will work with OMB to develop an evaluation methodology that eliminates this confusion.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
Hold discussions with OMB regarding questions raised in "Status" column. Taking into account the results of those discussions, develop a workable methodology with measurable targets for the FY 2006 Bureau Performance Plan. Assuming questions regarding methodology are resolved, draft budget justifications based on new evaluation results using the improved methodology in FY 2006 budget documents. Respond to recommendation on accountability that is based on the improved methodology.	03/01/04	Bureau of International Organizational Affairs	Kim R. Holmes

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Include efficiency measures in the Performance Plan.	01/08//03	Y	COMPLETED New efficiency indicator is included in the FY 2005 Department Performance Plan.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
Completed.	N/A	Bureau of International Organizational Affairs	Kim R. Holmes

5. Humanitarian Demining Program

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Demining program will continue ongoing efforts to improve strategic planning to ensure that goals are measurable and mission-related.	01/15/04	Y	COMPLETED Revised strategic plan with measurable performance indicators has been developed.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
Effectiveness of new strategic plan, component country plans and feedback mechanisms evaluated after one budget cycle	01/15/05	Bureau of Political-Military Affairs	Lincoln P. Bloomfield, Jr.

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
The program should put in place procedures to measure and achieve efficiencies and cost effectiveness, current competitive sourcing and IT support are insufficient.	10/15/03	Y	COMPLETED Revised country planning process implemented for FY 2004 budget cycle, creating direct linkages between resource inputs and expected outputs.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
Completion of Office process mapping, information needs assessment and user requirements to support revision of existing IT systems and software to allow direct tracking of all financial resources against country-specific objectives.	06/15/04	Bureau of Political-Military Affairs	Lincoln P. Bloomfield, Jr.

6. United Nations High Commissioner for Refugees (UNHCR)

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Department should use "Framework for Cooperation" to set policy priorities and common objectives.	Ongoing	Y	Once Framework is signed, consultations between Department and UNHCR occur regularly to review progress.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
Co-sign Framework for 2004.	02/28/04	Bureau of Population, Refugees, and Migration (PRM)	Arthur E. Dewey

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Department should work with UNHCR in the expected establishment of an integrated financial system.	12/31/06	Y	System will be launched in phases, beginning with Finance and Supply Chain in 2004, followed by Human Resources and Payroll in 2005.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
Finance and Supply Chain to be launched January 2004 with completion of roll-out by December 2005.	01/05/04	Bureau of Population, Refugees, and Migration (PRM)	Arthur E. Dewey

7. Diplomatic and Consular Programs – Worldwide Security Upgrades

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Work closely with the Bureau of Diplomatic Security (DS) to develop effective annual goals and targets.	05/31/04	Y	Work closely with DS to develop effective annual goals and targets.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
Inclusion in Bureau Performance Plan	06/30/04	Bureau of Diplomatic Security	Francis X. Taylor

Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
Work to develop performance measures for major programs to support annual performance goals and ensure long-term effectiveness.	1/30/04	Y	Baseline performance measures are being developed for major programs to support annual performance goals and ensure long-term effectiveness.
Milestone	**Milestone Date**	**Lead Organization**	**Lead Official**
Assistant Director's approval and inclusion in Bureau Performance Plan	06/30/04	Bureau of Diplomatic Security	Francis X. Taylor

Inventory of PART Programs - Foreign Operations

FY	PART Program	FY 04 Program Reconfigured	Funding Composition	FY 2003 Funding Level ($M)	Strategic Goal \ Objective	Account Id (1)		Account Id (2)		Account Id (3)	> 3 Accounts	Comments
	184-05 International Assistance Progr, International Security Assistance											
2004	State, Anti-Terrorism Assistance, 2004	No	BA	66	Counterterrorism	11-1075 IAP	Nonproliferation, antiterroris				No	
2004	State, Military Assistance to new NATO and NATO Aspirant Nations, 2004	No	BA		Regional Stability	11-1082 IAP	Foreign military financing pro				No	
2004	State, PKO - including East Timor and OSCE, 2004	No	BA	47	Regional Stability	72-1032 IAP	Peacekeeping operations				No	
2004	State, Security Assistance to Sub-Saharan Africa, 2004	No	BA	74	Regional Stability	72-1032 IAP	Peacekeeping operations	11-1082 IAP	Foreign military financing pro	11-1081 IAP International	No	
2005	State, Demining, 2005	No	BA	56	Humanitarian Response	11-1075 IAP	Nonproliferation, antiterroris				No	
2005	State, Economic Support Fund (ESF) - WHA, 2005	No	BA	80	Economic Prosperity and Security	72-1037 IAP	Economic support fund				No	
2005	State, Economic Support Fund (ESF) - Human Rights & Democracy Fund, Partnership to Eliminate Sweatshops, 2005	No	BA	33	Economic Prosperity and Security	72-1037 IAP	Economic support fund				No	
2005	State, Foreign Military Financing; International Military Education & Training, WHA, 2005	No	BA	161	Regional Stability	11-1082 IAP	Foreign military financing pro	11-1081 IAP	International military educati		No	
2005	State, Nonproliferation and Disarmament Fund, 2005	No	BA	15	Weapons of Mass Destruction	11-1071 IAP	Nonproliferation and disarmame				No	
2005	State, Terrorist Interdiction Program, 2005	No	BA	5	Counterterrorism	11-1075 IAP	Nonproliferation, antiterroris				No	
2006	State, Economic Support Fund (ESF) - NEA, 2006	No	BA	1,639	Economic Prosperity and Security	72-1037 IAP	Economic support fund				No	
2006	State, Economic Support Fund (ESF) - SA, 2006	No	BA	262	Economic Prosperity and Security	72-1037 IAP	Economic support fund				No	
2006	State, Economic Support Fund (ESF) - EAP, 2006	No	BA	157	Economic Prosperity and Security	72-1037 IAP	Economic support fund				No	
2006	State, Foreign Military Financing; International Military Education & Training, NEA, 2006	No	BA	3,617	Regional Stability	11-1082 IAP	Foreign military financing pro	11-1081 IAP	International military educati		No	
2006	State, Peacekeeping Operations - remaining programs, 2006	No	BA	21	Regional Stability	72-1032 IAP	Peacekeeping operations				No	
2006	State, Export Controls (EXBS), Science Centers/Bio-Chem Redirection, 2006	No	BA	88	Economic Prosperity and Security	11-1075 IAP	Nonproliferation, antiterroris				No	
2007	State, Economic Support Fund (ESF) - AF, 2007	No	BA	64	Economic Prosperity and Security	72-1037 IAP	Economic support fund				No	
2007	State, Foreign Military Financing; International Military Education & Training, SA, 2007	No	BA	83	Regional Stability	11-1082 IAP	Foreign military financing pro	11-1081 IAP	International military educati		No	
2007	State, Foreign Military Financing; International Military Education & Training, EAP, 2007	No	BA	32	Regional Stability	11-1082 IAP	Foreign military financing pro	11-1081 IAP	International military educati		No	
2007	State, NADR - remaining programs, 2007	No	BA	75	Regional Stability, Counterrorism, and	11-1075 IAP	Nonproliferation, antiterroris				No	
2008	State, Economic Support Fund (ESF) - OESI, 2008			2	Economic Prosperity and Security							
2008	State, Economic Support Fund (ESF) - E&E, 2008			43	Economic Prosperity and Security							
	184-10 International Assistance Progr, Multilateral Assistance											
2005	State, United Nations Development Programme (UNDP), 2005	No	BA	100	Economic Prosperity and Security	72-1005 IAP	International organizations an				No	
2007	Global Fund to Fight AIDS, TB, and Malaria	No	BA		Social and Environmental Issues	72-1028 IAP	Global fund to fight HIV/AIDS,				No	
2007	State, United Nations Children's Fund (UNICEF), 2007	No	BA	119	Social and Environmental Issues	72-1095 IAP	Child survival and disease pro				No	
2008	State, IO&P - WFP & Remaining IOs, 2008	No	BA	94	NOT SURE	72-1005 IAP	International organizations an				No	
	014-25 Department of State, Other											
2004	State, Refugee Admissions to the U.S., 2004	No	BA	129	Humanitarian Response	19-1143 STATE	Migration and refugee assistan				No	
2004	State, Refugees to Israel, 2004	No	BA	60	Humanitarian Response	19-1143 STATE	Migration and refugee assistan				No	
2005	State, United Nations High Commission for Refugees (UNHCR), 2005	No	BA		Humanitarian Response	19-1143 STATE	Migration and refugee assistan				No	
2006	State, Andean Counterdrug Initiative, 2006	No	BA	695	International Crime and Drugs	19-1154 STATE	Andean counterdrug initiative				No	
2006	State, International Committee of the Red Cross, 2006	No	BA		Humanitarian Response	19-1143 STATE	Migration and refugee assistan				No	
2007	State, United Nations Relief and Works Agency, 2007	No	BA		Humanitarian Response	19-1143 STATE	Migration and refugee assistan				No	
2007	State, INCLE- Anti-crime Programs, 2007	No	BA	695	International Crime and Drugs	19-1022 STATE	International narcotics contro				No	
2008	State, INCLE- Counter-drug Programs, 2008	No	BA		International Crime and Drugs	19-1022 STATE	International narcotics contro				No	
2008	State, Other PRM-managed Programs	No	BA		Humanitarian Response	19-1143 STATE	Migration and refugee assistan				No	

Inventory of PART Programs - Foreign Operations

FY	PART Program	FY 04 Program Reconfigured	Funding Composition	FY 2003 Funding Level ($M)	Strategic Goal \ Objective	Account Id (1)		Account Id (2)		Account Id (3)	> 3 Accounts	Comments
	184-15 International Assistance Progr, Agency for International Development										No	
2005	State, Freedom Support Act - Assistance for the Independent States of the Former Soviet Union, 2005	No	BA	755	Democracy and Human Rights	72-1093 IAP	Assistance for the independent				No	
2005	State, SEED - Assistance for Eastern Europe & the Baltic States, 2005	No	BA	522	Economic Prosperity and Security	72-1010 IAP	Assistance for Eastern Europe				No	
2004	US AID, Public Law 480 Title II Food Aid, 2004	No	BA		Humanitarian Response						No	
2004	US AID, USAID Climate Change, 2004	No	BA		Social and Environmental Issues						No	
2004	US AID, USAID Development Assistance - Population, 2004	No	BA	425	Social and Environmental Issues	72-1095 IAP	Child survival and disease pro	72-1037 IAP	Economic support fund	72-1093 IAP Assistance for	Yes	
2005	US AID, Development Assistance and Child Survival & Health - LAC, 2005	No	BA	433	Social and Environmental Issues	72-1021 IAP	Sustainable development assist	72-1095 IAP	Child survival and disease pro		No	
2005	US AID, Office of Transition Initiatives, 2005	No	BA	50	NOT SURE	72-1027 IAP	Transition Initiatives				No	
2006	US AID, CSH - HIV/AIDS, 2006	No	BA		Social and Environmental Issues	72-1095 IAP	Child survival and disease pro				No	
2006	US AID, Operating Expenses for LAC, ANE, 2006	No	BA	tbd	NOT SURE	72-1000 IAP	Operating expenses of the Agen				No	
2006	US AID, Development Assistance and Child Survival & Health - ANE, 2006	No	BA	704	Social and Environmental Issues	72-1021 IAP	Sustainable development assist	72-1095 IAP	Child survival and disease pro		No	
2006	US AID, Development Credit Programs, 2006	No	BA	29	Social and Environmental Issues	72-1264 IAP	Development credit authority p				Yes	
2007	US AID, Operating Expenses for AFR, 2007	No	BA	tbd	NOT SURE	72-1000 IAP	Operating expenses of the Agen				No	
2007	US AID, Development Assistance and Child Survival & Health - AFR, 2007	No	BA	1,062	Social and Environmental Issues	72-1021 IAP	Sustainable development assist	72-1095 IAP	Child survival and disease pro		No	
2007	US AID, International Disaster Assistance, 2007	No	BA	288	Humanitarian Response	72-1035 IAP	International disaster assista				No	
2007	US AID, Famine Fund, 2007	No	BA	0	Humanitarian Response	72-1029 IAP	Famine fund				No	
2008	US AID, Operating Expenses for non-regional, 2008	No	BA	tbd	NOT SURE	72-1000 IAP	Operating expenses of the Agen					
2008	US AID, Capital Investment Fund, 2008	No	BA	43	NOT SURE	72-0300 IAP	Capital investment fund					
2008	US AID, DA and CSH - remaining programs, 2008	No	BA	1,049	Social and Environmental Issues and Humanitarian	72-1021 IAP	Sustainable development assist	72-1095 IAP	Child survival and disease pro		No	
2008	US AID, Operating Expenses of the OIG, 2008			33	NOT SURE	72-1007 IAP	Operating expenses, Office of					
2008	State, Emergency Plan for AIDS Relief, 2008	No	BA	0	Social and Environmental Issues	72-1030 IAP	Global AIDS initiative				No	
					Social and Environmental Issues							

Inventory of PART Programs - D & CP

FY	PART Program	FY 04 Program Reconfigured	Funding Composition	FY 2003 Funding Level ($M)	Strategic Goal \ Objective	Account Id (1)	Account Id (2)	Account Id (3)	> 3 Accounts	Comments
2004	Capital Security Construction	Yes	Budgetary Resources	750	Management and Organizational Excellence	19-0535 STATE Embassy security, construction			No	*Redefined in 2006, with Compound
2004	Visa and Consular Services	Yes	Budgetary Resources	736	Homeland Security	19-0113 STATE Diplomatic and consular progra			No	*Redefined in 2006, with D&CP Funding
2004	Exchanges in Near East and South Asia	Yes	Budgetary Resources	49	Public Diplomacy and Public Affairs	19-0209 STATE Educational and cultural excha			No	*Redefined in 2006, as Global Program
2005	Worldwide Security Upgrades	Yes	Budgetary Resources	549	Management and Organizational Excellence	19-0113 STATE Diplomatic and consular progra			No	*Redefined in 2006, with DS, OFM, and
2006	Security Construction (Including Compound)	No	Budgetary Resources	850	Management and Organizational Excellence	19-0535 STATE Embassy security, construction			No	
2006	Border Security	No	Budgetary Resources	741	Homeland Security	19-0113 STATE Diplomatic and consular progra	19-0601 STATE Repatriation loans program acc		No	
2006	Educational and Cultural Exchanges (Global)	No	Budgetary Resources	344	Public Diplomacy and Public Affairs	19-0209 STATE Educational and cultural excha			No	
2006	Security	No	Budgetary Resources	784	Management and Organizational Excellence	19-0113 STATE Diplomatic and consular progra	19-0520 STATE Protection of foreign missions		No	
2006	European and Eurasian Affairs	No	Budgetary Resources	539	Regional Stability	19-0113 STATE Diplomatic and consular progra	19-0545 STATE Representation allowances		No	
2006	Western Hemisphere Affairs	No	Budgetary Resources	254	Regional Stability	19-0113 STATE Diplomatic and consular progra	19-0545 STATE Representation allowances		No	
2006	International Organization Affairs	No	Budgetary Resources	1,586	Regional Stability	19-0113 STATE Diplomatic and consular progra	19-1124 STATE Contributions for internationa	19-1126 STATE Contributions to international	No	
2007	Embassy Security Ongoing Operations	No	Budgetary Resources	405	Management and Organizational Excellence	19-0535 STATE Embassy security, construction			No	
2007	Near Eastern Affairs	No	Budgetary Resources	159	Regional Stability	19-0113 STATE Diplomatic and consular progra	19-0545 STATE Representation allowances		No	
2007	Economic and Business Affairs	No	Budgetary Resources	28	Economic Prosperity and Security	19-0113 STATE Diplomatic and consular progra			No	
2007	African Affairs	No	Budgetary Resources	235	Regional Stability	19-0113 STATE Diplomatic and consular progra	19-0545 STATE Representation allowances		No	
2007	International Information Programs	No	Budgetary Resources	48	Public Diplomacy and Public Affairs	19-0113 STATE Diplomatic and consular progra			No	
2007	Global Affairs	No	Budgetary Resources	58	Social and Environmental Issues	19-0113 STATE Diplomatic and consular progra	19-1087 STATE International fisheries commis		No	
2007	American Sections	No	Budgetary Resources	9	Public Diplomacy and Public Affairs	19-1082 STATE American sections, internation			No	
2007	Grantees	No	Budgetary Resources	71	Public Diplomacy and Public Affairs	19-0202 STATE East-West Center	19-0210 STATE National Endowment for Democra	19-0525 STATE Payment to the Asia Foundation	Yes	
2008	East Asian and Pacific Affairs	No	Budgetary Resources	254	Regional Stability	19-0113 STATE Diplomatic and consular progra	19-0545 STATE Representation allowances	19-0523 STATE Payment to the American Instit	No	
2008	South Asian Affairs	No	Budgetary Resources	67	Regional Stability	19-0113 STATE Diplomatic and consular progra	19-0545 STATE Representation allowances		No	
2008	Arms Control and International Security	No	Budgetary Resources	88	Achieve Peace and Security	19-0113 STATE Diplomatic and consular progra			No	
2008	Executive Direction	No	Budgetary Resources	316	Management and Organizational Excellence	19-0113 STATE Diplomatic and consular progra	19-0522 STATE Emergencies in the diplomatic		No	
2008	Human Resources	No	Budgetary Resources	445	Management and Organizational Excellence	19-0113 STATE Diplomatic and consular progra			No	
2008	Information Technology	No	Budgetary Resources	367	Management and Organizational Excellence	19-0113 STATE Diplomatic and consular progra	19-0120 STATE Capital investment fund		No	
2008	Management Support	No	Budgetary Resources	353	Management and Organizational Excellence	19-0113 STATE Diplomatic and consular progra			No	
2008	Inspector General	No	Budgetary Resources	29	Management and Organizational Excellence	19-0529 STATE Office of the Inspector Genera			No	
2008	International Boundary and Water Commission	No	Budgetary Resources	31	Social and Environmental Issues	19-1078 STATE Construction, IBWC	19-1069 STATE Salaries and expenses, IBWC		No	
			PART Totals	10,145						
			FS Retirement (Mandatory)	138						
			*Redefined (Overlaps)	-2,084						
			Fees	-736						
			FSA, SEED (Transfer)	-100						
			Adjusted PART Total	**7,363**						
			Appropriations Total	**7,362**						

Resource Tables by Strategic Goal

U.S. DEPARTMENT OF STATE

Department of State Appropriations Act Resources
($ in thousands)

STRATEGIC OBJECTIVE		FY 2003 Actual		FY 2004 Estimate		FY 2005 Request	
Strategic Goal		Positions [1]	Funds	Positions	Funds	Positions	Funds
ACHIEVE PEACE AND SECURITY							
RS	Regional Stability	1,247	$938,354	1,246	$1,064,075	1,239	$1,089,253
CT	Countering Terrorism	905	117,273	1,001	124,303	1,003	146,752
HS	Homeland Security	638	86,768	730	90,639	795	194,475
WD	Weapons of Mass Destruction	485	156,270	489	165,656	489	182,409
IC	International Crime and Drugs	717	88,128	747	91,637	744	91,166
AC	American Citizens	579	51,756	588	53,975	585	52,967
ADVANCE SUSTAINABLE DEVELOPMENT AND GLOBAL INTERESTS							
DE	Democracy & Human Rights	783	518,966	806	658,327	805	667,048
EP	Economic Prosperity and Security	1,139	424,185	1,167	460,465	1,193	533,099
SE	Social & Environmental Issues	689	290,065	694	307,657	694	226,489
HR	Humanitarian Response	166	69,425	169	71,539	163	74,580
PROMOTE INTERNATIONAL UNDERSTANDING							
PD	Public Diplomacy and Public Affairs	2,392	444,782	2,421	485,741	2,435	500,884
STRENGTHEN DIPLOMATIC AND PROGRAM CAPABILITIES							
MG	Management and Organizational Excellence	9,573	4,212,730	9,807	4,390,124	10,304	4,558,983
Total Resources Supporting Strategic Goals		**19,313**	**7,398,702**	**19,865**	**7,964,138**	**20,449**	**8,318,105**
Office of the Inspector General		314	29,074	314	31,369	314	30,435
Broadcasting Board of Governors			533,841		591,567		569,300
Other Programs [2]			54,778		58,875		62,920
Grand Total		**19,627**	**$8,016,395**	**20,179**	**$8,645,949**	**20,763**	**$8,980,760**

Note (1): The "Positions" column denotes the number of direct-funded positions.

Note (2): These totals represent the following two programs - the "International Trade Commission" and the "Foreign Claims Settlement Commission".

FOREIGN OPERATIONS AND OTHER AGENCIES

($ in thousands)

STRATEGIC OBJECTIVE / Strategic Goal		FY 2003 Actual Funds	FY 2004 Estimate Funds	FY 2005 Request Funds
ACHIEVE PEACE AND SECURITY				
RS	Regional Stability	$7,485,678	$4,806,361	$4,853,530
CT	Countering Terrorism	1,214,572	1,953,282	1,344,670
HS	Homeland Security	2,596	3,489	5,437
WD	Weapons of Mass Destruction	249,352	251,538	253,064
IC	International Crime and Drugs	1,168,123	1,356,666	1,230,062
AC	American Citizens	-	-	-
ADVANCE SUSTAINABLE DEVELOPMENT AND GLOBAL INTERESTS				
DE	Democracy & Human Rights	800,272	783,681	1,047,203
EP	Economic Prosperity and Security	4,746,914	4,412,266	6,151,340
SE	Social & Environmental Issues	3,396,686	3,762,292	4,327,843
HR	Humanitarian Response	1,562,063	1,439,291	1,375,856
PROMOTE INTERNATIONAL UNDERSTANDING				
PD	Public Diplomacy and Public Affairs	132,824	7,334	6,590
STRENGTHEN DIPLOMATIC AND PROGRAM CAPABILITIES				
MG	Management and Organizational Excellence	681,283	787,970	735,735
Total Resources Supporting Strategic Goals		$21,440,363	$19,564,170	$21,331,330
United States Institute of Peace		16,256	17,099	22,099
Agriculture - P.L. 480 Title II		1,740,575	1,184,967	1,185,000
Grand Total		**$23,197,194**	**$20,766,236**	**$22,538,429**

Glossary of Terms

ACRONYM	Definition
ABM	Anti-Ballistic Missile
ACOTA	African Contingency Operations Training and Assistance Program
ADB	Asian Development Bank
AFTAC	Air Force Technical Applications Center
AG	Australia Group
AGA	Association of Government Accountants
AGOA	African Growth and Opportunity Act
AIDS	Acquired Immune Deficiency Syndrome
AP	Advanced Placement
APEC	Asia-Pacific Economic Cooperation Forum
API	Advance Passenger Information
API-PNR	Advance Passenger Information-Passenger Name Record
ASEAN	Association of Southeast Asian Nations
ATA	Anti-Terrorism Assistance
ATPDEA	Andean Trade Promotion and Drug Eradication Act
BCBP	Bureau of Customs and Border Protection
BCC	Border Crossing Card
BIMC	Beltsville Information Management Center
BITs	Bilateral Investment Treaties
BPP	Bureau Performance Plans
BPR	Business Process Reengineering
BW	Biological Weapons
BWC	Biological Weapons Convention
C&A	Certification and Accreditation
CA	Bureau of Consular Affairs
CAFTA	U.S.-Central American Free Trade Agreement
CAP	Connection Approval Process
CARPE	Central African Regional Program for the Environment
CBFP	Congo Basin Forest Partnership
CBM	Confidence-building Measures
CBP	Customs and Border Protection (formerly USCS)
CBRN	Chemical, Biological, and Radio-Nuclear
CBTPA	Caribbean Basin Trade Partnership Act
CBW	Chemical and Biological Weapons
CCD	Consular Consolidated Database
CCP	Classified Connectivity Program
CD	Community of Democracies
CDC	U.S. Center for Disease Control
CEAR	Certification of Excellence for Accountability Reporting
CEO	Chief Executive Officer
CFE	Conventional Forces in Europe
CFMS	Central Financial Management System
CFO	Chief Financial Officer

ACRONYM	Definition
CFP	Common Fisheries Policy
CFPS	Central Financial Planning System
CIA	Central Intelligence Agency
CIC	Configuration and Integration Council
CICAD	Spanish acronym for the anti-drug agency of the OAS
CICTE	Inter-American committee Against Terrorism
CIDA	Canadian International Development Assistance
CIO	Chief Information Officer
CIP	Critical Infrastructure Protection
CIS	Commonwealth of Independent States
CJCS	Chairman of the Joint Chiefs of Staff
CLASS	Consular Lookout and Support System
CMR	Crude Mortality Rates
CNC	CIA Crime and Narcotic Center
CNP	Colombian National Police
COE	Council of Europe
COLAR	Colombian Army
COTR	Contracting Officers Technical Representative
CPC	Country(ies) of Particular Concern
CPMT	Civilian Protection Monitoring Team
CPPNM	Convention on Physical Protection of Nuclear Material
CRA	Country Reports and Asylum Affairs
CRMS	Central Resource Management System
CS	Civil Service
CSBMs	Confidence- and Security-Building Measures
CSH	Child Survival & Health Programs Fund
CSI	Container Security Initiative
CT	Counterterrorism
CTBT	Comprehensive Test Ban Treaty
CTC	UN Counterterrorism Committee
CW	Chemical Weapons
CWC	Chemical Weapons Convention
CY	Calendar Year
D&CP	Diplomatic and Consular Programs
DA	Development Assistance
DEA	U.S. Drug Enforcement Agency
DFID	U.K.s Department for International Development
DHHS	Department of Health and Human Services
DHS	U. S. Department of Homeland Security
DMV	Division of Motor Vehicles
DOC	U.S. Department of Commerce
DoD	Department of Defense
DOS	U. S. Department of State
DPKO	Department of Peacekeeping Operations
DRI	Diplomatic Readiness Initiative
DRL	Bureau of Democracy, Human Rights and Labor

ACRONYM	Definition
DS	Diplomatic Security
DVC	Digital Videoconferencing
e.g.	Exempli Gratia (for example)
E.O.	Executive Order
E.U.	European Union
EB	Bureau of Economic and Business Affairs
EBRD	European Bank for Reconstruction and Development
EC	Economic Community
ECA	Bureau of Educational and Cultural Affairs
ECAs	Export Credit Agencies
ECHO	U.K.s ECHO International Health Services Ltd
ECOWAS	Economic Community of West African States
EIPC	Enhanced International Peacekeeping Capabilities
ENM	Enterprise Network Management
EOB	Existing Office Building
EPA	Environmental Protection Agency
ERMA	Emergency Refugee & Migration Assistance
ESA	Emergency Security Amendment
ESDI	European Security and Defense Initiative
ESDP	European Security and Defense Program
ESF	Economic Support Fund
EXIM	Export Import Bank
FAIR Act	Federal Activities Inventory Reform Act of 1998
FAO	United Nations Food and Agriculture Organization
FAST	Free and Secure Trade
FATF	Financial Action Task Force
FBI	Federal Bureau of Investigation
FEMA	Federal Emergency Management Agency
FEST	Foreign Emergency Support Team
FFMIA	Federal Financial Management Improvement Act
FMCT	Fissile Material Cut-Off Treaty
FMF	Foreign Military Financing
FMFIA	Federal Managers' Financial Integrity Act
FMSF	Fissile Material Storage Facility
FOC	Full Operational Capability
FOIA	Freedom of Information Act
FPC	Foreign Press Center
FR	Facial Recognition
FRUS	Foreign Relations of the United States
FS	Foreign Service
FSC	Financial Service Center
FSI	Foreign Service Institute
FSWE	Foreign Service Written Exam
FTA	Free Trade Agreements
FTAA	Free Trade of the Americas
FTE	Full Time Equivalent

ACRONYM	Definition
FTO	Foreign Terrorist Organizations
FY	Fiscal Year
G-7	Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, U.S.)
G-8	Group of Eight (major industrialized nations) (Canada, France, Germany, Italy, Japan, U.K., U.S., Russia)
GAO	General Accounting Office
GCA	Global Coalition for Africa
GCI	Growth Competitiveness Index
GDC	Global Direct Connect
GDIN	Global Disaster Information Network
GFMS	Global Financial Management System
GGCL	Government -to-Government Communications Links
GHSAG	Global Health Security Action Group
GIF	Generation IV International Forum
GPO	Government Printing Office
GPRA	The Government Performance and Results Act
GSA	General Services Agency
GTEP	Georgia Train and Equipment Program
HCAAF	Human Capital Assessment and Accountability Framework
HCI/Base	Pure Cocaine
HDP	Humanitarian Demining Program
HEU	Highly Enriched Uranium
HHS	Health and Human Services
HIV	Human Immunodeficiency Virus
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
HMA	Humanitarian Mine Action
HR	Human Rights
HRDF	Human Rights and Democracy Fund
HRR	Human rights Report
HSC	Homeland Security Council
HST	Harry S Truman Building
IAEA	International Atomic Energy Agency
IAW	In Accordance With
IBETs	Integrated Border Enforcement Teams
ICC	International Criminal Court
ICCAT	International Commission for the Conservation of Atlantic Tunas
ICOC	International Code of Conduct
ICRC	International Committee of the Red Cross
IDPs	Internally Displaced Persons
IEA	International Energy Agency
IFIs	International Financial Institutions
IFOR	Implementation Force
IGAD	Inter-Governmental Authority on Development
IGC	Intergovernmental Consultations on Asylum, Refugees, and Migration
IHR	International Health Regulations
IIP	Coordinator of International Information Programs
IL	International Labor

ACRONYM	Definition
ILEA	International Law Enforcement Academy
ILMS	Integrated Logistics Management System
ILO	International Labor Organization
IMET	International Military Education and Training
IMF	International Monetary Fund
IMS	International Monitoring System
INA	Integrated Notification Application
INCLE	International Narcotics Control and Law Enforcement
INCSR	International Narcotics Control Strategy Report
INL	Bureau of International Narcotics and Law Enforcement Affairs
INR	Bureau of Intelligence and Research
INS	Immigration and Naturalization Service
IO	Bureau of International Organizations Affairs
IO&P	International Organizations & Programs
IOB	Interim Office Building
IOC	Initial Operating Capability
IOM	International Organization for Migration
IPA	International Plan of Action
IRCs	Information Resource Centers
IRF	International Religious Freedom
IRFA	International Religious Freedom Act
IRM	Bureau of Information Resource Management
ISTC	Assistance for the Independent States of the Former Soviet Union
IT	Information Technology
ITU	International Telecommunication Union
IUCN	International Union for Conservation of Nature and Natural Resources
IUU	Illegal, Unregulated, and Unreported
IV&V	Independent Verification and Validation
IWC	International Whaling Commission
JCG	Joint Consultative Group
JCIC	Joint Compliance and Inspection Commission
JCS	Joint Chiefs of Staff (DoD)
JI	Jemaah Islamivah - a terrorist organization
JMC	Joint Military Commission
KEDO	Korean Peninsula Energy Development Organization
KFOR	Kosovo Force
L/M	Leadership/Management
LDPs	Language Designated Positions
LOC	Lines of Control
LROBP	Long-Range Overseas Buildings Plan
M&E	Monitoring and Evaluation
MANPADS	Shoulder-fired Missiles
MAP	Membership Action Plan
MASINT	Measurement and Signature Intelligence
MCA	Millennium Challenge Account
MDBs	Multilateral Development Bank

ACRONYM	Definition
MEPI	Middle East Partnership Initiative
MNEPR	Multilateral Environmental Program in the Russian Federation Framework
MOBIS	Management, Organizational, and Business Improvement Services
MOU	Memorandum of Understanding
MRA	Migration and Refugee Assistance
MRV	Machine Readable Visa
MTCR	Missile Technology Control Regime
N/A	Not applicable
NADR	Nonproliferation, Anti-Terrorism, Demining and Related Programs
NAFTA	North American Free Trade Agreement
NARA	National Archives and Records Administration
NATO	North Atlantic Treaty Organization
NCCT	Non-Cooperative Countries and Territories
NDF	Nonproliferation and Disarmament Fund
NEC	New Embassy Construction
NePAD	The New Partnership for Africa's Development
NEXUS	Simplified Border Crossing Program between Canada and the U.S.
NGO	Nongovernmental Organizations
NIS	Newly Independent States
NIST	National Institute of Standards and Technology
NIV	Non-Immigrant Visa
NNSA	National Nuclear Security Administration
NOB	New Office Building
NP	Non Proliferation
NPAC TWG	Nonproliferation and Arms Control Technology Working Group
NPT	Nuclear Non-Proliferation Treaty
NRC	Nuclear Regulatory Commission
NRF	NATO Response Force
NRRC	Nuclear Risk Reduction Centers
NSA	National Security Agency
NSC	National Security Council
NSCR	National Security Council Resolution
NSEERS	National Security Entry-Exit System
NSF	National Science Foundation
NSG	Nuclear Suppliers Group
NSS	National Security Strategy
NTM	U.S. National Technical Means
NVIS	Nuclear Verification Information System
NVITool	Nuclear Verification Information Tool
OAS	Organization of American States
OBO	Bureau of Overseas Buildings Operations
OBS	Croat Intelligence Service
OCHA	Office for the Coordination of Humanitarian Affairs
OECD	Organization for Economic Cooperation and Development
OIG	Office of Inspector General
OMB	Office of Management and Budget

ACRONYM	Definition
ONAP	Office of National AIDS Policy
OPCW	Organization for the Prohibition of Chemical Weapons
OPM	Office of Personnel Management
OSAC	Overseas Security Advisory Councils
OSCE	Organization for Security and Cooperation in Europe
OSIS	Open Sources Information System
OVP	Office of the Vice President
P-5	Permanent Five of UNSC (U.S., U.K., Russia, China, France)
PA	Bureau of Public Affairs
PAR	Performance and Accountability Report
PART	Program Assessment Rating Tool
PBS	Public Broadcasting System
PC/DC	Principals' Committee/Deputies Committee
PESP	Partnership to Eliminate Sweatshops
PfP	Partnership-for-Peace
PKO	Peacekeeping Operations
PL	Public Law
PM	Bureau of Political and Military Affairs
PMA	President's Management Agenda
PMO	Program Management Office
PNR	Passenger Name Record
POES	Ports of Entry System
PPR	Program Performance Reviews
PPRA	Plutonium Production Reactor Agreement
PrepCom II	Preparation Communications
PRM	Bureau of Population, Refugees and Migration
R&D	Research and Development
RCM	Regional Conference on Migration
RevCon	Review Conference
RF	Religious Freedom
RFMS	Regional Financial Management System
RFP	Request for Proposal
RM	Bureau of Resource Management
RMO	Regional Management Officer
RSLAF	Republic of Sierra Leone Armed Forces
S&T	Science and Technology
S/CT	Coordinator for Counterterrorism
SACU	Southern African Customs Union
SENTRI	Secure Electronic Network for Travelers' Rapid Inspection
SFOR	Stabilization Force
SIPRNET	Secret Internet Protocol Router Network
SMART	State Messaging and Archive Retrieval Toolset
SNAP	Spouse Networking Assistance Program
SOFAs	Status of Forces Agreements
SOP	Standard Operating Procedures
SPAWAR	Space and Naval Warfare

ACRONYM	Definition
SPHERE	Steering Committee for Humanitarian Response and Interaction
SSA	Social Security Administration
START	Strategic Arms Reduction Treaty
STMS	Student Training Management System
TB	Tuberculosis
TBD	To Be Determined
TEL	Terrorism Exclusion List
TFCA	Tropical Forest Conservation Agreement
TIFAs	Trade and Investment Framework Agreement
TIP	Terrorist Interdiction Program
TOC	UN Convention Against Transnational Organized Crime
TOPOFF	National Level Top Officials
TSUs	Technical Security Upgrades
TSWG	Technical Support Working Group
TV	Television
TWG	Technical Working Group
U.S.	United States
UK	United Kingdom
UN	United Nations
UNAIDS	United Nations Program on HIV/AIDS
UNAMSIL	UN Peace Mission in Sierra Leone
UNCHR	United Nations Commission on Human Rights
UNFPA	United Nations Population Fund
UNFSA	United Nations Fish Stocks Agreement
UNICEF	United Nations Children's Fund
UNMEE	UN Mission in Ethiopia and Eritrea
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNSC	United Nations Security Council
UNSCR	United Nations Security Council Resolution
USAEDS	U.S. Atomic Energy Detection System
USAID	United States Agency for International Development
USCS	U.S. Customs Service
USEU	United States Mission to European Union
USG	United States Government
USNATO	U.S. Mission to NATO
USTR	U. S. Trade Representative
USUN	United States Mission to the United Nations
UXO	Unexploded Ordnance
V Fund	Verification Assets Fund
VC	Bureau of Verification and Compliance
VCAWG	Verification and Compliance Analysis Working Group
VPN	Virtual Private Network
VPs	Voluntary Principles for Security and Human Rights
WA	Wassenaar Arrangement
WAIS	Wassenaar Arrangement Information System
WFP	World Food Program

ACRONYM	Definition
WINPAC	Weapons, Intelligence, Nonproliferation, and Arms Control Center
WMD	Weapons of Mass Destruction
WMEAT	World Military Expenditures and Arms Transfers
WSSD	World Summit on Sustainable Development
WTO	World Trade Organization