

D&CP – BUREAU OF ECONOMIC, ENERGY, AND BUSINESS AFFAIRS

Resource Summary

(\$ in thousands)

Appropriations	FY 2010 Actual	FY 2011 CR	FY 2012 Request
American Positions	213	213	215
Funds	31,001	31,001	31,302

Program Description

The mission of the Bureau of Economic, Energy, and Business Affairs (EEB) is to further economic security and prosperity, both at home and abroad. By working to open markets and break down barriers to global economic engagement, EEB seeks to promote the prosperity that economic freedom brings, both for the U.S. and other nations.

EEB's work lies at the critical nexus of economic prosperity and national security; advancing progress in one contributes to progress in the other. In the post-9/11 world, EEB recognizes that threats to national security emanate from countries that are marginalized from the global economy.

EEB pursues expanded market opportunities in trade, investment, transportation, and information and communications technology. In concert with other agencies, EEB promotes economic development worldwide by encouraging pro-growth economic policies, stable financial systems, and sustainable agricultural production. To advance energy security, EEB cooperates with other nations to diversify U.S. energy supplies, develop alternative, low-carbon technologies, and promote efficient energy usage. At the same time, EEB acts to secure vital transportation and communications infrastructure. EEB also leads in the fight against bribery and corruption, and works aggressively to crack down on the illicit financial flows that aid terrorists and criminal organizations. EEB assists U.S. exporters and American businesses that seek market opportunities abroad.

In all of these efforts, EEB relies on the substantive and technical expertise of talented Foreign and Civil Service staff, as well as on extensive engagement within the Department, with other agencies and governments, in the multilateral arena, and with the private sector. Notably, EEB has been a leading player in U.S. Government's efforts to shape the international economic architecture of the future through outreach to the key emerging economies that are increasingly influential in the world economy, nations such as China, India, and Brazil. EEB has also played leading roles in shaping USG strategy in the G-8 and G-20, in the Asia Pacific Economic Cooperation (APEC) forum, as well as in such established international institutions as the International Monetary Fund (IMF), World Bank, World Trade Organization (WTO), Organization for Economic Cooperation and Development (OECD), and the United Nations (UN). EEB has been at the forefront of the effort to develop a comprehensive U.S.-led strategy for ending global hunger, and for gaining support for the U.S. approach among partner nations. EEB has used innovative technologies to get the Department's and the Bureau's message out to relevant audiences, both at home and overseas.

The Quadrennial Diplomacy and Development Review (QDDR) reaffirmed the Department's resolve that solving foreign policy problems today requires us to think regionally and globally, to see the intersections and connections linking nations and regions and interests, and to bring countries and peoples together. Along these lines, QDDR also recognizes that economic, energy, and environmental issues are not only ever more important in international affairs but that these issues are becoming increasingly

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interconnected. With economic growth identified as a critical administration priority, QDDR calls for elevating economic diplomacy as an essential element of U.S. foreign policy.

To make the Department’s work on transnational issues more effective, QDDR proposes a series of organizational changes. Those changes related to EEB include expanding the portfolio of a newly designated Under Secretary for Economic Growth, Energy, and Environment; establishing a new Bureau for Energy Resources to unite diplomatic and programmatic efforts on oil, natural gas, coal, electricity, renewable energy, energy governance, strategic resources, and energy poverty; and expanding Department’s role on geo-economic issues. These proposals underscore the critical role that EEB places in U.S. economic diplomacy. While these proposals are currently under review and are not specifically highlighted in this budget request, if implemented, the described changes will be funded from existing Departmental resources.

Performance

This indicator serves as an index of the quality of economic governance in developing countries and thus provides an indirect measure of the degree of economic opportunity present in such countries.

STRATEGIC GOAL: PROMOTING ECONOMIC GROWTH AND PROSPERITY						
Strategic Priority	Economic Opportunity					
Indicator	Median number of days required to start a business in countries that are not members of the Organization for Economic Co-operation and Development; median cost of starting a business as a percentage of per capita income in those countries.					
FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2010 Target	FY 2011 Target	FY 2012 Target
N/A	N/A	26 days, 20% [Baseline]	22 days; 18.5%	25 days; 19 percent	24 days; 18 percent	23 days; 17 percent
New Indicator, No Rating	New Indicator, No Rating	New Indicator, No Rating	▲ Above Target			
Reason for Exceeding Target	Embassy officers actively engaged host country officials to emphasize the importance of improving domestic economic regimes as a means to fostering economic growth.					
Impact	Economic opportunity is a core strategic priority. The ability to open new businesses and promote economic growth demonstrates both the strength and diversity of economies.					
Methodology	Bureau of Economic, Energy & Business Affairs (EEB) has confidence in the World Bank's research quality and methodology but has no independent means of verification of its results					
Data Source and Quality	http://www.doingbusiness.org/data/exploretopics/starting-a-business The Data Quality Assessment revealed no significant data limitations.					

Countries unable to meet their external financial obligations and seeking debt restructuring agreements at the Paris Club are required to pursue reform programs supported and/or monitored by the International Monetary Fund (IMF). Successful implementation of such reform programs is an important element of the restoration of financial stability for such countries.

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STRATEGIC GOAL: PROMOTING ECONOMIC GROWTH AND PROSPERITY						
Strategic Priority	Macroeconomic Foundation for Growth					
Indicator	Financial Stability Improvement Ratio - Percentage of countries with active debt relief agreements with Paris Club creditors that have an active International Monetary Fund program or have successfully completed it, and do not have protracted arrears to international creditors.					
FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2010 Target	FY 2011 Target	FY 2012 Target
84 percent [Baseline]	87 percent ▲ Above Target	85 percent ▲ Above Target	88 percent ▲ Above Target	80 percent	85 percent	85 percent
Reason for Exceeding Target	Indicator is moderately above target and is in line with recent performance.					
Impact	Countries unable to meet their external financial obligations and which request debt restructuring at the Paris Club are required to implement reform programs supported or monitored by the IMF. Successful implementation of such reform programs is an important element in the restoration of financial stability for such countries.					
Methodology	Data are obtained directly from participating Department or other USG officials and from the IMF itself.					
Data Source and Quality	Department officials participating in Paris Club negotiations provided information on the number of countries seeking debt relief from the Paris Club. The IMF Executive Board provided information on the successful conclusion of IMF reform programs. The Data Quality Assessment revealed no significant data limitations.					

The World Bank Institute's Regulatory Quality Estimate, one of six World Governance Indicators, serves as a measure of the quality of economic governance and conditions facing private sector businesses. It thus serves as a proxy for the favorability of the business environment for the private sector.

STRATEGIC GOAL: PROMOTING ECONOMIC GROWTH AND PROSPERITY						
Strategic Priority	Private Sector Competitiveness					
Indicator	Median World Bank Regulatory Quality Estimate for developing countries (range -2.5 to +2.5).					
FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2010 Target	FY 2011 Target	FY 2012 Target
-0.29	-0.36	-0.36	Data expected late-2011	-0.30	-0.29	-0.28
New Indicator, No Rating	New Indicator, No Rating	New Indicator, No Rating	Data Not Yet Available, No Rating			
Impact	FY 2010 results not yet available to determine impact.					
Methodology	This indicator reports median World Bank Institute Regulatory Quality Estimate ratings for all non-OECD countries. World Governance Indicators combine the views of enterprise, citizen, and expert survey respondents in industrial and developing countries. The data underlying the aggregate indicators are drawn from a variety of survey institutes, think tanks, NGOs, and international organizations.					

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Data Source and Quality	World Bank Institute: http://info.worldbank.org/governance/wgi/index.asp . The Department has no independent means of verifying the data or methodology used in compiling data from external sources. EEB's internal Data Quality Assessment revealed minor data limitations: the Department is currently working to close gaps in documenting data collection, cleaning, analysis, and reporting procedures."
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This indicator provides a measure of the availability of non-oil energy sources on world markets.

STRATEGIC GOAL: PROMOTING ECONOMIC GROWTH AND PROSPERITY						
Strategic Priority	Energy Security					
Indicator	Percentage of world energy supplies from non-oil sources.					
FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2010 Target	FY 2011 Target	FY 2012 Target
64.2 percent	64.7 percent	65.4 percent [Baseline]	65.4 percent	65.6 percent	65.4 percent	65.8 percent
New Indicator, No Rating	New Indicator, No Rating	New Indicator, No Rating	▼ Below Target			
Steps to Improve						
Impact	Growing availability and use of non-oil energy sources reduces U.S. and world reliance on oil. Given 2010 results, momentum seems on track to shift U.S. and world dependence away from oil to other energy sources.					
Methodology	Data source and methodology: U.S. Department of Energy, Energy Information Administration, World Energy Projections Plus, May 2009 (http://www.eia.doe.gov/oiaf/ieo/world.html)					
Data Source and Quality	US Department of Energy - Energy Information Administration projections. The Data Quality Assessment revealed no significant data limitations. FY 2010 result variance from target was within the margin of error.					

This indicator measures both the number of jurisdictions allowing the commercial use of agricultural biotechnology and the quantitative impact of such decisions, thus serving as a yardstick for market access to biotech.

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STRATEGIC GOAL: PROMOTING ECONOMIC GROWTH AND PROSPERITY						
Strategic Priority	Agriculture					
Indicator	Number of additional countries allowing commercial use of agricultural biotechnology and percent increase in global acreage of biotech crops under cultivation.					
FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2010 Target	FY 2011 Target	FY 2012 Target
2 countries; 12 percent	2 countries; 9.4 percent	0 countries; 7 percent	Data expected Mar 2011	1 country; 12 percent	1 country; 5 percent	1 country; 5 percent
New Indicator, No Rating	◁▷ Improved But Not Met	▼ Below Target	Data Not Yet Available, No Rating			
Impact	From 2002 – 2010, biotech cotton has generated economic benefits for farmers valued at over \$5.1 billion, halved insecticide requirements, contributed to the doubling of yield and transformed India from a cotton importer to a major exporter. Kenya passed a biosafety law in 2009 permitting field trials for important local crops: cassava, maize, sweet potato, sorghum and cotton.					
Methodology	The Department has used information provided by the International Service for the Acquisition of Agri-Biotech Applications (ISAAA) for several years and has confidence in the validity and accuracy of its reports but has no independent means of verifying the data.					
Data Source and Quality	International Service for the Acquisition of Agri-Biotech Applications (ISAAA). http://www.isaaa.org/inbrief/default.asp The Data Quality Assessment revealed no significant data limitations. Expected data availability: March 2011.					

Justification of Request

The Department’s FY 2012 request of \$31.302 million maintains current services and support of key initiatives. The request reflects a net reduction of \$86,000 in support of the President’s Administrative Efficiency Plan, and an increase of \$387,000 to support two new positions compared to the FY 2010 enacted level of \$31.001 million and 213 positions for the program.

The requested increase will fund the following positions and program:

Two new positions will support implementation of the Comprehensive Iran Sanctions, Accountability, and Divestment Act. The Act expanded requirements of the Iran Sanctions Act (ISA) from tracking sanctionable activity by foreign countries in Iran’s energy sector to encompass a significantly greater universe of sanctionable activity and increased the responsibilities of the Office of Terrorism Finance and Economic Sanctions Policy (EEB/ESC/TFS).

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Resource Summary

	Positions				Funds (\$ in thousands)			
	American				Pos	Bureau	American	Funds
	CS	FS Dom	Overseas	FSN	Total	Managed	Salaries	Total
FY 2010 Actual	123	90	0	0	213	7,950	23,051	31,001
FY 2011 CR	123	90	0	0	213	7,950	23,051	31,001
FY 2012 Built-in Changes								
Efficiency Savings	0	0	0	0	0	(175)	0	(175)
Domestic Inflation	0	0	0	0	0	89	0	89
Total Built-in Changes	0	0	0	0	0	(86)	0	(86)
FY 2012 Current Services	123	90	0	0	213	7,864	23,051	30,915
FY 2012 Program Changes								
Iran Sanctions (ESC/TFS)	1	1	0	0	2	134	253	387
Total Program Changes	1	1	0	0	2	134	253	387
FY 2012 Request	124	91	0	0	215	7,998	23,304	31,302

Staff by Program Activity

(positions)

Bureau of Economic, Energy, and Business Affairs	FY 2010 Actual	FY 2011 CR	FY 2012 Request
Conduct of Diplomatic Relations	174	174	174
Counter-Terrorism Programs	13	13	15
Domestic Administrative Support	11	11	11
Information Resource Management	2	2	2
Infrastructure Systems	2	0	0
Policy Formulation	9	9	9
Public Diplomacy - Program Costs	5	0	0
Public Diplomacy	4	4	4
Total	213	213	215

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Funds by Program Activity

(\$ in thousands)

Bureau of Economic, Energy, and Business Affairs	FY 2010 Actual	FY 2011 CR	FY 2012 Request
Conduct of Diplomatic Relations	25,480	25,715	26,263
Economic/Trade Affairs	0	0	6,915
Counter-Terrorism Programs	1,540	295	123
Economic/Trade Affairs	0	0	123
Domestic Administrative Support	1,494	1,557	1,352
Information Resource Management	325	326	409
Policy Formulation	1,576	2,522	2,574
Public Diplomacy	586	586	581
Total	31,001	31,001	31,302

Program Activities

Bureau of Economic, Energy, and Business Affairs	Positions				Funds (\$ in thousands)		
	American Domestic	Overseas	FSN	Pos Total	Bureau Managed	American Salaries	Funds Total
Conduct of Diplomatic Relations	174	0	0	174	6,915	19,348	26,263
Economic/Trade Affairs	0	0	0	0	6,915	0	6,915
Counter-Terrorism Programs	15	0	0	15	123	0	123
Economic/Trade Affairs	0	0	0	0	123	0	123
Domestic Administrative Support	11	0	0	11	204	1,148	1,352
Information Resource Management	2	0	0	2	157	252	409
Policy Formulation	9	0	0	9	383	2,191	2,574
Public Diplomacy	4	0	0	4	216	365	581
Total	215	0	0	215	7,998	23,304	31,302

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Staff by Domestic Organization Unit (positions)

Bureau of Economic, Energy, and Business Affairs	FY 2010 Actual	FY 2011 CR	FY 2012 Request
Caspian Basin Energy Diplomacy	8	8	8
Coordinator for Business Affairs	9	9	9
Deputy Assistant Secretary for Energy, Sanctions, & Commodities	28	28	31
Deputy Assistant Secretary for International Communications & Info Policy	26	27	27
Deputy Assistant Secretary for International Finance and Development	36	36	36
Deputy Assistant Secretary for Trade Policy and Programs	46	46	46
Deputy Assistant Secretary for Transportation Affairs	14	14	14
Office of the Assistant Secretary	30	29	28
Policy Analysis and Public Diplomacy	16	16	16
Total	213	213	215

Funds by Domestic Organization Unit (\$ in thousands)

Bureau of Economic, Energy, and Business Affairs	FY 2010 Actual	FY 2011 CR	FY 2012 Request
Caspian Basin Energy Diplomacy	950	856	735
Coordinator for Business Affairs	1,817	1,975	1,985
Deputy Assistant Secretary for Energy, Sanctions, & Commodities	4,140	4,592	4,455
Deputy Assistant Secretary for International Communications & Info Policy	4,046	5,363	5,389
Deputy Assistant Secretary for International Finance and Development	4,440	4,644	5,137
Deputy Assistant Secretary for Trade Policy and Programs	7,699	7,007	7,158
Deputy Assistant Secretary for Transportation Affairs	2,919	1,594	1,614
Office of the Assistant Secretary	3,613	3,735	3,599
Policy Analysis and Public Diplomacy	1,377	1,235	1,230
Total	31,001	31,001	31,302

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Funds by Object Class

(\$ in thousands)

Bureau of Economic, Energy, and Business Affairs	FY 2010 Actual	FY 2011 CR	FY 2012 Request
1100 Personnel Compensation	18,948	18,933	18,887
1200 Personnel Benefits	4,762	4,748	5,047
2100 Travel & Trans of Persons	2,705	2,695	3,253
2200 Transportation of Things	18	16	16
2300 Rents, Comm & Utilities	912	826	770
2400 Printing & Reproduction	83	53	51
2500 Other Services	2,320	2,774	2,320
2600 Supplies and Materials	762	549	554
3100 Personal Property	491	407	404
Total	31,001	31,001	31,302