

BUREAU OF EUROPEAN AND EURASIAN AFFAIRS

Resource Summary

(\$ in thousands)

Appropriations	FY 2012 Actual	FY 2013 CR ⁽¹⁾	FY 2014 Request	Increase/Decrease From FY2012
Positions - Enduring	1,648	1,648	1,613	(35)
Enduring Funds	586,411	591,144	573,915	(12,496)

The FY 2014 Request continues the Department’s Consular Realignment Initiative. Bureau specific consular costs have been shifted to the Border Security Program (BSP) and will be funded with consular fees.

(1) The FY 2013 CR is based on the annualized continuing resolution calculation for FY 2013 (P.L. 112-175).

Program Description

The FY 2014 State Operations funding request for the Bureau of European and Eurasian Affairs (EUR) covers a broad range of diplomatic activities—including engagement with European governments, parliaments, multilateral and other organizations, civil society groups, European publics, and others—to advance U.S. strategic foreign policy goals in Europe and beyond. Most of this work entails building and sustaining efforts over time and adjusting to meet emerging challenges and changing world events. As a result, the impacts and outcomes of EUR efforts, and achievement of U.S. strategic goals, will be visible over the long term.

Because Europe serves as a global platform for achieving U.S. foreign policy goals worldwide, EUR will engage European partners on the full range of global challenges. EUR will continue ongoing bilateral and multilateral engagement with countries, institutions and organizations in Europe on issues including resolving conflicts within and beyond Europe, preventing war, promoting stability and safe and secure societies around the globe, fostering civil society, advancing human rights, addressing global environmental and health challenges, and combating terrorism and transnational crime. Ongoing engagement with Europe on global challenges can serve as a force-multiplier, reducing the cost to the U.S. of advancing foreign policy objectives by ensuring that partners contribute to those objectives as well.

EUR will work to ensure that Europe contributes to economic growth in the U.S. and worldwide. Activities in this area include cooperating with European partners on regulation, foreign investment, and intellectual property issues; boosting the transportation and travel sectors; working with European partners to support economic growth in Europe’s East; and expanding cooperation in multilateral economic fora. By focusing economic diplomacy on growth-enhancing policies, EUR can expand trade, help European partners address their protracted economic crisis, and advance shared interests worldwide, including in emerging economies.

EUR will continue to advance the goal of deepening and diversifying the partnership with Turkey by advancing U.S. interests when it comes to the full range of challenges in this region. Turkey’s support is critical to the success of the Department’s policy objectives in Syria. EUR will also continue to promote efforts to protect human rights and combat corruption in Turkey, as well as increase trade and investment, as Turkey boasts one of the fastest-growing economies in the world.

Building on a renewed relationship with Russia, EUR will work with Russia to increase bilateral trade and investment; build missile defense cooperation; support those working to bring more democracy and transparency to Russia; expand cooperation cyber crime, trafficking in persons, and other security issues;

BUREAU OF EUROPEAN AND EURASIAN AFFAIRS

and work to address health, science, environment, and energy issues. Over the long-term, the outcomes of these efforts could include maintaining strategic stability while laying the groundwork for further reductions in U.S. strategic arsenals, promoting human rights and democratic development, and further integrating Russia into the global community.

EUR will continue to emphasize internal democratic and economic institution-building in countries in Europe’s east—Armenia, Azerbaijan, Georgia, Ukraine, Moldova, and Belarus—as well as promoting peaceful settlements to ongoing regional conflicts. Democratic and economic institution-building will provide a sustainable foundation for the development of these countries on a range of issues. Working to resolve protracted conflicts in these areas will help to diminish threats to regional security by substantially reducing the risk of instability.

Through diplomatic efforts, EUR will also promote relationships among European countries and support the internal reforms necessary for more European countries to reach key North Atlantic Treaty Organization and European Union membership milestones. The desired long-term outcome of these efforts is that the Balkan states and Georgia are fully integrated into Euro-Atlantic institutions by working to comply with the Universal Declaration of Human Rights and trans-Atlantic-agreed standards of democratic governance.

Performance

This indicator targets reforms related to democracy and rule of law, including corruption and legal institutions, which are common factors underlying qualification for membership in the NATO and the EU. The performance indicator has two targets—one that is based on Transparency International’s Corruption Perceptions Index (CPI) and another that is based on Freedom House’s (FH) Nations in Transit Index. These indicators provide an assessment of progress in democracy and rule of law in Eurasia.

Strategic Goal 3: Expand and sustain the ranks of prosperous, stable and democratic states by promoting effective, accountable, democratic governance; respect for human rights; sustainable, broad-based economic growth; and well-being								
Strategic Priority		Good Governance						
Active Performance Indicator		Progress on internal reforms prerequisite for integration into Euro-Atlantic Institutions as measured by the mean average rating for Balkan nations as reported by Transparency International’s Corruption Perceptions Index (CPI) and the Democracy dimension of Freedom House’s Nations in Transit Index.						
Prior Year Results and Ratings					FY 2012		Planned Targets	
FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	Target	Result and Rating	FY 2013	FY 2014
3.4 (CPI); 4.06 (FH)	3.6 (CPI); 4.03 (FH)	3.6 (CPI); 4.04 (FH)	3.65 (CPI); 4.04 (FH)	3.49 (CPI); 4.07 (FH)	3.50 (CPI); 4.00(FH)	39.7 (CPI); 4.09 (FH)	CPI: 39.9 FH: 4.15	CPI: 40.2 FH: 4.3
N/A	New Indicator, No Rating	▲ Above Target	▲ Above Target	▲ Above Target		▲ Above Target		

BUREAU OF EUROPEAN AND EURASIAN AFFAIRS

Reason for Exceeding Target	CPI adjusted its methodology, resulting in markedly higher (more positive, less corrupt) results than anticipated.
Impact	This indicator targets reforms to improve democracy and rule of law, including corruption and legal institutions, which are common factors underlying qualification for membership in the North Atlantic Treaty Organization (NATO) and the European Union (EU). These indicators provide an assessment of progress in democracy and rule of law in Eurasia, a strategic priority for EUR.
Methodology	FY 2011 and FY 2012 targets have been adjusted to take into account the recent addition of Kosovo data starting in 2010. Available at: Freedom House Nations in Transit; Transparency International Corruption Perception Index. The methodology of the CPI was adjusted in 2012, rendering 2012 data incomparable to 2011 results (and all previous CPI results). Adjustments are reflected in new estimates.
Data Source and Quality	Sources: Freedom House Nations in Transit, http://www.freedomhouse.org/sites/default/files/2012%20%20NIT%20Tables.pdf ; Transparency International Corruption Perception Index, http://cpi.transparency.org/cpi2011/results/#CountryResults . These are considered high-quality objective lagging indicators.

Justification of Request

The Department’s FY 2014 Request of \$573.9 million for EUR is a -\$12.5 million decrease from the FY 2012 Actual level. The request includes an increase of \$8.1 million to maintain current services. The request also includes a technical adjustment of -\$16.0 million for the shift of consular positions to funding from the Border Security Program and a decrease of -\$9.3 million as an offset to current services and program changes.

The funding EUR is requesting for FY 2014 will sustain the diplomatic efforts outlined in EUR’s Joint Regional Strategy (JRS), which support nearly every Department Joint Strategic Goal. The resources that the Department invests in Europe not only advance its priorities within Europe but also support its priorities worldwide. For example, engagement with European partners on global challenges helps to counter security threats in the areas of non-proliferation, counterterrorism, and response to crisis and instability worldwide. In working with European partners bilaterally and multilaterally, EUR garners their continued assistance in managing transition in the frontline states of Iraq and Afghanistan, as well as the Arab Spring countries. Pursuing the strategic goals with respect to economic growth, human rights, and institution-building helps expand and sustain the ranks of prosperous, stable, and democratic states and contribute to American prosperity. EUR’s public diplomacy in Europe advances U.S. interests and universal values worldwide, as European policies—propelled by domestic public opinion—are unique in their influence on world opinion.

While EUR works to support the full range of Department priorities and seeks to generate ever greater operating efficiencies, the costs of operating in Europe have increased substantially in recent years. Based on current projections for inflation, cost of living, and anticipated wage increases, EUR’s current services expenses are anticipated to increase by more than \$21 million over FY 2012. To absorb these increased operating costs, the bureau will continue to seek innovative ways to reduce administrative and operating costs and may need to reduce operations themselves.

BUREAU OF EUROPEAN AND EURASIAN AFFAIRS

Operational Adjustment: **-\$9,303,000**

EUR will continue to pursue operational and administrative efficiencies to reduce costs overseas and domestically. EUR will also cut overseas Locally Engaged Staff costs by 5% through attrition and rigorous implementation of management priorities to regionalize and create efficiencies.

Resource Summary

	Positions					Funds (\$ in thousands)		
	American				Pos	Bureau	American	Funds
	CS	FS Dom	Overseas	FSN	Total	Managed	Salaries	Total
FY 2012 Actual	156	148	1,344	592	2,240	358,475	227,936	586,411
FY 2013 Estimate	156	148	1,344	592	2,240	362,608	228,536	591,144
FY 2014 Built-in Changes								
Absorption of Domestic Inflation	0	0	0	0	0	(384)	0	(384)
Absorption of LES Step Increases	0	0	0	0	0	(6,830)	0	(6,830)
Absorption of LES Wage Increases	0	0	0	0	0	(4,894)	0	(4,894)
Absorption of Overseas Price Inflation	0	0	0	0	0	(3,122)	0	(3,122)
American COLA	0	0	0	0	0	548	2,149	2,697
Domestic Inflation	0	0	0	0	0	384	0	384
Facility Operating Cost	0	0	0	0	0	784	0	784
Locally Engaged Staff Wage Increases	0	0	0	0	0	9,498	0	9,498
Locally-Engaged Staff Step Increases	0	0	0	0	0	6,830	0	6,830
Overseas Price Inflation	0	0	0	0	0	3,122	0	3,122
Total Built-in Changes	0	0	0	0	0	5,936	2,149	8,085
FY 2014 Current Services	156	148	1,344	592	2,240	368,544	230,685	599,229
FY 2014 Program Changes								
Consular USDH Shift to BSP	0	0	(35)	0	(35)	(11,518)	(4,493)	(16,011)
Operational Adjustment	0	0	0	0	0	(9,303)	0	(9,303)
Total Program Changes	0	0	(35)	0	(35)	(20,821)	(4,493)	(25,314)
FY 2014 Request	156	148	1,309	592	2,205	347,723	226,192	573,915

BUREAU OF EUROPEAN AND EURASIAN AFFAIRS

Staff and Funds by Domestic Organization Units

(\$ in thousands)

Bureau of European and Eurasian Affairs (EUR)	FY 2012			FY 2013			FY 2014			Increase/Decrease		
	Actual			CR			Request			From FY2012		
	Am	FSN	Funds	Am	FSN	Funds	Am	FSN	Funds	Am	FSN	Funds
Assistance for Europe and Eurasia	30	0	5,508	30	0	5,540	30	0	5,422	0	0	(86)
Assistant Secretary	34	0	6,860	34	0	6,900	34	0	6,750	0	0	(110)
Deputy Assistant Secretary 1	4	0	326	4	0	327	4	0	320	0	0	(6)
Deputy Assistant Secretary 2	4	0	326	4	0	327	4	0	320	0	0	(6)
Deputy Assistant Secretary 3	4	0	326	4	0	327	4	0	320	0	0	(6)
European Union and Regional Affairs	27	0	1,991	27	0	2,004	27	0	1,957	0	0	(34)
German, Austrian and Swiss Affairs	20	0	1,690	20	0	1,701	20	0	1,664	0	0	(26)
Joint Executive Office	73	0	11,345	73	0	11,426	73	0	11,136	0	0	(209)
Nordic and Baltic Affairs	14	0	1,308	14	0	1,315	14	0	1,287	0	0	(21)
North Central European Affairs	14	0	1,476	14	0	1,486	14	0	1,451	0	0	(25)
Principal Deputy Assistant Secretary	6	0	326	6	0	327	6	0	320	0	0	(6)
Public Affairs	13	0	1,331	13	0	1,340	13	0	1,304	0	0	(27)
Regional Political and Security Issues	25	0	2,186	25	0	2,199	25	0	2,149	0	0	(37)
South Central European Affairs	5	0	1,971	5	0	1,984	5	0	1,936	0	0	(35)
Southern European Affairs	5	0	1,471	5	0	1,478	5	0	1,447	0	0	(24)
UK, Ireland, and Benelux Affairs	4	0	1,202	4	0	1,209	4	0	1,182	0	0	(20)
Western European Affairs	22	0	1,322	22	0	1,329	22	0	1,300	0	0	(22)
Total	304	0	40,965	304	0	41,219	304	0	40,265	0	0	(700)

BUREAU OF EUROPEAN AND EURASIAN AFFAIRS

Staff and Funds by Post

(\$ in thousands)

Bureau of European and Eurasian Affairs (EUR)	FY 2012			FY 2013			FY 2014			Increase/Decrease		
	Actual			CR			Request			From FY2012		
	Am	FSN	Funds	Am	FSN	Funds	Am	FSN	Funds	Am	FSN	Funds
Albania, Tirana	13	2	4,659	13	2	4,695	13	2	4,562	0	0	(97)
Armenia, Yerevan	19	2	5,733	19	2	5,772	19	2	5,625	0	0	(108)
Austria, Vienna	29	18	17,426	29	18	17,588	28	18	17,004	(1)	0	(422)
Azerbaijan, Baku	21	2	5,917	21	2	5,952	20	2	5,823	(1)	0	(94)
Belarus, Minsk	13	4	3,602	13	4	3,627	13	4	3,538	0	0	(64)
Belgium, Brussels	34	15	21,130	34	15	21,324	33	15	20,625	(1)	0	(505)
Bermuda, Hamilton	3	2	1,280	3	2	1,292	3	2	1,251	0	0	(29)
Bosnia-Herzegovina, Sarajevo	21	6	9,734	21	6	9,818	20	6	9,517	(1)	0	(217)
Bulgaria, Sofia	19	3	7,103	19	3	7,156	19	3	6,966	0	0	(137)
Croatia, Zagreb	15	8	6,622	15	8	6,679	15	8	6,477	0	0	(145)
Cyprus, Nicosia	14	10	6,212	14	10	6,265	14	10	6,074	0	0	(138)
Czech Republic, Prague	15	5	7,297	15	5	7,361	15	5	7,131	0	0	(166)
Denmark, Copenhagen	16	10	6,760	16	10	6,816	16	10	6,614	0	0	(146)
Estonia, Tallinn	13	3	3,697	13	3	3,722	13	3	3,629	0	0	(68)
Finland, Helsinki	21	3	8,018	21	3	8,081	20	3	7,851	(1)	0	(167)
France, Bordeaux	1	1	465	1	1	469	1	1	456	0	0	(9)
France, Lille	1	1	465	1	1	469	1	1	456	0	0	(9)
France, Lyon	1	1	465	1	1	469	1	1	456	0	0	(9)
France, Marseille	1	3	465	1	3	469	1	3	456	0	0	(9)
France, Paris	78	20	34,935	78	20	35,232	76	20	34,176	(2)	0	(759)
France, Rennes	1	1	380	1	1	383	1	1	373	0	0	(7)
France, Strasbourg	1	1	465	1	1	469	1	1	456	0	0	(9)
France, Toulouse	1	1	465	1	1	469	1	1	456	0	0	(9)
Georgia, Tbilisi	23	1	8,209	23	1	8,271	22	1	8,047	(1)	0	(162)
Germany, Berlin	66	40	36,154	66	40	36,472	64	40	35,284	(2)	0	(870)
Germany, Dusseldorf	3	0	2,008	3	0	2,029	3	0	1,958	0	0	(50)
Germany, Frankfurt	55	25	26,640	55	25	26,880	54	25	26,006	(1)	0	(634)
Germany, Hamburg	4	2	1,743	4	2	1,759	4	2	1,705	0	0	(38)
Germany, Leipzig	4	1	1,743	4	1	1,759	4	1	1,705	0	0	(38)
Germany, Munich	6	5	2,909	6	5	2,933	6	5	2,843	0	0	(66)
Greece, Athens	35	15	16,726	35	15	16,872	34	15	16,343	(1)	0	(383)
Greece, Thessaloniki	3	2	996	3	2	1,005	3	2	976	0	0	(20)
Hungary, Budapest	19	11	9,573	19	11	9,657	19	11	9,350	0	0	(223)
Iceland, Reykjavik	8	6	2,362	8	6	2,379	8	6	2,317	0	0	(45)
Ireland, Dublin	11	15	7,244	11	15	7,313	11	15	7,061	0	0	(183)
Italy, Florence	3	1	1,161	3	1	1,172	3	1	1,136	0	0	(25)
Italy, Milan	9	2	4,456	9	2	4,495	9	2	4,352	0	0	(104)
Italy, Naples	3	6	1,934	3	6	1,953	3	6	1,885	0	0	(49)
Italy, Rome	43	22	24,075	43	22	24,294	42	22	23,500	(1)	0	(575)
Kosovo, Pristina	13	0	5,221	13	0	5,259	13	0	5,117	0	0	(104)
Latvia, Riga	10	8	4,408	10	8	4,445	10	8	4,310	0	0	(98)
Lithuania, Vilnius	13	4	3,760	13	4	3,790	13	4	3,682	0	0	(78)
Luxembourg, Luxembourg	11	4	3,814	11	4	3,843	11	4	3,739	0	0	(75)
Macedonia, Skopje	14	3	5,764	14	3	5,812	14	3	5,639	0	0	(125)

BUREAU OF EUROPEAN AND EURASIAN AFFAIRS

Bureau of European and Eurasian Affairs (EUR)	FY 2012			FY 2013			FY 2014			Increase/Decrease From FY2012		
	Actual			CR			Request					
	Am	FSN	Funds	Am	FSN	Funds	Am	FSN	Funds	Am	FSN	Funds
Malta, Valletta	9	6	3,943	9	6	3,976	9	6	3,855	0	0	(88)
Moldova, Chisinau	13	6	3,298	13	6	3,319	13	6	3,243	0	0	(55)
Montenegro, Podgorica	9	4	2,024	9	4	2,035	9	4	1,996	0	0	(28)
Netherlands, Amsterdam	1	5	470	1	5	473	1	5	460	0	0	(10)
Netherlands, The Hague	23	5	9,888	23	5	9,971	22	5	9,669	(1)	0	(219)
Norway, Oslo	15	8	5,633	15	8	5,678	15	8	5,517	0	0	(116)
OSCE Vienna	18	0	4,477	18	0	4,504	18	0	4,403	0	0	(74)
Poland, Krakow	0	4	1,595	0	4	1,614	0	4	1,548	0	0	(47)
Poland, Warsaw	28	9	12,948	28	9	13,058	27	9	12,654	(1)	0	(294)
Ponta Delgada	1	3	571	1	3	575	1	3	557	0	0	(14)
Portugal, Lisbon	19	8	8,381	19	8	8,450	19	8	8,199	0	0	(182)
Romania, Bucharest	19	10	6,925	19	10	6,978	19	10	6,781	0	0	(144)
Russia, Moscow	102	40	25,485	102	40	25,691	89	40	24,941	(13)	0	(544)
Russia, St Petersburg	19	3	5,465	19	3	5,500	19	3	5,370	0	0	(95)
Russia, Vladivostok	6	4	1,330	6	4	1,339	6	4	1,308	0	0	(22)
Russia, Yekaterinburg	4	3	1,076	4	3	1,084	4	3	1,057	0	0	(19)
Serbia, Belgrade	16	15	5,616	16	15	5,659	16	15	5,505	0	0	(111)
Slovakia, Bratislava	13	4	4,728	13	4	4,765	13	4	4,629	0	0	(99)
Slovenia, Ljubljana	10	5	3,900	10	5	3,931	10	5	3,818	0	0	(82)
Spain, Barcelona	3	3	1,703	3	3	1,718	3	3	1,665	0	0	(38)
Spain, Madrid	24	33	13,004	24	33	13,122	23	33	12,691	(1)	0	(313)
Sweden, Stockholm	23	16	7,677	23	16	7,734	22	16	7,524	(1)	0	(153)
Switzerland, Bern	19	8	8,214	19	8	8,282	19	8	8,032	0	0	(182)
Turkey, Adana	3	1	740	3	1	746	3	1	727	0	0	(13)
Turkey, Ankara	47	17	15,417	47	17	15,533	46	17	15,105	(1)	0	(312)
Turkey, Istanbul	14	5	4,359	14	5	4,386	14	5	4,285	0	0	(74)
Turkey, Izmir	0	1	177	0	1	179	0	1	172	0	0	(5)
USEU	34	7	8,549	34	7	8,601	33	7	8,410	(1)	0	(139)
USNATO	38	3	9,638	38	3	9,695	37	3	9,483	(1)	0	(155)
USOECD	18	8	4,662	18	8	4,692	18	8	4,583	0	0	(79)
Ukraine, Kyiv	38	4	10,696	38	4	10,757	37	4	10,529	(1)	0	(167)
United Kingdom, Belfast	5	2	2,641	5	2	2,665	5	2	2,580	0	0	(61)
United Kingdom, Edinburgh	1	2	660	1	2	665	1	2	644	0	0	(16)
United Kingdom, London	37	40	23,032	37	40	23,235	36	40	22,499	(1)	0	(533)
Vatican City, Holy See	8	5	2,329	8	5	2,346	8	5	2,284	0	0	(45)
Total	1,344	592	545,446	1,344	592	549,925	1,309	592	533,650	(35)	0	(11,796)

BUREAU OF EUROPEAN AND EURASIAN AFFAIRS

Funds by Object Class

(\$ in thousands)

Bureau of European and Eurasian Affairs (EUR)	FY 2012 Actual	FY 2013 CR	FY 2014 Request	Increase/Decrease From FY2012
1100 Personnel Compensation	296,479	295,358	288,377	(8,102)
1200 Personnel Benefits	152,613	156,881	152,336	(277)
2100 Travel & Trans of Persons	14,939	15,112	14,492	(447)
2200 Transportation of Things	3,625	3,667	3,516	(109)
2300 Rents, Comm & Utilities	25,379	25,672	24,618	(761)
2500 Other Services	49,871	50,446	48,375	(1,496)
2600 Supplies and Materials	14,501	14,669	14,067	(434)
3100 Personal Property	25,379	25,672	24,618	(761)
4100 Grants, Subsidies & Contributions	3,625	3,667	3,516	(109)
Total	586,411	591,144	573,915	(12,496)