

Summary and Highlights

**INTERNATIONAL AFFAIRS**  
**FUNCTION 150**



**FISCAL YEAR 2007 BUDGET REQUEST**

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# TABLE OF CONTENTS

## (ACCOUNTS BY APPROPRIATIONS SUBCOMMITTEE)

### BUDGET TABLES

FY 2007 International Affairs Request - Summary	1
FY 2007 International Affairs Request - Detail	4

### FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS (FOREIGN OPERATIONS)

#### I. Export and Investment Assistance 9

Export-Import Bank of the United States (Ex-Im)	9
Overseas Private Investment Corporation (OPIC)	9
Trade and Development Agency (TDA)	10

#### II. Bilateral Economic Assistance

##### A. United States Agency for International Development 11

Overview	11
Child Survival and Health Programs Fund (CSH)	12
Development Assistance (DA)	13
International Disaster and Famine Assistance (IDFA)	14
Transition Initiatives (TI)	14
Development Credit Authority (DCA)	14
USAID Operating Expenses (OE)	15
USAID Capital Investment Fund	15
USAID Inspector General Operating Expenses	15

##### B. Other Bilateral Economic Assistance 17

Economic Support Fund (ESF)	17
Assistance for Eastern Europe and the Baltic States (SEED)	23
Assistance for the Independent States of the Former Soviet Union (FREEDOM Support Act, or FSA)	25

##### C. Independent Agencies 29

Peace Corps	29
Inter-American Foundation (IAF)	29
African Development Foundation (ADF)	29
Millennium Challenge Corporation (MCC)	30

<b>D. Department of State</b>	<b>31</b>
International Narcotics Control and Law Enforcement (INCLE)	31
Andean Counterdrug Initiative (ACI)	36
Migration and Refugee Assistance (MRA)	37
U.S. Emergency Refugee and Migration Assistance Fund (ERMA)	38
Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR)	38
Global HIV/AIDS Initiative (GHAI)	41
Conflict Response Fund (CRF)	42
<b>E. Department of the Treasury</b>	<b>43</b>
Treasury Technical Assistance	43
Debt Restructuring	43
<b>III. Military Assistance</b>	<b>45</b>
International Military Education and Training (IMET)	45
Foreign Military Financing (FMF)	46
Peacekeeping Operations (PKO)	47
<b>IV. Multilateral Economic Assistance</b>	<b>49</b>
International Financial Institutions (IFIs)	49
International Organizations and Programs (IO&P)	50
<b>STATE, JUSTICE, COMMERCE, AND RELATED AGENCIES</b>	
<b>I. Department of State</b>	
<b>A. Administration of Foreign Affairs</b>	<b>51</b>
State Programs Overview	51
Diplomatic and Consular Programs (D&CP)	51
Capital Investment Fund (CIF)	52
Embassy Security, Construction, and Maintenance (ESCM)	53
Office of Inspector General (OIG)	54
Educational and Cultural Exchange Programs	54
Representation Allowances	55
Protection of Foreign Missions and Officials	55
Emergencies in the Diplomatic and Consular Service	55
Repatriation Loans Program Account	55
Payment to the American Institute in Taiwan (AIT)	55
<b>B. International Organizations</b>	<b>56</b>
Contributions to International Organizations (CIO)	56
Contributions for International Peacekeeping Activities (CIPA)	56

<b>C. Related Appropriations</b>	<b>57</b>
The Asia Foundation	57
National Endowment for Democracy (NED)	57
East-West Center	57
Center for Middle Eastern-Western Dialogue	58
Eisenhower Exchange Fellowship Program	58
Israeli Arab Scholarship Program	58
<b>II. Broadcasting Board of Governors</b>	<b>59</b>
Overview	59
International Broadcasting Operations	59
Broadcasting to Cuba	59
Broadcasting Capital Improvements	59
<b>III. Other Programs</b>	<b>60</b>
International Trade Commission (ITC)	60
Foreign Claims Settlement Commission	60
United States Institute of Peace	60
<b>AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES</b>	
<b>Department of Agriculture</b>	
P.L. 480 Title II	61
McGovern-Dole International Food for Education	61
<b>ACCOUNT TABLES</b>	
Child Survival and Health Programs Fund (CSH)	63
Development Assistance (DA)	66
Economic Support Fund (ESF)	69
Assistance for Eastern Europe and the Baltic States (SEED)	72
Assistance for the Independent States of the Former Soviet Union (FREEDOM Support Act, or FSA)	73
International Narcotics Control and Law Enforcement (INCLE)	74
Andean Counterdrug Initiative (ACI)	76
Migration and Refugee Assistance (MRA)	77
Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR)	78
Global HIV/AIDS Initiative (GHAI)	79
International Military Education and Training (IMET)	80
Foreign Military Financing (FMF)	84
Peacekeeping Operations (PKO)	87

International Organizations and Programs (IO&P)	88
Contributions to International Organizations (CIO)	89
Contributions for International Peacekeeping Activities (CIPA)	91

**FY 2007 INTERNATIONAL AFFAIRS SUMMARY**

(\$ in millions)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
<b>INTERNATIONAL AFFAIRS</b>	<b>35,648</b>	<b>31,577</b>	<b>35,116</b>
<b>FOREIGN OPERATIONS</b>	<b>23,431</b>	<b>20,859</b>	<b>23,720</b>
Export-Import Bank of the United States (net)	106	122	58
Overseas Private Investment Corporation (net)	(186)	(161)	(160)
Trade and Development Agency (TDA)	51	50	50
Child Survival & Health Programs Fund (CSH)	1,562	1,644	1,433
Global Fund to Fight AIDS, Tuberculosis, & Malaria	[248]	[248]	[100]
Development Assistance (DA)	1,448	1,509	1,282
International Disaster and Famine Assistance (IDFA)	575	418	349
Transition Initiatives (TI)	49	40	50
Development Credit Authority (DCA) - Admin. Exp.	8	8	8
Development Credit Authority (DCA) - Subsidy	-	-	5
USAID Operating Expenses (OE)	637	624	679
USAID Capital Investment Fund	59	69	132
USAID Inspector General Operating Expenses (IG)	37	36	38
Economic Support Fund (ESF)	3,915	2,621	3,214
Assistance for Eastern Europe and the Baltic States (SEED)	393	357	274
Assistance for the Independent States of the Former Soviet Union (FSA)	626	509	441
Tsunami Recovery and Reconstruction Fund	656	-	-
Peace Corps	317	320	337
Inter-American Foundation	18	19	19
African Development Foundation	19	23	23
Millennium Challenge Corporation	1,488	1,752	3,000
International Narcotics Control and Law Enforcement (INCLE)	947	472	795
Andean Counterdrug Initiative (ACI)	725	727	722
Migration and Refugee Assistance (MRA)	884	783	833
U.S. Emergency Refugee & Migration Assistance (ERMA)	30	30	55
Nonproliferation, Anti-Terrorism, Demining (NADR)	422	406	449
Global HIV/AIDS Initiative (GHAI)	1,374	1,975	2,894
Global Fund to Fight AIDS, Tuberculosis & Malaria	-	[198]	[100]
Conflict Response Fund	-	-	75
Democracy Fund	-	94	-
Treasury Technical Assistance	19	20	24
Debt Restructuring	99	64	183
International Military Education & Training (IMET)	89	86	89
Foreign Military Financing (FMF)	4,995	4,465	4,551
Peacekeeping Operations (PKO)	548	173	201

(\$ in millions)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
International Financial Institutions	1,219	1,277	1,329
Multilateral Development Banks Arrears	[11]	[5]	-
International Organizations & Programs (IO&P)	301	326	289
<b>STATE, JUSTICE, COMMERCE, AND RELATED AGENCIES</b>			
	<b>10,718</b>	<b>9,480</b>	<b>10,078</b>
Diplomatic & Consular Programs	4,906	4,329	4,652
Capital Investment Fund	51	58	68
Centralized IT Modernization Program	77	68	-
Embassy Security, Construction & Maintenance	2,096	1,490	1,540
State Department Office of Inspector General	30	30	33
Educational and Cultural Exchange Programs	356	426	474
Other Administration of Foreign Affairs	40	63	40
Contributions to International Organizations	1,166	1,151	1,269
Contributions for International Peacekeeping Activities	1,113	1,022	1,135
Related Appropriations (e.g., Asia Foundation, NED)	99	113	104
Broadcasting Board of Governors	599	644	672
Other Programs	184	85	93
<b>AGRICULTURE PROGRAMS</b>			
	<b>1,500</b>	<b>1,238</b>	<b>1,318</b>

General Notes:

- Detail in this table may not add to the totals due to rounding.
- The FY 2005 Actual level reflects an 0.8% across-the-board rescission and an additional 0.54% rescission from the Commerce, Justice, State appropriation accounts. The level also includes \$5.9 billion in emergency supplemental appropriations; see table that follows.
- The FY 2006 Estimate level reflects a 1% across-the-board rescission and an additional 0.28% rescission from the Science, State, Justice, Commerce appropriation accounts. The level also includes \$163 million in emergency supplemental appropriations; see table that follows.
- Additional FY 2006 rescissions in the following accounts, required by Title III of the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006 (P.L. 109-148), will be taken from prior-year unobligated balances: Diplomatic and Consular Programs (\$10 million); Embassy Security, Construction, and Maintenance (\$20 million); and Export-Import Bank Subsidy (\$25 million).
- Of the \$656 million in the Tsunami Recovery and Reconstruction Fund (TRRF) appropriations, as of January 17, 2006, approximately \$120 million had been transferred to other accounts as reimbursements, including \$101 million to IDFA and \$12 million to P.L. 480 Title II. In addition, \$31.3 million in TRRF has been transferred to the CSH account to support efforts to combat the Avian Influenza virus, and \$2.904 million was transferred to the State Diplomatic and Consular Programs (D&CP) account for support services for U.S. citizen victims and related operations.

**FY 2005 - FY 2006 Emergency Supplementals**

(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>
<b>Foreign Operations</b>	<b>3,681,500</b>	<b>132,600</b>
Child Survival and Health Programs Fund	-	75,200
International Disaster and Famine Assistance	190,000	56,300
USAID Operating Expenses	24,400	
USAID Inspector General Operating Expenses	2,500	
Economic Support Fund	1,433,600	
Assistance for the Independent States of the Former Soviet Union	70,000	
Tsunami Recovery and Reconstruction Fund	656,000	
International Narcotics Control and Law Enforcement	620,000	
Migration and Refugee Assistance	120,400	
Nonproliferation, Anti-Terrorism, Demining & Related Programs	24,600	
Foreign Military Financing	250,000	
Peacekeeping Operations	290,000	
Peace Corps	-	1,100
<b>State, Justice, Commerce, and Related Agencies</b>	<b>1,963,300</b>	<b>29,900</b>
Diplomatic and Consular Programs (D&CP)	734,000	14,900
Emergencies in the Diplomatic & Consular Service	-	15,000
Embassy Security, Construction, and Maintenance	592,000	-
Contributions for International Peacekeeping Activities	630,000	-
BBG International Broadcasting Operations	7,300	-
<b>P.L. 480 Title II</b>	<b>240,000</b>	<b>-</b>
<b>Total, Supplemental Appropriations</b>	<b>5,884,800</b>	<b>162,500</b>

**FY 2007 INTERNATIONAL AFFAIRS SUMMARY - DETAIL**

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
<b>INTERNATIONAL AFFAIRS</b>	<b>35,648,360</b>	<b>31,577,110</b>	<b>35,116,073</b>
<b>FOREIGN OPERATIONS</b>	<b>23,430,833</b>	<b>20,859,301</b>	<b>23,720,369</b>
<b>Title I - Export and Investment Assistance</b>	<b>(28,886)</b>	<b>11,773</b>	<b>(51,608)</b>
<b>Export-Import Bank of the United States (Ex-Im)</b>			
Loan Subsidy	59,322	99,000	26,382
Administrative Expenses	72,614	72,468	75,234
Inspector General	-	990	988
Direct Loans, Negative Subsidy	(26,000)	(50,000)	(45,000)
Subtotal, Export-Import Bank	105,936	122,458	57,604
<b>Overseas Private Investment Corporation (OPIC)</b>			
Administrative Expenses	42,542	41,851	45,453
Net Offsetting Collections	(252,260)	(223,000)	(225,000)
Credit Subsidy	23,808	20,073	20,035
Net Negative Budget Authority, OPIC	(185,910)	(161,076)	(159,512)
Trade and Development Agency (TDA)	51,088	50,391	50,300
<b>Title II - Bilateral Economic Assistance</b>	<b>16,307,741</b>	<b>14,520,102</b>	<b>17,313,709</b>
U.S. Agency for International Development	4,375,364	4,346,950	3,975,826
Child Survival & Health Programs Fund (CSH)	1,562,400	1,644,350	1,433,000
Global Fund to Fight AIDS, Tuberculosis, & Malaria	[248,000]	[247,500]	[100,000]
Development Assistance (DA)	1,448,320	1,508,760	1,282,000
International Disaster and Famine Assistance (IDFA)	574,896	417,680	348,800
Transition Initiatives (TI)	48,608	39,600	50,000
Development Credit Authority - Subsidy (by Transfer)	[21,000]	[21,000]	[21,000]
Development Credit Authority - Subsidy (appropriation)	-	-	5,000
Development Credit Authority - Administrative Expenses	7,936	7,920	8,400
USAID Operating Expenses	637,456	623,700	678,826
USAID Capital Investment Fund	58,528	69,300	131,800
USAID Inspector General Operating Expenses	37,220	35,640	38,000
Other Bilateral Economic Assistance	5,589,539	3,487,275	3,929,370
Economic Support Fund (ESF)	3,914,592	2,621,025	3,214,470
Assistance for Eastern Europe and the Baltic States (SEED)	393,427	357,390	273,900
Assistance for the Independent States of the Former Soviet Union (FSA)	625,520	508,860	441,000
Tsunami Recovery and Reconstruction Fund	656,000	-	-

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
Independent Agencies	1,842,144	2,114,255	3,378,694
Peace Corps	317,440	319,880	336,700
Inter-American Foundation	17,856	19,305	19,268
African Development Foundation	18,848	22,770	22,726
Millennium Challenge Corporation	1,488,000	1,752,300	3,000,000
State Department	4,382,645	4,487,473	5,823,320
International Narcotics Control and Law Enforcement (INCLE)	947,389	472,428	795,490
Andean Counterdrug Initiative (ACI)	725,152	727,155	721,500
Migration and Refugee Assistance (MRA)	884,240	783,090	832,900
U.S. Emergency Refugee & Migration Assistance (ERMA)	29,760	29,700	55,000
Nonproliferation, Anti-Terrorism, Demining (NADR)	422,184	406,000	449,430
Global HIV/AIDS Initiative (GHAI)	1,373,920	1,975,050	2,894,000
Global Fund to Fight AIDS, Tuberculosis & Malaria	-	[198,000]	[100,000]
Conflict Response Fund	-	-	75,000
Democracy Fund	-	94,050	-
Department of the Treasury	118,048	84,150	206,499
Treasury Technical Assistance (TTA)	18,848	19,800	23,700
Debt Restructuring	99,200	64,350	182,799
<b>Title III - Military Assistance</b>	<b>5,631,812</b>	<b>4,724,027</b>	<b>4,840,300</b>
International Military Education & Training (IMET)	89,012	85,877	88,900
Foreign Military Financing (FMF)	4,995,232	4,464,900	4,550,900
Peacekeeping Operations (PKO)	547,568	173,250	200,500
<b>Title IV - Multilateral Economic Assistance</b>	<b>1,520,166</b>	<b>1,603,399</b>	<b>1,617,968</b>
International Financial Institutions	1,219,199	1,277,236	1,328,968
Global Environment Facility	106,640	79,200	56,250
International Development Association	843,200	940,500	950,000
Multilateral Investment Guarantee Agency	-	1,287	-
Asian Development Fund	99,200	99,000	115,250
Asian Development Bank	-	-	23,750
African Development Fund	105,152	134,343	135,700
African Development Bank	4,067	3,602	5,018
European Bank for Reconstruction & Development	35,148	1,006	-
Enterprise for the Americas Multilateral Investment Fund	10,912	1,724	25,000
Inter-American Investment Corporation	-	1,724	-
International Fund for Agricultural Development	14,880	14,850	18,000
Arrears	[10,912]	[5,453]	-

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
International Organizations & Programs (IO&P)	300,967	326,163	289,000
<b>STATE, JUSTICE, COMMERCE, AND RELATED AGENCIES</b>	<b>10,717,686</b>	<b>9,480,309</b>	<b>10,078,204</b>
DEPARTMENT OF STATE	9,934,862	8,751,012	9,313,511
ADMINISTRATION OF FOREIGN AFFAIRS	7,555,786	6,464,023	6,806,036
State Programs	5,034,483	4,455,259	4,720,171
Diplomatic & Consular Programs	4,906,220	4,328,634	4,651,873
Ongoing Operations	4,256,316	3,647,918	3,856,703
Worldwide Security Upgrades	649,904	680,716	795,170
Capital Investment Fund	51,452	58,143	68,298
Centralized IT Modernization Program	76,811	68,482	-
Embassy Security, Construction & Maintenance	2,095,644	1,489,726	1,539,529
Ongoing Operations	603,510	591,152	640,161
Supplemental	592,000	-	-
Worldwide Security Upgrades	900,134	898,574	899,368
Capital Security Construction	774,831	799,852	800,559
Compound Security	125,303	98,722	98,809
Other Administration of Foreign Affairs	425,659	519,038	546,336
State Department Office of Inspector General	30,028	29,645	32,508
Educational and Cultural Exchange Programs	355,932	426,275	474,288
Representation Allowances	8,525	8,175	8,201
Protection of Foreign Missions and Officials	9,762	9,270	9,288
Emergencies in the Diplomatic and Consular Service	877	24,872	4,940
Repatriation Loans Program Account	1,313	1,302	1,285
Payment to the American Institute in Taiwan	19,222	19,499	15,826
F.S Retirement and Disability Fund [Mandatory]	[132,600]	[131,700]	[126,400]
INTERNATIONAL ORGANIZATIONS	2,279,667	2,173,592	2,403,850
Contributions to International Organizations	1,166,212	1,151,317	1,268,523
Contributions for International Peacekeeping Activities	1,113,455	1,022,275	1,135,327
INTERNATIONAL COMMISSIONS [Non-Function 150]	[63,273]	[66,478]	[63,928]
RELATED APPROPRIATIONS	99,410	113,397	103,625
The Asia Foundation	12,826	13,821	10,000
National Endowment for Democracy	59,199	74,042	80,000
East-West Center	19,240	18,994	12,000
Center for Middle Eastern-Western Dialogue	7,282	5,676	750

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
Eisenhower/Israeli Arab Exchange Programs	863	864	875
<b>BROADCASTING BOARD OF GOVERNORS</b>	<b>598,852</b>	<b>644,011</b>	<b>671,903</b>
International Broadcasting Operations	587,906	633,257	617,338
Broadcasting to Cuba	-	-	36,279
Broadcasting Capital Improvements	10,946	10,754	18,286
<b>OTHER PROGRAMS</b>	<b>183,973</b>	<b>85,286</b>	<b>92,790</b>
International Trade Commission	60,876	61,951	64,201
Foreign Claims Settlement Commission	1,204	1,270	1,610
United States Institute of Peace	121,893	22,065	26,979
<b>AGRICULTURE PROGRAMS</b>	<b>1,499,841</b>	<b>1,237,500</b>	<b>1,317,500</b>
P.L. 480 Title II	1,413,041	1,138,500	1,218,500
McGovern-Dole International Food for Education	86,800	99,000	99,000

Note: Detail in this table may not add to the totals due to rounding.

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**FOREIGN OPERATIONS, EXPORT FINANCING,  
AND RELATED PROGRAMS  
(FOREIGN OPERATIONS)**

**I. Export and Investment Assistance**

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
Export-Import Bank of the United States			
Loan Subsidy	59,322	99,000	26,382
Administrative Expenses	72,614	72,468	75,234
Inspector General	-	990	988
Direct Loans, Negative Subsidy	(26,000)	(50,000)	(45,000)
<b>Total, Export-Import Bank of the United States</b>	<b>105,936</b>	<b>122,458</b>	<b>57,604</b>
Overseas Private Investment Corporation			
Administrative Expenses	42,542	41,851	45,453
Net Offsetting Collections	(252,260)	(223,000)	(225,000)
Credit Subsidy	23,808	20,073	20,035
Net Negative Budget Authority, OPIC	(185,910)	(161,076)	(159,512)
Trade and Development Agency	51,088	50,391	50,300
<b>Total, Export and Investment Assistance</b>	<b>(28,886)</b>	<b>11,773</b>	<b>(51,608)</b>

**Export-Import Bank of the United States (Ex-Im)**

The FY 2007 request seeks \$26.4 million for loan programs and \$75.2 million for administrative expenses. Such funding, in combination with program budget authority carried over from prior years, will support \$17.5 billion in lending activity.

Ex-Im Bank is the official export credit agency of the United States. The purpose of Ex-Im Bank is to facilitate U.S. exports by providing competitive export financing in situations where U.S. exporters: (1) are facing foreign competition backed by officially supported financing or (2) the private market is unwilling or unable to offer this financing. In either case, Ex-Im Bank financing is predicated on a determination that reasonable assurance of repayment exists. Ex-Im Bank enables U.S. companies — large and small — to turn export opportunities into sales that help to maintain and create U.S. jobs and contribute to a stronger national economy. Ex-Im Bank provides its export credit support through direct loan, loan guarantee, and insurance programs. The Bank actively assists small and medium-sized businesses.

**Overseas Private Investment Corporation (OPIC)**

In FY 2007 the Overseas Private Investment Corporation (OPIC) will focus its efforts on quality projects that are highly developmental, based on both sector and geographic location. Based on U.S. development and foreign policy priorities, in FY 2006 OPIC will place special emphasis on small business, investments in Africa, the broader Middle East, including Iraq, Mexico and CAFTA countries, and continue to increase private sector cooperation and increase the availability of housing for the developing world.

Private sector investment support provided by OPIC is market driven, and as a result, efficiently aligns government resources with projects that are most likely to drive economic growth. For many countries that have moved beyond basic humanitarian assistance, OPIC is an effective and efficient way to promote private sector growth. OPIC's goal is to generate "additionality" on each transaction it conducts, meaning OPIC is able to add value to every investment it supports.

From its estimated net offsetting collections of \$225 million in FY 2007, OPIC is requesting \$45.5 million for administrative expenses and \$20 million for credit funding. This amount will support over \$1.6 billion in new direct loans and loan guaranties at a gross subsidy rate of about 1 percent.

OPIC is a self-sustaining agency that mobilizes American private investment by providing political risk insurance, project finance, and investment funds products in 153 developing nations and emerging markets around the world.

### **Trade and Development Agency (TDA)**

The Administration is requesting \$50.3 million for USTDA in FY 2007. This request maintains the Agency's ability to spur economic development and advance U.S. commercial interests in developing and middle-income countries.

TDA provides a bridge to U.S. technical know-how and experience for developing and middle-income countries. The focus of the Agency is unique in that it creates public-private partnerships in response to project sponsor needs and priorities. TDA funds help identify and prepare projects for implementation that will establish the infrastructure necessary for economies to expand. At the same time, the Agency's activities develop trade partnerships by enhancing the ability of U.S. firms to conduct business overseas.

The Agency uses various tools to facilitate U.S. business opportunities in the international marketplace. This support comes in the form of technical assistance, feasibility studies, orientation visits, training grants and conferences.

The agency's FY 2007 budget request encompasses USTDA's assistance programs that support key trade and foreign policy objectives of the Administration, including: 1) reconstruction efforts and economic development in Iraq, Afghanistan and other areas of conflict; 2) assistance to the Middle East to enhance democracy-building efforts throughout the region; 3) assistance to implement international transportation safety and security standards; 4) capacity building activities in areas in which the United States has engaged in bilateral and multilateral trade negotiations, particularly countries party to the Central American-Dominican Republic Free Trade Agreement; and 5) economic growth in Africa through activities that promote the development goals of the African Growth and Opportunity Act.

## II. Bilateral Economic Assistance

### A. United States Agency for International Development

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
Child Survival and Health Programs Fund	1,562,400	1,644,350	1,433,000
Development Assistance	1,448,320	1,508,760	1,282,000
International Disaster and Famine Assistance	574,896	417,680	348,800
Transition Initiatives	48,608	39,600	50,000
Development Credit Authority Subsidy - Appropriation	-	-	5,000
Development Credit Authority - Admin. Exp.	7,936	7,920	8,400
<b>Total, Development Credit Authority</b>	<b>7,936</b>	<b>7,920</b>	<b>13,400</b>
USAID Operating Expenses	637,456	623,700	678,826
USAID Capital Investment Fund	58,528	69,300	131,800
USAID Inspector General Operating Expenses	37,220	35,640	38,000
<b>Total, United States Agency for International Development</b>	<b>4,375,364</b>	<b>4,346,950</b>	<b>3,975,826</b>

#### Overview

Today more than ever, U.S. foreign policy toward the developing world plays a vital role in the global balance between conflict and peace. U.S. national security challenges are increasingly complex, and the role of development is recognized as pivotal. This is reflected in President Bush's National Security Strategy of the United States, issued on September 17, 2002, which for the first time elevated development as the third component of U.S. national security, alongside defense and diplomacy.

The FY 2007 budget request reflects the President's recognition that development makes a vital contribution to enhancing U.S. national security. It acknowledges that foreign assistance supports several goals, including: promoting transformational development, stabilizing fragile states, supporting strategic states, responding to humanitarian needs, and addressing global issues and special concerns. The budget continues an approach to allocating Development Assistance funds to improve the effectiveness of foreign assistance by rewarding countries that are needy and good performers. It also focuses some Development Assistance and Child Survival and Health funds on encouraging stability, security, reform and capacity development in fragile states.

Highlights of the budget include:

- Maintaining our strong support for countries on the front lines in the War on Terrorism, especially Afghanistan, Pakistan, and Sudan, as well as other front-line states in Asia, the Near East, and Africa.
- Supporting the President's initiative to accelerate the fight against malaria, increasing attention to avian influenza – both for surveillance and improving developing countries' ability to cope with an outbreak,

turning the tide against HIV/AIDS, increasing treatment of tuberculosis, while continuing our support for other health priorities.

- Maintaining U.S. leadership role in promoting democracy and good governance in the developing world.
- Rewarding good performers such as Indonesia, Zambia and Guyana - helping them to move toward eligibility for the Millennium Challenge Account by pursuing transformational development.
- Addressing the sources of fragility in certain programs to lay the foundation for lasting long-term country development.
- Growing countries' economies through trade opportunities. Expanding local job opportunities to reduce youth unemployment and susceptibility to criminal and terrorist recruitment.
- Rebuilding USAID's human capacity by addressing a critical deficiency in technical staff and establishing a reconstruction and stabilization reserve.

### **Child Survival and Health Programs Fund (CSH)**

The FY 2007 request of \$1.433 billion for the Child Survival and Health Programs Fund (CSH) reflects the President's continuing commitment to improved health interventions that address critical health, HIV/AIDS, nutrition and family planning needs worldwide. Investing in the health of the world's population, addressing global issues and other special concerns, stabilizing fragile states, and promoting transformational development are all goals supported by funds from this account.

CSH funding supports programs that expand basic health services and strengthen national health systems to significantly improve people's health, especially that of women, children, and other vulnerable populations. A major focus for the use of these funds is in sub-Saharan Africa. As HIV/AIDS, malaria, and other infectious diseases continue to threaten the health of families and children in developing countries worldwide, CSH-funded programs work to eliminate these threats.

- The President's Emergency Plan for AIDS Relief (PEPFAR) focuses on fifteen African, Caribbean and Asian countries. USAID will continue to play a significant role in implementing PEPFAR, which is managed by the Global AIDS Coordinator. Funding for the focus countries is being requested within the Global HIV/AIDS Initiative (GHAI) account. CSH-funded HIV/AIDS programs (\$325 million) will focus on prevention, care, and treatment efforts, and the support of children affected by AIDS in non-focus countries.
- The USAID contribution to the Global Fund to Fight AIDS, TB, and Malaria is \$100 million.
- Other Infectious Diseases (\$382 million) programs concentrate on the prevention and control of malaria, tuberculosis, avian influenza, and programs to combat anti-microbial resistance and disease surveillance. Geographically, the focus is on sub-Saharan Africa, the Caribbean Basin, India, Indonesia and Cambodia. This request includes \$225 million for malaria programs, including \$135 million in new funding to support the President's Malaria Initiative that will be expanded from three to seven high-burden countries in FY 2007. Also included is \$55 million for continuing programs to combat avian influenza pandemic.

- Child Survival and Maternal Health (\$323 million) programs will continue to address the primary causes of maternal and child mortality, and improve health care systems, primarily in sub-Saharan Africa and South Asia. This funding targets key investments such as immunizations, pneumonia and diarrhea prevention and treatment, oral rehydration, polio eradication, micronutrient deficiencies, antenatal care and safe birthing, nutrition, and breastfeeding as a means to reduce the burden of disability and disease.
- Vulnerable Children (\$9 million) funding supports the Displaced Children and Orphans Fund which strengthens the capacity of families and communities to provide care, support, and protection of orphans, street children, and war-affected children.
- Family Planning and Reproductive Health (\$294 million) programs will help expand access to information and services regarding family planning practices. Such access will help reduce unintended pregnancies, improve infant and child health, reduce mortality rates, decrease maternal deaths associated with childbirth, and reduce abortion. These programs are integrated with programs that protect human health.

### **Development Assistance (DA)**

The FY 2007 request of \$1.282 billion for Development Assistance will fund programs to promote transformational development in stable developing countries which are needy and are committed to promoting economic freedom, ruling justly and investing in people. DA funds will also support programs in fragile states that enhance stability and develop key institutional capacities for lasting recovery, as well as global issues and concerns related to sustainable development.

This DA request will promote economic freedom through:

- Agriculture programs and natural resources management, including the President's End Hunger in Africa Initiative (\$47 million), to rebuild agricultural capability in developing countries, reduce hunger, and foster trade and growth.
- Economic growth programs to foster trade-led growth and development, including \$20 million for the Central America Free Trade Agreement (CAFTA), and the Trade for African Development (TRADE) Initiative (\$30 million). Funds will increase trade and investment by strengthening private markets, watershed management, access to clean energy, and environmentally sound urbanization. Funds will also promote economic opportunity for rural and urban poor through support for financial sector development, including micro enterprise and small business development worldwide.

The request will support countries' efforts to govern justly, including support for elections, political party development, rule of law, security, anti-corruption, human rights and conflict prevention, and programs to help prevent trafficking of persons.

Funds will support investing in people, particularly through education and training programs, including basic education programs such as the enhanced African Education Initiative (\$100 million) announced at the 2005 G-8 Summit, and higher education and training programs. An important long-term investment in people, education funds will focus on two broad but complementary objectives: equitable access to quality basic education and increasing knowledge and skills for a productive workforce.

DA funding will continue to be used to support programs that address global climate change, such as the Congo Basin Forest Partnership.

Continued funding for the Global Development Alliance (\$10 million) will mobilize resources by creating alliances between the public and private sectors in support of the Agency's transformational development goal.

### **International Disaster and Famine Assistance (IDFA)**

The FY 2007 request of \$348.8 million will provide funds for the management of humanitarian relief, rehabilitation, and reconstruction assistance to countries struck by natural and man-made disasters, and support for disaster mitigation, prevention, and preparedness. The request funds the purchase of commodities including temporary shelter, blankets, supplementary food, potable water, medical supplies, and agricultural rehabilitation aid, including seeds and hand tools.

Approximately \$163 million of the FY 2007 IDFA funding requested is currently planned to meet humanitarian and post-conflict needs in Sudan. The request also includes \$20 million for famine prevention and relief for contingency needs and support of early intervention to either pre-empt famine or mitigate the impact.

### **Transition Initiatives (TI)**

The FY 2007 request of \$50 million for the Transition Initiatives account will be used by the Office of Transition Initiatives (OTI) to address the opportunities and challenges facing conflict-prone countries and those making the transition from initial crisis stage of a complex emergency (frequently addressed by the Office of Foreign Disaster Assistance using IDFA funds) to the path of sustainable development. OTI collaborates closely with the Department of State, the National Security Council, the Department of Defense, and USAID's regional bureaus in the selection of countries with high foreign policy priority for transition assistance and in the design and monitoring of OTI's programs. OTI's efforts to advance peace and stability include support for demobilization and re-integration of ex-combatants, community self-help programs that reduce tensions and promote grass-roots democratic media, and conflict resolution measures.

### **Development Credit Authority (DCA)**

Credit promotes broad-based economic growth in developing and transitional economies. The Development Credit Authority (DCA) allows USAID to use credit as a flexible development tool for a wide range of development purposes. DCA augments grant assistance by mobilizing private capital in developing countries for sustainable development projects, thereby supporting the capacity of host countries to finance their own development.

The FY 2007 request includes \$21 million in transfer authority to provide loan guarantees in every region and in every sector targeted by USAID. In addition, USAID requests \$5 million in appropriated funds for the Africa Housing and Infrastructure Facility (AHIF), up to \$2 million of which may be used for project development costs. This innovative credit facility will build on USAID's experience with DCA and will support the subsidy costs of partial guarantees for private sector financing of water, infrastructure, and housing projects in Africa. The AHIF also will enhance the effectiveness of USAID's response to Presidential Initiatives such as Water for the Poor.

The request also includes \$8.4 million for credit administrative costs. In accordance with the Federal Credit Reform Act of 1990, this funds the total cost of development, implementation, and financial management of the DCA program, as well as the continued administration of the Agency's legacy credit portfolios which amount to more than \$22 billion.

## **USAID Operating Expenses (OE)**

The FY 2007 request (\$678.8 million) for USAID OE covers administrative costs of managing approximately \$8 billion in program funds. The funding will support management priorities to rebuild human capacity, enhance security and physical infrastructure, and improve information technology systems.

The USAID OE request will help rebuild its human capacity by hiring U.S. direct-hire staff to address critical staffing deficiencies in the technical areas and establish a reconstruction and stabilization reserve. The additional staff will strengthen depleted technical ranks in the areas of health; economic growth and trade; education; and crisis, stabilization and governance, and enhance capacity to support large stabilization and reconstruction programs following conflict and disaster.

Funds requested will enhance security worldwide for USAID operations and physical infrastructure to better protect Agency employees and facilities against global terrorism and national security information against espionage.

These funds will also support information technology (IT) systems, infrastructure and architecture critical to the operational needs of USAID staff.

## **USAID Capital Investment Fund**

The FY 2007 Capital Investment Fund request (\$131.8 million) uses no-year authority to provide USAID with greater flexibility to manage investments in technology and facility construction.

The request provides \$102.5 million for overseas facility construction. This will fund the third year of the Capital Security Cost Sharing Program to support the construction of USAID facilities on new Embassy compounds and the relocation of USAID/Guatemala to a secure interim office building. These funds will support USAID's ability to locate staff in secure work environments.

The remaining \$29.3 million will fund investments in Information Technology for the continued implementation of worldwide accounting and procurement systems, full participation in E-Government initiatives, and infrastructure collaboration and consolidation between the Department of State and USAID.

## **USAID Inspector General Operating Expenses**

The FY 2007 request (\$38 million) for the USAID Office of Inspector General covers salaries, operating expenses, and benefits for staff, and supports critical audit and investigative coverage for USAID.

The OIG assists USAID to implement its strategies, providing staff with information and recommendations to improve program and operational performance. The office also works with USAID to protect and maintain the integrity of the Agency and its programs.

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## B. Other Bilateral Economic Assistance

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
Economic Support Fund	3,914,592	2,621,025	3,214,470
Assistance for Eastern Europe and the Baltic States	393,427	357,390	273,900
Assistance for the Independent States of the Former Soviet Union	625,520	508,860	441,000
Tsunami Recovery and Reconstruction Fund	656,000	-	-
<b>Total, Other Bilateral Economic Assistance</b>	<b>5,589,539</b>	<b>3,487,275</b>	<b>3,929,370</b>

### Economic Support Fund (ESF)

*Africa* -- \$164.3 million is requested for programs in sub-Saharan Africa. These funds will assist countries to recover from conflict and bring about enduring peace; advance the development of democracy, including support for human rights and rule of law; promote economic stability, sustainable development, and U.S. investment opportunities in Africa; and combat terrorism and other forces that undermine prosperity and stability in the region.

- Sudan -- \$60 million to support implementation of the Comprehensive Peace Agreement to ensure a full transition to a just peace. Funds will be used to provide administrative, technical, legal, and operational support, and help build civil society and strengthen democracy. The ESF will also support development in the areas of agriculture, health, and education, and be used in the reconstruction of roads, bridges, schools, and other infrastructure needs. In addition, funds will be used to support the resolution of conflict and implementation of peace agreements in Darfur and eastern Sudan, as needed.
- Liberia -- \$40 million for the continued reintegration of child soldiers and other former combatants into society, preparations for the country's first-ever local elections, judicial and rule of law programs, education and literacy, customs and tax reform, aviation safety, privatization of Liberia's parastatals and utilities, development of a private sector through micro-credit grants and loan programs, a World Trade Organization (WTO)-compatible trade and investment framework, transparent financial management, and sustainable management of forests, diamonds, fisheries, and other natural resources according to international norms.
- A total of \$15.5 million for countries where we continue to work to resolve long-running conflicts or instability as well as provide support to achieve successful post-conflict domestic transitions. Included are Angola, Burundi, the Democratic Republic of Congo, Sierra Leone, and Zimbabwe. Funding will support rebuilding basic infrastructure; the resettlement and reintegration of former combatants, displaced persons and returnees; conflict mitigation projects; economic reform; and programs to promote democracy and good governance.
- A total of \$20.5 million for other key regional countries (Djibouti, Ethiopia, Kenya, Nigeria, and South Africa) to support economic growth, democratization, anti-crime, and anti-corruption activities. ESF also will be used to help countries play an effective role in combating terrorism through cooperation in key areas like judicial system reform, and anti-terrorism training related to border control and the freezing of terrorist assets. Other programs will strengthen the role of civil society, help professionalize electoral structures and foster true multi-party democracy, enhance trade and private sector development, and promote human rights.
- A total of \$12 million is requested for three regional programs: the Africa Regional Fund; Safe Skies for Africa (SSFA); and Regional Organizations. Programs implemented under the Africa Regional Fund will support democratic development, strengthen the rule of law, advance economic reforms,

promote trade and investment, aid judicial reform and the development of civil society, improve administration of borders, assist in drafting counter-terrorism legislation, combat money laundering, and support African efforts to manage its environment and natural resources. Through the SSFA program, funds will continue to enhance airport security in order to promote U.S. investment opportunities and combat international crime and terrorism. Finally, assistance will be provided to strengthen the capabilities of regional organizations in Africa, including but not limited to the Economic Community of West African States, the Southern African Development Community, and the Intergovernmental Authority on Development.

- African Union (AU) -- \$3 million to strengthen the AU's efforts to play an increasingly significant leadership role in addressing the debilitating and harmful effects of conflict in Africa, as well as exercise leadership in developing mechanisms that advance the spread of good governance and economic growth. ESF will be used for both capacity and institution building in regional stabilization efforts, including mediation, conflict management, coordination with sub-regional organizations in peace and stability operations, electoral assistance programs and assistance to countries in addressing shortfalls noted during their voluntary participation in the AU/New Partnership for Africa's Development (NEPAD) African Peer Review process. ESF will also be used to focus on programs that address major human rights abuses and post-conflict efforts at justice and reconciliation, support for the AU counter-terrorism training and study center in Algiers, and support for an AU Democracy Institute -- a center for training, study, review and improvement of the state of democracy in Africa.
- Trans-Sahara Counter-Terrorism Initiative -- \$6 million to expand engagement in the Sahel and across the Sahara, using civilian programs to further strengthen border control and rapid response capabilities, as well as foster development among six important countries in the region (Mali, Niger, Chad, Senegal, Nigeria, and Mauritania), all of which are critically important to the suppression of potential terrorists activities. ESF will be used to support projects aimed at strengthening civil authority and legitimate economic activity in the Sahel, and to encourage increased cross-border contact and cooperation east/west across the Sahel and north/south between the Maghreb and the Sahel countries (e.g., drawing together leaders to focus on conflict resolution, expanding rural radio as an avenue for better communications to pass common messages, parallel work in Chad and Niger helping newly elected local officials, and efforts to attack health and education issues common to the region).
- Women's Justice and Empowerment Initiative -- \$7.3 million to support programs for this Presidential initiative to combat sexual violence against women in Africa through projects designed to increase awareness of violence against women and the need to empower women to prevent violence and to achieve justice through the legal system. Program components will also strengthen the capacity of the legal system to protect women and punish perpetrators of violence, as well as to address the physical and mental needs of victims of violence.

*East Asia and the Pacific* -- \$167.3 million is requested to continue key bilateral and regional programs that support democracy and good governance, improve and expand education access, stimulate economic growth and development, strengthen civil society and women's empowerment, and bolster local security and counter-terrorism initiatives. Regional programs will foster cooperative solutions to transnational problems, enhance U.S. influence in regional institutions, and underscore broad U.S. engagement in the region.

- Indonesia - \$80 million will strengthen counter-terrorist initiatives such as preventing financial crimes and anti-money laundering; improve the quality of basic education for Indonesia's children in support of the President's initiative; promote good governance, democracy and human rights; promote economic growth and prosperity; and continue conflict mitigation and resolution efforts, including support for Aceh peace accord implementation.
- Philippines - \$20 million will continue ongoing programs devoted to economic growth and reforms, good governance, and poverty alleviation as well as attacking pervasive corruption. Approximately

sixty percent of the total will support programs in Mindanao, including education, aimed at consolidating peace and reducing the area's attractiveness to terrorist organizations.

- Cambodia - \$13.5 million will support improving political and economic governance and building the capacity of human rights monitoring organizations. Other objectives include promoting judicial reform, combating trafficking in persons, strengthening natural resource and economic management, and funding research and documentation of crimes of the Khmer Rouge as a resource for the tribunal to try senior Khmer Rouge leaders.
- Vietnam and Laos - \$1.5 million will support economic development programs in Vietnam's Central Highlands region and promote economic and judicial reform in Laos.
- East Timor - \$13.5 million will support the private sector led growth of East Timor's economy through the promotion of trade and the provision of micro-credit; help establish a stable and mature democratic polity; and support a modest program to develop capacity in the health care system and decrease high morbidity and mortality rates.
- Mongolia – \$7.5 million will help accelerate and broaden private sector-led economic growth and promote effective and accountable governance in Mongolia.
- Burma - \$7 million will fund democracy promotion and capacity-building activities, as well as efforts of non-governmental organizations (NGOs) to combat the spread of HIV/AIDS and provide critical aid to the growing number of displaced persons and trafficking victims.
- The U.S. will provide \$18 million to the Pacific Island states under an international agreement associated with the 1987 South Pacific Multilateral Fisheries Treaty.
- EAP Regional Programs - \$6.3 million will help sustain regional projects that support over-arching U.S. objectives in the region. The Association of Southeast Asian Nations (ASEAN) fund will support implementation of the Joint Vision Statement on the ASEAN – U.S. Enhanced Partnership, announced by the President and ASEAN leaders when they met in November 2005. The Enhanced Partnership will build on the ASEAN Cooperation Plan programs in areas such as trade facilitation, intellectual property right protection, and regional capacity building on transnational issues, including international health and the environment. The Developing Asian Institutions Fund will promote U.S. strategic interests, advance regional cooperation and strengthen regional organizations in which the U.S. participates such as Asia Pacific Economic Cooperation (APEC) and the ASEAN Regional Forum (ARF). Regional Women's Issues will help empower women financially and politically, with a special focus on those countries where women are vulnerable to exploitation. Finally, the Pacific Islands fund will support small, high impact grant programs in conservation, development, health promotion, and good governance in twelve Pacific Island states.

*Europe and Eurasia* -- \$19.5 million is requested for programs that promote peace and reconciliation and contribute to the stability of the region.

- Cyprus - \$15 million will support the peace process and eventual reunification of the island by increasing bicomunal efforts to build support for solution after the failure of the United Nations settlement plan in referenda in April 2004. The funding will also continue to support activities to strengthen the Turkish Cypriot economy and economic integration of the island.
- Irish Visa Program - \$3.5 million underwrites the continuation of the Walsh Visa Program to bring unemployed young men and women from Northern Ireland and the six border counties to the United States for employment and job training.
- OSCE Regional - \$1 million will support regional activities of the Organization for Security and Cooperation in Europe (OSCE), including post-conflict and election-related activities, as well as high-priority projects to promote human rights, democratization, counterterrorism, rule of law, economic development, and environmental protection. These funds will help maintain U.S. influence and involvement in OSCE activities.

*Near East* -- \$1.64 billion is requested to support regional stability in the Middle East, encourage development, and encourage a comprehensive peace between Israel and its neighbors; to promote political, economic, and educational reform throughout the region; and to combat the roots of terrorism by targeting the economic despair and lack of opportunity that are exploited by extremists.

- Egypt - \$455 million in accordance with the ESF phase-down plans. Funds will support economic reform, specifically reforms in the financial sector, as well as various projects in democracy and governance, health, education, private sector development, environment and infrastructure.
- Iraq - \$478.8 million to build on the success of the Iraq Relief and Reconstruction Fund and further support Iraq's reconstruction and transition to self reliance. The ESF will continue to sustain key Iraqi infrastructure; fund programs which focus on political and economic governance, the strengthening of democracy and civil society, private sector and agricultural development, and ensure the rule of law; and provide support for the Regional Crimes Liaison Office.
- Israel - \$120 million in accordance with ESF phase-down plans. Funds will support economic and political stability, promote market-oriented economic reform and service foreign debt.
- Jordan - \$245 million to help achieve sustainable economic growth that should result in a permanent increase in living standards. The ESF will strengthen water resource management, provide budget support to the government, promote economic growth, and support democratization and judicial reform, education advancement, and critical healthcare reforms.
- The Middle East Partnership Initiative (MEPI) - \$120 million to support democracy in the Middle East by encouraging political, economic and educational reform and the empowerment of women. Funds will capitalize on new opportunities, consolidate recent gains, and develop new openings for freedom and democracy by empowering indigenous non-governmental and civil society organizations to continue leading the democratic transformation process in the region. Funds will support the President's commitments to the Broader Middle East and North Africa (BMENA) initiative, including the Foundation and Fund for the Future.
- Lebanon - \$35.5 million to improve the living standards through economic revitalization and expanded economic opportunities for small businesses; increase support for good governance programs working at the local and national level; and improve water and wastewater management.
- Morocco - \$18 million to provide micro-credit facilities and employment opportunities for the urban poor; loan programs for housing and home improvements; basic health and education; and rural-based programs that will help arrest migration into already overcrowded urban areas.
- The West Bank and Gaza - \$150 million to promote democratic reform, rule of law, and economic revitalization—vital components of future Palestinian statehood and sustainable peace. Funds will target six strategic priorities: private sector development, water resources, democracy and governance, health, community services and higher education. In light of recent legislative elections, the Administration is reviewing the West Bank/Gaza program details.
- Yemen - \$12 million to fund development projects focused on health services, basic education, women's literacy, and economic opportunities in remote governorates of Yemen that have served as a refuge for al-Qaeda elements and a source of tribal instability.
- \$6 million to foster mutually beneficial technical cooperation between experts from Israel and its Arab neighbors under two complementary regional programs: the Middle East Multilaterals and the Middle East Regional Cooperation program.

*South Asia:* \$982.5 million is requested to help stabilize this critical region through economic reconstruction and development, earthquake reconstruction, demobilization, democracy building, education, training, and public diplomacy programs.

- Afghanistan: \$610 million to bolster progress toward stability, prosperity and democracy. The funds will be used to strengthen nascent democratic institutions; complete secondary roads and other critical

infrastructure, including power generation and transmission; provide the central government with the essential tools to deliver basic services, pay salaries and extend its authority to the provinces; continue funding for provincial reconstruction team (PRT) projects to extend reconstruction into difficult areas; support alternative livelihoods in rural areas to reduce poppy cultivation; and assist Afghan women and girls.

- Pakistan: \$350 million, including \$200 million in budget support, to be monitored by the Shared Objectives Process and \$100 million for social sector programs such as education reform, expansion of basic health services for women and children, accountable and participatory democratic governance, and expansion of economic opportunities. An additional \$50 million supports the U.S. pledge at the November 19<sup>th</sup> donors' conference for earthquake reconstruction projects.
- Bangladesh: \$5 million to strengthen anti-corruption efforts, support political party and parliamentary reform, and improve Central Bank controls.
- India: \$6.5 million to support deficit reduction, financial markets reform and urban infrastructure; to develop infrastructure and growth for clean energy and water through our Cabinet-level Energy Dialogue; and to support an education and opportunity program that brings child laborers into the education system. ESF-funded activities are closely tied to the main components underlying the transformation of the US-India relationship in 2005, including a focus on growth, prosperity, and knowledge-based initiatives.
- Nepal: \$5 million to fund rural infrastructure projects, credit programs, literacy and numeracy training, anticorruption activities, and justice sector reform programs in areas vulnerable to Maoist control.
- Sri Lanka: \$4 million to bolster the peace process in Sri Lanka through democracy and governance programs; support a small-grants fund that fosters peace building and reconciliation efforts among diverse groups; and promote jobs and provide job training for unemployed youth, including ex-combatants.
- The South Asia Regional Program: \$2 million to address the root causes of extremism through cross-border and innovative pilot programs for education, democracy, economic development, and conflict mitigation projects.

*Western Hemisphere* – \$152.1 million to promote the Administration's objectives in the Western Hemisphere to bolster security, strengthen democratic institutions, promote prosperity, and invest in people. This request is based on a larger hemispheric commitment, defined through the Summit of the Americas process. Our Summit commitment is to democracy, free markets, economic integration, and a common policy agenda with the aim of providing the benefits of democracy to the peoples of the hemisphere. The programmatic focus will continue to be democracy (including anti-corruption), trade-led economic growth, and the fight against organized crime and terrorism.

- Haiti: \$50 million is requested for continued support to help new Haitian authorities (a President and Parliament expected to be elected and government designated in the first half of FY 2006) to consolidate democratic gains and support long-term stability and development. ESF will provide assistance to key ministries, newly elected legislators and local government officials. Anti-corruption programs will promote systems for transparency, accountability and responsiveness; assistance also will strengthen the justice sector and civil society organizations. Other activities will generate short-term employment opportunities and incomes for vulnerable populations, expand access to credit for small and micro-entrepreneurs, and support the government's efforts to provide an enabling environment for private sector growth and long-term job creation.
- Central America (El Salvador, Guatemala, Nicaragua), Dominican Republic, and Mexico: \$47 million will be used to create a more secure and prosperous region with expanded economic opportunities for all citizens. Funds will be used to support the implementation of free trade regimes in Central America and the Dominican Republic, thereby increasing opportunities for rural agriculture and new manufacturing ventures, as well as tourism. Funds will also support the creation of transparent

government agencies and officials, buttress USG anti-corruption programs, facilitate justice sector reforms, and address critical needs in combating crime. In Mexico, we will fund programs to continue advancements in higher education and educational scholarship and exchanges, especially for the disadvantaged and indigenous. Specifically, funding will target accountability in policy making and implementation, more effective oversight of public resource use, and U.S.-Mexico border legislative dialogue. Funding for Nicaragua will support government efforts to protect democratic gains with elections scheduled for the first quarter of FY 2007. We plan to fund two expanded democracy programs in Nicaragua that include establishing a durable capacity within the Supreme Electoral Council (CSE) to carry out free, fair, and credible elections, and implementing democratic reforms within political parties.

- Cuba: \$9 million is requested to further implement the program recommendations of the Commission for Assistance to a Free Cuba. Funds will be used to help Cuba's civil society move towards a rapid transition to democracy and market economy and would support USG human rights objectives. In addition to assistance to Cuba's embattled human rights activists and independent journalists, we will reach out to courageous Afro-Cuban, women, youth, and student activists.
- South America (Bolivia, Ecuador, Paraguay, Peru, Venezuela): \$19.5 million to consolidate democratic gains and to address deep-seated economic and social problems in the Andean region and in Paraguay. In Venezuela, and as needed in Bolivia, U.S. funds will support efforts to protect and strengthen civil society, independent media, human rights organizations and democratic political parties. Funds will be used to reform the justice sector, strengthen democratic institutions, promote the rule of law, and make sub-national government practices more effective through improved transparency and accountability. Additionally, funding will facilitate expansion and implementation of free trade agreements, and will be used to fight corruption and promote respect for human rights.
- Third Border Initiative (TBI): \$3 million will be used to enhance coordination between the USG and the Caribbean, our "Third Border," and to carry out any commitments made during the Secretary's second quarter FY 2006 ministerial with CARICOM. TBI programs enhance the security of visiting Americans, fortify the region's security infrastructure, increase disaster warning and preparedness capabilities, build a solid foundation for open trade, tourism, and investment, and help to strengthen U.S. homeland security.
- WHA Regional Programs: \$23.6 million is requested for regional activities. U.S. anti-corruption funding will support the implementation of recommendations from the Organization of American States' (OAS) Follow-Up Mechanism to the Inter-American Convention Against Corruption; mobilize private-sector actors and chambers of commerce to create and adopt "Ethics Pacts;" and expand and strengthen a network of government ethics offices and anti-corruption commissions or ombudsmen. Summit of the Americas funding will continue implementation of Presidential Summit initiatives and commitments. Trade Capacity Building funds will contribute to the effective implementation of the Central America-Dominican Republic Free Trade Agreement (CAFTA-DR) and other trade agreements, which will enhance the labor and environmental conditions in partner countries, as well as the security and economy of the United States.

Global – A total of \$88.5 million is requested to promote democracy and universal human rights; to promote environmental stewardship and advance U.S. interests in this area; to bring together individuals of different ethnic, religious, and political backgrounds from areas of civil conflict and war; and to prevent the trafficking in persons and protect the victims of trafficking.

- Asia-Pacific Partnership - The United States, China, India, Korea, Australia, and Japan launched the Asia-Pacific Partnership in 2006 to promote clean development, enhance energy security, and address climate change. This initiative will advance U.S. leadership on the interrelated issues of energy and climate through public-private collaboration. Partners will work to deploy cleaner energy technologies and practices in developing countries that are among the largest global emitters of greenhouse gases.

\$26 million in ESF will support projects such as: rural village deployment of cleaner energy technologies, thermal power plant operational and emission improvements, hydro and other renewable energy power promotion, mining and industrial process efficiency and emission improvements, and civil aviation and public transportation efficiency improvements.

- Human Rights and Democracy Fund (HRDF) - \$35 million for the promotion of democracy, human rights, and civil society in countries of strategic importance to the U.S., including struggling or nascent democracies and authoritarian regimes. Through the HRDF, the Department of State will continue to encourage democratic development and uphold international standards of human rights, two critical US foreign policy objectives. These challenges will be addressed by funding programs that promote democratic reform and result in greater political pluralism and respect for fundamental freedoms in countries with significant Muslim populations; and that promote the protection and enforcement of legal rights and an independent judiciary, increase popular participation in government, and develop civil society in China. The HRDF also will be used to support programs around the world that include political party building, promote independent media and workers' rights, and support civil society and democratic institutions. Projects will provide assistance to marginalized groups, including ethnic minorities, women, and youth.
- Oceans, Environmental and Science Initiative (OESI) - \$8 million to promote cooperation and build global capacity in issues as diverse as oceans and fisheries, environment, science, technology, and health. Efforts under this initiative are not only important to improving global environmental conditions, they are key to supporting a full range of US foreign policy objectives, contributing to economic prosperity and regional stability, and providing a vital diplomatic tool for projecting American values. ESF funding in FY 2007 is focused in two key areas. First, \$6 million will go toward climate change and energy activities, including activities under the Methane-to-Markets Partnership. The second area of focus is OESI's traditional thematic and regional program activities, including oceans and fisheries, environmental cooperation to support free trade agreements, science education with a focus on Muslim countries, natural resource conservation, water and health, capacity-building for sustainable development and good environmental governance, activities in high priority countries, and regional cooperation.
- Reconciliation Programs - \$11 million to support conflict response and mitigation through programs that seek to reduce the threat of violence through the peaceful resolution of differences, mitigate violence when it has broken out, or establish a framework for peace and reconciliation; and to support conflict management through programs that address the causes, and consequences of existing or likely conflict, but are implemented within a more traditional development sector such as democracy and governance or economic growth.
- Trafficking in Persons - \$8.5 million to support efforts to combat trafficking in persons that focus on prevention and the protection of victims. These efforts will include victim assistance and rehabilitation/reintegration, as well as prevention and public awareness campaigns and educational programs targeted at potential victims and especially at potential sexual exploiters who create the demand for trafficked victims. Funds will also support regional and sub-regional coordination on anti-trafficking efforts, and coordination between source and destination countries.

### **Assistance for Eastern Europe and the Baltic States (SEED)**

U.S. assistance will continue to close the circle of violence that plagued Southeast Europe in the 1990s by focusing on integrating Southeast Europe into the Euro-Atlantic community with its values of democracy, rule of law, and individual freedom. The governments of the region are committed to European integration; some are further along than others. These fragile democracies and struggling market economies still benefit from U.S. support. Promoting democratic reform and stability, economic development, and rule of law will help move them more rapidly to membership in the European Union and deepen their relationship with

NATO. The FY 2007 \$273.9 million request will support programs that fight international crime, trafficking, and corruption; build socio-economic bridges between ethnic communities; and consolidate the region's democratic and economic progress.

Specific country requests are explained below:

- *Albania (\$20 million)* - Albania faces daunting economic challenges and pervasive crime and corruption. Nevertheless, this predominately Muslim country continues to be a staunch U.S. ally, contributing to Operation Enduring Freedom and Operation Iraqi Freedom. FY 2007 funding for Albania will focus on building democratic institutions and promoting private-sector-led growth in an economy that desperately needs legitimate business activity. Assistance will also build Albania's capacity in health sector reform and fight trafficking, organized crime, and corruption.
- *Bosnia and Herzegovina (\$31 million)* - Bosnia and Herzegovina continues to require significant assistance as it gains greater autonomy from the international community. Bosnians will take on greater responsibility in 2006, expanding their ownership of economic, democratic, social, and judicial reforms and institutions. SEED assistance will continue to help develop key state-level institutions, civil society organizations, and viable municipal-government structures as Bosnia transitions to autonomous self-government. SEED-funded programs will focus on creating for the Catholic, Muslim, and Orthodox communities a single economic space with a strong private sector, an investor-friendly climate, and a sound financial and business regulatory environment; developing a fair and efficient judicial system; and providing training to develop local capacities. SEED programs will also expedite development of state institutions that can cope with fighting organized crime, trafficking, and terrorism, and put Bosnia firmly on the path to Euro-Atlantic integration.
- *Kosovo (\$79 million)* - FY 2007 will be critical for Kosovo, as its final status process has begun. FY 2007 funds will help Kosovo build capacity to adjust to the significant challenge of self-governance as the international community continues to hand over nearly all aspects of governance to Kosovar institutions. Regardless of the outcome of status negotiations, the United States will need to continue its key assistance programs, including improving the performance of Kosovo's ministries; developing the judicial and law enforcement system; supporting local government, media, and civil society groups; driving growth through economic policy reform and support to key industries in Kosovo; and encouraging a multiethnic Kosovo by strengthening communities that embrace tolerance. The U.S. will also continue to support an international police presence to provide interim security while local capacity is being developed.
- *Macedonia (\$27 million)* – Stability and security in Macedonia have improved dramatically since the ethnic conflict in 2001 between Muslim Albanians and Orthodox Macedonians. The Ohrid Framework Agreement that ended the conflict set a standard for the region. Continued, sustained assistance is needed to ensure the Agreement's full, practical implementation. With improvements in stability, the emphasis of U.S. assistance is to further enhance the government's ability to combat cross-border crime, strengthen rule of law, and advance macroeconomic reforms to secure Macedonia's future on the path of Euro-Atlantic integration. The EU announced in late 2005 that Macedonia is now a candidate country for enlargement, but did not name a target date. Negotiations on EU accession will not get underway until reforms produce irreversible results.
- *Serbia and Montenegro (\$62 million Serbia; \$8.5 million Montenegro)* - Serbia and Montenegro (SaM) remains the linchpin of the Balkans: maintaining a robust assistance program there is fundamental to the success of U.S. foreign policy in the region. Assistance to SaM is focused on accelerating SaM's progress toward Euro-Atlantic integration. SEED funds help SaM's fragile reformist leadership keep

political and economic reform on track. Major work remains in the areas of rule of law, privatization, economic growth, law enforcement, and building democracy – all are crucial to stabilizing SaM and making it a positive player in the region. SEED programs increasingly target youth and small and medium enterprise development, to ensure that a broad range of citizens directly receive the benefits of U.S. assistance. These programs are critical to helping ease the transition that will occur as a result of the final determination of Kosovo's status.

- *Regional SEED (\$17.9 million)* - Regional SEED funds help restore the ties among Southeast European countries that were broken by the wars of the 1990s. U.S. assistance is helping reduce barriers to trade, harmonize financial laws and practices, link industrial and business sectors between countries, and develop a common electricity and natural gas market for Southeast Europe that will eventually link to the EU. U.S. assistance also supports Balkan-wide grants programs designed to consolidate democratic reform and build ties between communities torn by war; programs develop history workbooks for secondary schools, enable local NGOs to work on a regional basis, and help countries work on common problems like trafficking in persons, organized crime, and corruption. U.S. funding for the Southeast Europe Cooperation Initiative (SECI) Transborder Crime Center in Bucharest, Romania, supports operational coordination between U.S. and Balkan Customs and Police representatives. Regional SEED funds also cover Congressional directives in the fields of health and HIV/AIDS, and advanced research and language training opportunities for U.S. scholars studying Southeast Europe under the Program for Research and Training on Eastern Europe and the Independent States of the Former Soviet Union (Title VIII).
- *Regional SEED - OSCE (\$28.5 million)* - The SEED regional account also funds U.S. voluntary contributions toward the costs of maintaining Organization for Security and Cooperation in Europe (OSCE) field missions in Southeast Europe. OSCE field missions undertake high-priority responsibilities in conflict prevention and post-conflict democratization and stabilization. Funds are also used to pay the salaries of American citizens seconded to the OSCE Secretariat and field missions, as well as the travel costs of Americans serving as election monitors for the OSCE's Office of Democratic Institutions and Human Rights. In addition, these funds support the U.S. Contributions to the Office of the High Representative (OHR) in Bosnia and Herzegovina and security costs for high-ranking U.S. citizen officials at the OHR and OSCE field mission in Sarajevo.

### **Assistance for the Independent States of the Former Soviet Union (FREEDOM Support Act, or FSA)**

The past year witnessed the consolidation of reformist democratic forces in Georgia, the consolidation and then fracturing of reformists in Ukraine, and the Kyrgyz Republic's on-going struggle to consolidate the gains from its "Tulip Revolution." Meanwhile, Russia moved to further restrict democratic freedoms, and Uzbekistan undertook moves consistent with a realignment towards Russia, including the signing of a treaty committing Russia and Uzbekistan to mutual self defense. While much work remains to expand to the rest of the economy the benefits of petroleum-driven high growth rates in Russia and Kazakhstan, the need for further U.S. Government economic reform assistance there is limited. FY 2006 was the last year of funding for economic reform programs in Russia, with the exception of limited assistance in geographically defined areas of special importance. If current assumptions hold, funding for economic reform in Ukraine and Kazakhstan will phase out in FY 2009. FSA assistance will be reduced and/or reallocated as the process unfolds. Georgia's and Armenia's reform efforts are now backed by Millennium Challenge Corporation (MCC) Compacts. Ukraine, Moldova, and the Kyrgyz Republic were recently recognized with MCC Threshold status. FSA assistance will help to leverage the MCA funds to sustain reform efforts in these countries.

Many of the serious challenges that confronted the region in FY 2006 remain. Weak democratic institutions and a lack of economic opportunity in Central Asia are creating conditions where corruption is endemic and Islamic extremism can thrive. A flood of cheap heroin from Afghanistan continues to transit Central Asia, the Caucasus, and Russia, leaving behind a destructive legacy of police corruption, drug addiction, and the spread of HIV/AIDS. In far too many Eurasian states, an all-powerful executive restricts civil and political rights, and rule of law is either weak or nonexistent. This year has seen backsliding in progress toward democracy and human rights in Russia and Central Asia. Health and education-related indicators (life expectancy, child mortality, secondary school enrollment, etc.) continue to deteriorate throughout the region, calling into question these countries' ability to sustain economic growth. U.S. assistance is expected to be needed to address these challenges for several years to come.

Specific country requests are explained below:

- *Armenia (\$50 million)* - One of Eurasia's leading performers in economic and political reform, Armenia was recently approved to sign an MCC Compact. Despite the gains produced by economic reforms, however, poverty remains widespread in Armenia. The key now is effective implementation of reform measures, particularly in fighting corruption. Recent problems in the constitutional referendum process highlight the continuing need for democracy assistance. FY 2007 assistance will support efforts to increase stability in order to facilitate the settlement of regional conflicts, encourage free and fair parliamentary and presidential elections in 2007 and 2008, fight corruption, encourage government accountability and independent media, and reduce poverty, particularly through agricultural reform.
- *Azerbaijan (\$28 million)* - As a moderate Muslim country providing key assistance in the Global War on Terrorism and Operation Iraqi Freedom, the Caspian Sea littoral state of Azerbaijan is strategically significant. Recent problems with parliamentary elections and the agreement to re-run some contested seats highlight both the need for continued reform and the possibilities for progress in Azerbaijan. U.S. assistance will support the reform of economic institutions, encourage economic diversification, promote transparency and effectiveness in budget management, and support private enterprise development. Programs will encourage democratization and the development of civil society, improve border security and law enforcement capabilities, and fight corruption and trafficking in persons.
- *Belarus (\$10 million)* - Belarus is out of step with its European Union (EU) neighbors and progress toward Euro-Atlantic integration made by Ukraine and Moldova. So long as President Lukashenko remains in power, there is little hope for genuine political or economic reform and very limited official receptivity to foreign assistance. A main focus of U.S. assistance will continue to be support for democratization. Depending on the outcome of the March 2006 presidential election, the thrust of FY 2007 assistance will be either on cementing democratic gains and facilitating economic reform or alternatively on building civil society as a catalyst for democratic change, expanding access to independent information, including through broadcasting from outside the country, and strengthening democratic political parties. U.S. civil society assistance will maintain a lifeline for NGO activists and extend support for small business associations and NGOs that address trafficking in persons, HIV/AIDS, and Chernobyl relief.
- *Georgia (\$58 million)* - The dramatic Rose Revolution of 2004 initiated the establishment of democratic institutions and the rule of law that now serve as an example for the region. Even so, significant challenges remain, including the need to increase engagement between Georgia and the separatist regions of South Ossetia and Abkhazia, decrease Georgia's energy dependence on Russia, and consolidate improvements in democracy and governance. The MCC is set to provide \$295 million to fund major infrastructure and economic development projects beginning in 2006. These efforts will

be supported by FSA assistance that will promote increased interaction between Georgians and the Abkhaz and South Ossetians, encourage democratic institution building and judicial reform, strengthen local government, improve border security, and support reform in the energy sector.

- *Kazakhstan (\$19 million)* - Kazakhstan's economy enjoys continued strong growth, focused narrowly on the petroleum sector. A draft cost-sharing agreement with the Government of Kazakhstan (GOK) on diversified private sector development is expected to result in the GOK making direct contributions toward the cost of technical assistance. An important focus will be on developing small and medium-sized enterprises in the poorest areas of southern Kazakhstan. Democracy remains a key area of assistance in the aftermath of last year's flawed presidential election, which underscored the need for electoral reform as well as improvements in the environment for independent media and NGOs. Assistance programs also address narcotics trafficking, border security, and health.
- *Kyrgyz Republic (\$32 million)* – Following the Kyrgyz Republic's democratic breakthrough in 2005, this moderate Muslim country continues to be a key partner in Operation Enduring Freedom through its provision of an air base for U.S. forces. Working in tandem with the newly approved MCC Threshold program for the Kyrgyz Republic, FSA assistance will work to improve democratic institutions and address corruption, economic development, and social issues that could put democratic progress at risk. FSA assistance will also help secure Kyrgyz borders and fight the growing drug trade from Afghanistan and the related scourges of corruption, addiction, and infectious diseases.
- *Moldova (\$16 million)*--The current government has begun to reverse earlier missteps limiting private sector economic activity and has reaffirmed its European orientation. Moldova has been selected for the MCC Threshold program, which will focus largely on fighting corruption. FSA assistance will focus on assisting Moldova to meet EU standards and accelerate its integration into EU-oriented regional structures of Southeastern Europe as a means of anchoring Moldova's reforms. Moldova is the poorest country in Europe, and broadening the benefits of its recent economic growth is necessary to ensure that it continues to move towards Europe. FSA assistance will be directed towards job creation programs and promoting the rule of law, with an emphasis on combating corruption and trafficking in persons.
- *Russia (\$58 million)* – Continued negative trends in the state of democracy and human rights in Russia will require greater attention in FY 2007. With legislative elections expected late in 2007 and presidential elections expected early in 2008, support for democratic development – NGOs, judicial reform, independent media, election monitoring – will intensify. HIV/AIDS, tuberculosis and other health programs, and programs that fight trafficking in persons play a vital role in combating these scourges in Russia. Limited economic reform programs will continue in the Russian Far East, the North Caucasus, and in cities where U.S. funded non-proliferation programs are present.
- *Tajikistan (\$22 million)* – Tajikistan has a moderate Muslim population and is a key frontline supporter of OEF. Tajikistan's poverty and location in the region make it one of our most important venues for countering extremism. Presidential elections in November 2006 will provide a further opportunity for development of civil society. Much remains to be done to reform the economy, develop natural resources, fight infectious diseases, and improve education. Helping Tajikistan stem the increasing drug flow from Afghanistan and achieve effective control of the Tajik-Afghan border will continue to be a priority.
- *Turkmenistan (\$5 million)* - Given Turkmenistan's strategic location bordering Afghanistan and Iran, and its substantial natural gas reserves, our main interest is to promote civil society and human rights – including religious freedom – and to ensure that it does not become a failed state. U.S. assistance

provides vital support to significant U.S. security interests, helps sustain the country's few active civil society organizations, and makes a difference in improving health and providing some of the only outside educational opportunities for Turkmenistan's population. In addition, our FSA funding directly supports human rights advocacy, and is the critical lifeline for groups and individuals pursuing these goals.

- *Ukraine (\$85 million)* – Ukraine remains a strategically important country and was at one point one of the largest coalition partners in OIF. Success of democratic reform in Ukraine will be a leading indicator of prospects for the region. The focus of U.S. assistance in FY 2007 will be on helping consolidate democratic progress since the Orange Revolution and facilitating necessary economic reforms prior to the phase-out of economic sector assistance. In FY 2007, the U.S. plans to spend at least \$20 million toward the U.S. pledge for the construction of a shelter over the Chornobyl nuclear site. Given Ukraine's still-fragile democracy, U.S. assistance efforts will continue to focus on support for civil society, rule of law, and combating corruption. Ukraine was selected for an MCC Threshold program, which is expected to focus on governance and anti-corruption reforms.
- *Uzbekistan (\$15 million)* - The Government of Uzbekistan perceived the democratic breakthroughs in Georgia, Ukraine, and the Kyrgyz Republic as threats to its hold on power, and reacted by cracking down on civil society and public demonstrations – violently in the case of Andijon. It also terminated an agreement that allowed U.S. forces to use an airbase for operations in Afghanistan. Given these realities, no funding is being requested for programs that involve the Uzbek Government. The U.S. will continue to provide assistance to the country's nongovernmental sector, including programs to support civil society, promote religious moderation, improve health care, fight diseases, improve education, and develop micro-credit and agribusiness.
- *Regional FSA (\$29.4 million)* - Eurasia Regional funds will continue to support conflict mitigation and confidence building activities in the Caucasus. Regional funding will also support analytical efforts to track progress towards transition, mitigation of cross-border health problems, U.S. Trade and Development Agency feasibility studies to facilitate U.S. investment and exports to the region, and as projects carried out by regional organizations, such as the Georgia-Ukraine-Azerbaijan-Moldova (GUAM) group. The regionally funded Program for Research and Training on Eastern Europe and the Independent States of the Former Soviet Union (Title VIII) will provide advanced research and language training opportunities for U.S. scholars studying the Eurasian countries.
- *Central Asia Regional (\$1.6 million)* - Central Asia Regional funds will continue to support ongoing cross-border efforts, such as water-resource management projects, conflict mitigation and confidence building in Central Asia.
- *Regional FSA - OSCE (\$12 million)* - The FSA regional account also funds U.S. voluntary contributions toward the costs of maintaining OSCE field missions in the Eurasian countries. OSCE field missions undertake high-priority responsibilities in conflict prevention and post-conflict democratization and stabilization. Funds are also used to pay the salaries of American citizens seconded to the OSCE Secretariat and field missions, as well as the travel costs of Americans serving as election monitors for the OSCE's Office of Democratic Institutions and Human Rights. A total of \$10 million in FY 2007 FSA regional funding is being requested for these purposes. In addition, \$2 million in FSA regional funding is being requested to support extra-budgetary contributions to the OSCE for high-priority projects to promote human rights, democratization, economic development, and environmental protection.

## C. Independent Agencies

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
Peace Corps	317,440	319,880	336,700
Inter-American Foundation (IAF)	17,856	19,305	19,268
African Development Foundation (ADF)	18,848	22,770	22,726
Millennium Challenge Corporation (MCC)	1,488,000	1,752,300	3,000,000
<b>Total, Independent Agencies</b>	<b>1,842,144</b>	<b>2,114,255</b>	<b>3,378,694</b>

### Peace Corps

The FY 2007 budget request provides \$336.7 million for the Peace Corps, an increase of nearly \$17 million over the estimated FY 2006 level.

By the end of FY 2007, there will be approximately 7,800 American Peace Corps Volunteers assisting host countries and local communities to improve education of students, encourage economic development, protect and restore the environment, and increase the agricultural capabilities of farming communities, expand access to basic health care for families, and address HIV/AIDS prevention and care.

Through their services, American Peace Corps Volunteers make lasting contributions to the U.S. and the international community by representing American values and diversity, responding to humanitarian crises and natural disasters, and preparing America's work force with overseas experience.

### Inter-American Foundation (IAF)

The FY 2007 request of \$19.3 million will fund the Inter-American Foundation's (IAF) mandate to support programs that promote entrepreneurship, self-reliance, and democratic self-governance as a way to foster economic progress for the poor. A focus on innovation drives the IAF's work in Latin America and the Caribbean, such as its pioneering efforts to work with migrant organizations to help channel some of the vast amounts of remittances that immigrants send home each year into development activities for their home communities. In FY 2007, the IAF will create Opportunity Zones, one of President Bush's key proposals at the recent Summit of the Americas in Argentina. This program encourages a combination of business ownership, local investment and civic partnerships to bring people out of poverty in targeted areas.

The IAF will continue to expand its innovative program involving a partnership with an expanding network of 54 Latin American corporations and corporate foundations. Participating corporate partners share criteria for funding and a results measurement system based on IAF's experience with grassroots development, and exceed IAF contributions by a ratio of 2:1 to support local development initiatives. In FY 2007, the IAF will again support the President's priorities in Latin America and the Caribbean to reduce poverty, strengthen local democratic practice, and stem the flow of illegal immigration.

### African Development Foundation (ADF)

ADF's request for \$22.7 million in FY 2007 will allow the Foundation to provide African small enterprises with the essential capital, technology, technical assistance, and training they need to grow, generate new jobs in Africa's poorest communities, and deliver significant increases in income to their employees. The funding will also help farming groups and small businesses access the global economy by providing them

with resources to diversify their production, create value-added products, and market those products to regional and overseas consumers.

ADF will leverage its annual appropriation by securing approximately \$18 million in matching donations from African governments, other donor organizations, and the private sector.

### **Millenium Challenge Corporation (MCC)**

The President's budget requests \$3 billion for the Millennium Challenge Corporation for FY 2007 to enable MCC to reduce poverty through economic growth and realize the vision of the President when he presented the concept of a new compact for global development in 2002. Two years after its founding, MCC is now working closely with 23 eligible countries in various stages of the compact development process, providing guidance and technical assistance, with the end goal of signing transformational compacts. In November 2005, the MCC Board selected six new countries eligible for MCC funding, on top of the 17 previously selected countries.

In addition, MCC is working with 18 threshold countries, three of which (Burkina Faso, East Timor, and Tanzania) were also selected by the MCC Board as eligible countries for FY 2006. The Threshold Program was created to help countries who have not yet qualified for MCA Compact funding, but have demonstrated a significant commitment to improve their performance on the eligibility criteria for MCA Compact funding.

MCC has built the organizational capacity, in terms of talented staff and policies and procedures, to help eligible nations move quickly through the compact development process. MCC has made significant improvements to better deploy funding effectively and responsibly, including a major reorganization in the first quarter of FY 2006. In its first two years, MCC has created a lean and vibrant organization to administer the Millennium Challenge Account. In this short period, MCC has hired 165 employees, and expects to increase staff by more than 60% in FY 2006 to meet its intended capacity of 300 employees. MCC has received a clean opinion on its most recent audit, and has worked closely with its Inspector General to review many of its procedures with a view to improving service delivery and management controls.

By the end of FY 2005, MCC had approved five compacts amounting to \$905 million. MCC expects to approve at least six additional compacts in FY 2006 for an additional commitment of up to \$1.7 billion, twice the level committed in FY 2005. In FY 2007, MCC is expecting to sign up to 10 new compacts for commitments of over \$3 billion. Disbursements will also begin to increase more rapidly in FY 2006 and even more so in FY 2007 as the initial tranche of signed compacts move beyond the initial stages of implementation.

## D. Department of State

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
International Narcotics Control and Law Enforcement	947,389	472,428	795,490
Andean Counterdrug Initiative - ACI	725,152	727,155	721,500
Migration and Refugee Assistance	884,240	783,090	832,900
U.S. Emergency Refugee and Migration Assistance Fund	29,760	29,700	55,000
Nonproliferation, Anti-terrorism, Demining, and Related Programs	422,184	406,000	449,430
Global HIV/AIDS Initiative	1,373,920	1,975,050	2,894,000
Conflict Response Fund	-	-	75,000
Democracy Fund	-	94,050	-
<b>Total, Department of State</b>	<b>4,382,645</b>	<b>4,487,473</b>	<b>5,823,320</b>

### International Narcotics Control and Law Enforcement (INCLE)

The FY 2007 request includes \$795.49 million for country and global programs for International Narcotics and Law Enforcement Affairs activities. Key initiatives under this account include:

*Afghanistan (\$297.39 million)* – The request accelerates and expands three major programs: law enforcement, counternarcotics and justice sector reform.

**Law Enforcement:** Funds will support maintenance and operation costs for our Regional Training Centers and police trainer-advisors to begin providing specialized and advanced courses for Afghan police that build upon the basic training program previously provided, including leadership and management training, advanced counternarcotics skills, field training, operational police skills, computer skills, literacy skills and other critical courses. In addition, funds will support continued Ministry of Interior reform efforts including payment of police salaries through a contribution to the United Nations Development Program Law and Order Trust Fund for Afghanistan (LOTFA).

**Counternarcotics:** Funds will support a governor-led opium poppy elimination program to discourage farmers from planting poppy and to promote provincial-level eradication early enough to replant in legitimate crops. Funds will provide for a ground-based, manual eradication program operated from the national level to reinforce provincial poppy elimination/eradication efforts. Funds will also support drug interdiction programs, including aerial support for DEA-assisted raids, and provide for public awareness campaigns, and demand reduction programs.

**Justice Sector Reform:** Funds will support four strategic objectives: development of institutional capacity of the permanent justice institutions, development of the operational capacity of criminal justice sector actors, development of the correctional system, and professionalization of justice sector personnel. Specific activities will include advisory support, basic and specialized criminal justice training, institutional capacity-building projects, and continued support for the bar association, licensing development, and legal aid centers. Funds will also be used to maintain a comprehensive corrections reform and support program including corrections training, infrastructure and equipment support, and systems management improvements such as a prisoner tracking system and database. The reintegration of women into the legal sector will remain a focus through FY 2007.

*Pakistan (\$25.5 million)* -The request will continue projects and activities in border security, law enforcement development, and counternarcotics. Funds will sustain the aviation units providing surveillance and intercepting drug-traffickers, terrorists and other criminals operating in remote areas by providing fuel, communications, facilities operations, advisors, and contractor support. Funds will be used to construct border security roads in the Federally Administered Tribal Areas (FATA), and to provide vehicles, communications equipment, and surveillance equipment to support civilian border agencies. Funds will be used to provide training, technical assistance, and equipment to expand investigative skills and forensics capacities, build accountability and internal control structures, enhance police training institutions, develop community policing programs, and improve managerial and leadership expertise. Funds will continue the implementation of the Automated Fingerprint Identification System (AFIS) and criminal information databases that link federal and provincial law enforcement agencies and improve investigative skills and cooperation. Funds will be used to support crop control operations (including roads, water projects, and agriculture programs), provide demand reduction public awareness programs, and provide operational support to law enforcement agencies, especially the Anti-Narcotics Force.

*Iraq (\$254.6 million)* - The Iraq Rule of Law program consists of eight components: (1) Human Rights within the Criminal Justice System (\$15 million), (2) Criminal Justice Integration (\$25 million), (3) Public Integrity Program (\$18 million), (4) Foster Rule of Law Outreach Program (\$50 million); (5) Initiate Provincial Prosecutor Development Program (\$14 million); (6) Courthouse Infrastructure/Security (\$93.6 million); (7) Corrections Program (\$32 million); and (8) Administrative Oversight (\$7 million).

The program will develop and harmonize both an effective and efficient means for sustaining an integrated process of justice within civil law and based on human rights for the Government of Iraq. The intent is to strengthen human rights enforcement in the Iraqi criminal justice system, promote the integration of police, courts and prisons; continue development of public integrity codes of conduct and anti-corruption laws, develop legal assistance centers and increase public understanding of the justice system, initiate a public prosecutor development program; provide courthouse infrastructure and security enhancements; and provide corrections advisors to the Iraq criminal justice system.

*Africa (\$21.5 million)* - In Sudan, funds will support the Comprehensive Peace Agreement by improving the police, courts and correctional capacities in Southern Sudan through police advisors/mentors for the UN Mission in Sudan (UNMIS). Funds will also support technical assistance on the organizational structures of the police, courts and corrections, and provide equipment and infrastructure development. In Liberia, funds will provide technical assistance for the Liberian police in the areas of community policing and investigations involving trafficking in persons and domestic violence. Funds will also support programs in Nigeria, South Africa and throughout the region, providing training, equipment and technical assistance for police and judicial reform and modernization, law enforcement enhancement, and investigative and prosecutorial capabilities on financial crimes. Also, funds will support the Women's Justice and Empowerment Initiative (WJEI), a \$55 million 3-year project jointly funded by INCLE and ESF to promote women's justice and empowerment in four African nations—Benin, Kenya, South Africa, and Zambia. This initiative will work to assist the existing efforts of these countries to combat sexual violence and abuse against women, and empower them in society. In FY 2007, \$9.6 million is requested to continue to finance the criminal justice development aspect of the initiative, which began in FY 2006. Funds will be used to continue to provide training, technical assistance, and equipment needed to achieve the goals of strengthening: local police capacity to investigate reports of abuse and arrest; the court system capacity to prosecute offenders; and laws supporting women's justice and empowerment.

*East Asia and Pacific (\$8.4 million)* – FY 2007 funding in Indonesia will continue to support the development of the Indonesian National Police from a military to civilian police agency. We will continue a program initially funded under ESF to support development of an efficient and effective marine police

organization to protect and defend Indonesian borders and waterways. Funds will also aid in strengthening controls of precursor chemicals used in production of illicit synthetic drugs. In Laos, the request will support limited crop control and demand reduction programs. In the Philippines, funds will continue programs providing technical and training assistance geared towards law enforcement, judicial reform and forensic documentation procedures. Lastly, the requested funds will provide training, technical assistance, and equipment in Thailand to enhance institutional capabilities for more effective investigations of major drug trafficking and other criminal organizations.

*Near East (\$1 million)* – Funding will be directed toward continued efforts in assisting Morocco improve its border control security. Funds will provide equipment, technical assistance and training to help Morocco’s problems with illegal migration, human smuggling, narcotics production and trafficking

*Mexico (\$39 million)* – Mexico is critical both to U.S. homeland security and counternarcotics strategies. INCLE funding will be used for three major programs: Homeland/Border Security, Counternarcotics, and Institutional Development. Homeland/Border Security projects will include installation of additional non-intrusive inspection units; development of automated systems to better document, monitor and control cargo, vehicles, and pedestrians flowing across the border with the United States and at maritime ports; and construction of additional expedited border crossing lanes at key points to connect with parallel lanes on the U.S. side. Counternarcotics projects will include providing technical assistance and equipment to Mexican law enforcement agencies to enhance their ability to investigate organized crime, interdict drug and precursor chemical shipments, and conduct enforcement operations. Operational support will be directed to ongoing successful cooperative efforts to dismantle major trans-border drug trafficking groups and related threats. Attacking methamphetamine production facilities will be a top enforcement priority. Funding will partially upgrade the aging air fleet of the Office of the Attorney General and support the Mexican Air Force’s C-26 program, both of which will enhance interdiction capabilities. Institutional Development projects will help modernize law enforcement-related facilities, enhance training capacity, and provide systems management capabilities -- including national criminal and DNA databanks. USG funds will also support efforts to assess, strengthen, and professionalize Mexican local law enforcement along the border, where recent outbreaks of narcotrafficking violence threaten to spread into the U.S.

*Guatemala (\$2.2 million)* - Funding will improve the ability of the Government of Guatemala to interrupt the flow of drugs that land in Guatemala en route to the United States.

*Haiti (\$10 million)* - Reforming the criminal justice system is a key to stability and economic development in Haiti. Funds will be directed to enhance the accountability, functioning, and training capacity of the Haitian National Police (HNP), in coordination with the United Nations and donors. Funds will assist in vetting, selection and training of new HNP recruits - to vet and train existing officers, provide equipment and infrastructure repairs to facilitate mobility and communications, continue the development of a forensics and investigative capacity, support police reform and ensure adherence to policies and procedures, including through the model station program, and police accountability. Requested funds will also be used to contribute up to 30 U.S. police officers to the civilian police component of the UN Mission in Haiti (MINUSTAH) to assist training, vetting, monitoring, and advising the new Haitian National Police. Funding will continue the ongoing effort aimed at restoring the logistical and maintenance capacity of the Haitian Coast Guard (HCG). It will be directed toward equipping and training the HCG for maritime drug operations. In addition, funds will support DEA’s Special Investigative Unit, as well as the efforts of the Government’s Financial Investigative Unit to combat money laundering and corruption.

*Other Western Hemisphere (\$3.6 million)* – This includes Bahamas, Jamaica, and the Caribbean and Central America Regional as well as Southern Cone Regional programs. The Caribbean accounts for an estimated 10-20% of the drug flow to the U.S. Funding will concentrate on the maintenance of the Caribbean capabilities in interdiction, law enforcement and administration of justice. Funding for Central

American countries will target drug interdiction efforts and promote improved regional and cross-border cooperation aimed at stemming the flow of drugs.

*Global Programs (\$132.3 million)* – These programs are intended to counter transnational crime, key post 9/11 law enforcement challenges, and broader counternarcotics challenges. Specific components include:

- **Anti-Crime Programs (\$14.5 million)** – Funds will support programs to combat a broad range of crime challenges to our national security, including those with a strong connection to terrorism. These programs are focused in the following major areas: anticorruption; crimes involving information technology, including intellectual property rights enforcement; financial crimes and money laundering; alien smuggling; and border security.

Funds will support our anticorruption efforts in international and regional organizations, including support for promoting implementation of the new United Nations Convention Against Corruption and related regional commitments in the Middle East and North Africa, Asia-Pacific, Western Hemisphere, Europe and Africa. Funds will support assistance projects identified pursuant to the G-8 Anticorruption Compacts, announced at the most recent G-8 Summits in Evian, Sea Island, and Gleneagles. Nicaragua, Georgia, Peru, and Nigeria have already entered into such Compacts, and, in cooperation with the G-8 and other donors, have developed technical action plans to increase transparency in procurement and public financial management. Funding in each country started in FY 2005 and this request represents the third and final year of support for this initiative. Projects initiated in FY 2005 include developing an Anticorruption Task Force in Nicaragua, developing a public financial management tracking system and training anticorruption investigators in Nigeria, developing a civil property registry and supporting public procurement reform in Georgia, and fostering anticorruption networks among Peruvian municipalities.

In addition, we will continue efforts to stem financial crimes and money laundering by providing contributions to the 33-member Financial Action Task Force (FATF) and FATF-style regional bodies; supporting technical advisors, training, and development of Financial Intelligence Units in Central America, Caribbean and Pacific Islands; and development of Trade Transparency Units in select countries. Funds will also support the Human Smuggling and Trafficking Center by funding administrative costs of the Center. We will also help vulnerable countries to upgrade their border control systems, including providing technical assistance to help them improve travel document issuance systems and customs controls. Lastly, these funds will help stem the theft of intellectual property and promote cyber security by providing training, technical assistance and resident legal advisors to assist with capacity-building, including by modernizing laws and institutions.

- **Civilian Police Program (CIVPOL) (\$2.0 million)** – This request will be used to continue to develop the capacity of the U.S. to sustain basic capacity in three existing contracts to recruit and prepare well qualified individuals to train, equip, deploy, and serve as U.S. advisors and trainers in peacekeeping missions and complex security operations, and to improve planning and deployment capabilities (e.g., assessment teams, advance teams, and technical advisors) for quick and effective post-conflict response on criminal justice issues. The FY 2007 program will also fund a training coordinator and police advisor, and a position established at the U.S. Mission in New York responsible for working with the U.N. Department of Peacekeeping Operations. Funds also support program management and oversight efforts and responsibilities.
- **Demand Reduction (\$1.9 million)** – The request provides funding for international demand reduction programs that address Presidential priorities to augment prevention, intervention and recovery maintenance services. Funds will support the formation and enhancement of effective drug-free community coalition programs in key drug producing countries, provide treatment/prevention training

focusing on intravenous drug users in Southeast Asia and Africa countries with high HIV/AIDS infection rates, and support Muslim-based anti-drug program/civil society organizations in the Middle East and South and Southeast Asia. The program will continue an international outreach program to educate international communities about U.S. policies, programs, success, etc., and support regional and bilateral drug awareness programs by providing technical assistance and advisors on creating media campaigns, treatment programs, and training for drug prevention providers.

- International Law Enforcement Academy (ILEA) (\$17 million) – The ILEA program continues to be a dynamic training program, providing relevant, timely, and quality training against the backdrop of diverse and often shifting regional economic, social and political environments. It anticipates and responds to constantly changing international crime-related challenges such as terrorism, corruption, financial fraud and money laundering, alien smuggling, trafficking in persons, and organized crime. The President’s 2003 National Terrorism Strategy Report urges us to “broaden the scope and strength of the ILEAs.” These funds will allow us to continue to fully support existing ILEAs in Bangkok, Budapest, Gaborone, Roswell ,and the newest ILEA in San Salvador.
- International Organizations (\$5.4 million) – Funds will support counter-narcotics and anti-crime programs of the UN Office on Drugs and Crime (UNODC) and the counter-narcotics programs of the Inter-American Drug Abuse Control Commission (OAS/CICAD). Financial resources will be directed towards the following: in-country mentors to provide anti-money laundering and counter-terrorist finance assistance; legal advisors to ensure that countries implement the three international drug control conventions; precursor chemical control projects to track and prevent the diversion from legitimate commerce of the chemical precursors required for the manufacture of illicit drugs; on-the-ground assistance in implementing the provisions of the UN Convention Against Transnational Organized Crime and its supplementary protocols, as well as the universal counter-terrorism instruments and various OAS conventions; UNODC’s Independent Evaluation Unit, which enhances the efficiency and effectiveness of technical assistance delivery; OAS/CICAD’s Multilateral Evaluation Mechanism (MEM), along with technical assistance to countries to address the shortcomings identified by the MEM in their anti-drug programs/strategies; supply and demand reduction and legal development projects at the OAS; and implementation of the OAS’ Anti-Drug Strategy in the Americas.
- Interregional Aviation Support (\$65.5 million) – Funds will provide core services, including logistics, contractor support, spare parts, and Air Wing costs associated with operations centered at Patrick Air Force Base necessary to operate a fleet of 189 fixed-and rotary-wing aircraft, which support counternarcotics aviation programs in Colombia, Bolivia, and Peru, border security operations in Pakistan, and, as required, programs at other temporary deployment locations.
- Program Development and Support (\$19 million) – These funds will provide for the administrative expenses to carryout the International Narcotics and Law Enforcement programs.
- Trafficking in Persons (\$7 million) – Funds will target countries in Tiers 2 and 3 of the Trafficking in Persons Report, as well as other countries or regions where there are trafficking problems. Funds will support investigative and prosecutorial capacity building, strengthen law enforcement and civil society collaboration, fund victim protection initiatives, assist in developing anti-trafficking legislation, promote regional and cross-border partnerships, and support research to determine long-term and sustainable strategies.

## **Andean Counterdrug Initiative (ACI)**

The FY 2007 \$721.5 million request will be used to continue the multi-year counterdrug program (ACI) that aims to reduce the flow of drugs to the United States and prevent instability in the Andean region.

*Bolivia (\$66 million)* – The request will continue to support current Bolivian efforts to eradicate the illicit growth of coca, increase interdiction of essential chemicals and cocaine products, foster alternative economic development, continue current level of prosecutions of narcotics related cases, and improve the quality of investigations into alleged human rights violations. To achieve these goals, this request will continue to cover the costs of basic ground and air interdiction operations, eradication operations, and alternative development programs while fostering drug awareness and demand reduction within Bolivia. The drug control programs in Bolivia focus on: support and maintenance of a network of interdiction bases for ground and air operations, along with increased use of more flexible, mobile checkpoints and increased night operations; a national secure communications grid; and maintain current efforts to control coca production, and provide intelligence support for the growing number and increased complexity of operations and investigations. Funds will assist Bolivia by supporting institution building within the Bolivian forces dedicated to eradication, interdiction, and border security by providing training to police and prosecutors assigned to counterdrug operations as well as providing field support for the conduct of these operations. Alternative development funds will increase the competitiveness of licit rural enterprises thereby providing an alternative to illicit coca cultivation, foster more effective, transparent and responsive democratic institution, and improve basic public services and social conditions. Administration of Justice Program funds will provide training and technical assistance to help mitigate conflicts and enhance citizen's access to the formal justice system.

*Colombia (\$465 million)* – The Colombia funds will continue to support the comprehensive campaign against drug trafficking and narcoterrorists. Funds will maintain support to the Colombian Army's aviation program and drug units with training, logistics support, operating expenses, equipment, and upgrades to forward operating locations. These funds will similarly maintain support for the Colombian National Police in the areas of aviation, aerial eradication, and interdiction by providing equipment, logistical support, training, upgrades of security equipment, interoperable communications and information links, and basic administrative support. Alternative development programs will increase legal economic opportunities by promoting social and economic development by introducing new licit crops, supporting agribusiness and forestry activities and developing local and international markets for these new products. Funds will also support vulnerable groups, democracy, the rule of law, judicial reform, and drug awareness and demand reduction by providing training, equipment, education, technical assistance, and advisors in these areas.

*Peru (\$98.5 million)* – The FY 2007 funds will support the successful push against expanded coca cultivation by stepped up interdiction and eradication in the hard-core areas. It will also monitor and eradicate potential cultivation of opium poppy and disrupt large-scale smuggling operations in ports and airports. Interdiction and eradication depend on airlift operations using the DoS-owned fleet and GOP assets. Funds will maintain the aviation program by providing continued operations and maintenance support such as fuel, spares, etc. Other programs will fund monitoring and research on coca and alternative crop cultivation, demand reduction and public information on the corrupting influence of the drug industry, and will provide training and technical assistance to the anti-money laundering program. Alternative development and institution building programs will support licit economies replacing coca cultivation through technical assistance to licit business and support for underlying basic infrastructure such as roads, bridges, and schools and health care systems, forestry and agro-business.

*Brazil, Ecuador, Venezuela and Panama (\$26.3 million)* – The request will continue interdiction and eradication efforts in the key transshipment countries of Brazil, Ecuador, Venezuela and Panama. FY 2007

funds will focus on improving police and military operations by providing training and equipment and upgrading critical facilities. Funds will be used for training and equipment for law enforcement units to improve drug detection, seizure and mobile inspection capabilities and port and border point of entry security programs. In addition, training will enhance judicial and prosecutorial effectiveness and enhance money laundering and chemical investigation efforts.

*Critical Flight Safety Program (\$65.7M)* - The Department of State Air Wing has an immediate need for a Critical Flight Safety Program (CFSP) to upgrade its severely aged aircraft fleet to commercial standards in order to sustain the counter-narcotics and counter-terrorism missions. The declining condition of the fleet presents the mission and our aircraft with a crippling reality of increased costs for amplified maintenance man-hours and material requirements, and degraded performance capability. In many cases, Air Wing aircraft show evidence of severe structural failures that resulted in forced groundings. Many are excess defense aircraft that are no longer supported or are being discontinued in the Department of Defense (DoD) inventory. Most airframes have not gone through any major airframe Programmed Depot Maintenance. Many aircraft are over 35 years old and have greater than 10,100 airframe hours. DoD typically removes from service helicopters that were flown in excess of 4,000 hours. The planned activities include fixes such as selective rewiring, critical airframe upgrades, selective component replacement, and retrofitting obsolete components. This will successfully control many age-related costs and sustain the aircraft's capability. This initiative will take up to five years, with the aircraft chosen to be upgraded based on age, condition and need.

### **Migration and Refugee Assistance (MRA)**

The FY 2007 request of \$832.9 million provides resources to respond to the projected humanitarian needs of refugees and conflict victims worldwide. Funding will be provided to international organizations such as the UN High Commissioner for Refugees (UNHCR), the International Organization for Migration (IOM), the International Committee of the Red Cross (ICRC), and the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), as well as to non-governmental organizations filling critical gaps in the international community's multilateral response to humanitarian needs overseas and resettling refugees in the United States. These funds support programs to protect refugees and conflict victims; address basic needs to sustain life and health; resolve refugee problems through voluntary repatriation, local integration, or permanent resettlement in a third country, including the United States; and foster the humane and effective management of international migration flows.

- Overseas Assistance (\$547.99 million). This request will contribute to international efforts to protect refugees and conflict victims worldwide -- including programs that guard against the exploitation of beneficiaries of humanitarian assistance, the provision of the basic needs to sustain their life and health, and the resolution of refugee situations through durable solutions. The request includes funding to respond to the needs of Sudanese refugees displaced by the current conflict in Darfur, as well as return and reintegration support for Sudanese refugees that are beginning to return following the signing of the North-South peace agreement. It also includes funding for the return and repatriation of refugees and certain IDPs in Afghanistan, Iraq, and in parts of Africa.
- Refugee Admissions (\$222.69 million). The FY 2007 request reflects the Administration's continued commitment to a robust U.S. resettlement program. Funding levels reflect higher admission targets and the increased costs of admitting refugees to the United States given the additional logistical and security requirements under which the program now operates. The actual FY 2007 global and regional admissions ceilings will be set by a Presidential Determination after the Congressional consultations process later this fiscal year.

- Humanitarian Migrants to Israel (\$40 million). The funding level continues longstanding USG support for relocation of Jewish migrants to Israel, and supports a package of services designed to promote integration of migrants into Israeli society.
- Administrative expenses (\$22.22 million). The FY 2007 request provides the resources for the Bureau of Population, Refugees, and Migration to manage effectively and responsibly critical humanitarian programs funded through the MRA and ERMA appropriations. These funds support Bureau staff in Washington and at overseas posts and related costs. Costs related to Bureau staff dedicated to international population activities are included in the Department of State's Diplomatic and Consular Programs account.

### **U.S. Emergency Refugee and Migration Assistance Fund (ERMA)**

A request for \$55 million in FY 2006 will ensure readiness to respond to future urgent and unexpected refugee and migration needs.

### **Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR)**

The Nonproliferation, Anti-terrorism, Demining, and Related Programs account provides resources to support critical security and humanitarian-related foreign policy objectives. The FY 2007 request for this account totals \$449.43 million:

#### **Non-Proliferation Programs**

- \$38 million for the Nonproliferation and Disarmament Fund (NDF) which is used to develop, negotiate, finance, and implement carefully vetted proposals to halt the proliferation of weapons of mass destruction (WMD), their delivery systems, and advanced conventional weapons systems, with particular emphasis on denying such weapons to terrorists, as well as to destroy existing weapons. NDF projects are designed to take advantage of unanticipated opportunities that might arise. As a USG counter-proliferation alert force, the NDF allows for rapid responses to a wide variety of situations, from WMD in Libya, to SA-3s in Southeast Asia, to fissile material in Kazakhstan. For this reason, NDF resources are not committed to any project or region in advance. NDF has funded the elimination of MANPADS in four countries, and is currently engaged in eliminating heavy munitions that could be used to make Improved Explosive Devices (IEDs), and destroying fermenters that could be used to make large amounts of pathogens for biological weapons.

The U.S. has launched numerous diplomatic initiatives that depend on NDF funding. For FY 2007, NDF is expected to continue support for several classified efforts to secure or remove dangerous materials in sensitive locations, eliminate weapons delivery systems, support emergency interdiction efforts, and help launch new nonproliferation initiatives. To ensure that NDF can continue to respond quickly to difficult challenges, the Administration requests that NDF funding, as in previous years, be made available notwithstanding any other provision of law, that funds be appropriated until expended, and, that their use be authorized for countries other than the independent states of the former Soviet Union and international organizations.

- \$45.05 million for the global Export Control and Related Border Security Assistance (EXBS) program, which is designed to help prevent the proliferation of WMD, their missile delivery systems, and advanced conventional weapons. Funds provide training, equipment, and services to establish or enhance export control systems and border control capabilities, to include improving the capability of partner countries to fulfill their commitments as part of the Proliferation Security Initiative and supporting the President's pledge to help requesting countries fulfill their obligations under UNSCR

1540. In FY 2007, the EXBS program will become increasingly global, reaching out to 47 countries on six continents as part of the effort to prevent transfers of strategic trade items to end-users of proliferation concern, including rogue states and terrorist networks. By graduating countries that have, through the EXBS program, developed export and border controls that meet international standards, EXBS leverages its funding and impact.

- \$56.2 million for Nonproliferation of WMD Expertise (NWMDE), which currently funds four programs: Science Centers; Bio-Chem Redirection; the BioIndustry Initiative; and Iraqi WMD Scientist Redirection. NWMDE funds will also be needed for the Libya Scientist Engagement program in the event that Libya is no longer on the State Sponsors of Terrorism list.
- Funding for the Science Centers Program finances civilian research between former Soviet scientists, engineers and technicians and U.S. experts for permanent transition to stable civilian employment as an alternative to providing WMD expertise to terrorist networks or proliferant states. The FY 2007 program will allow continued engagement and, through targeted training in business, marketing, intellectual property rights, and matchmaking with U.S. commercial partners, will accelerate graduation from U.S. assistance to sustainability.
- Funding for the Bio-Chem Redirect (BCR) Program supports a targeted initiative to engage former Soviet chemical and biological weapons scientists, engineers and technicians in sustainable civilian research, a matter of special attention due to the high proliferation risk and the growing risk of use of these weapons by terrorists. BCR funds HHS, EPA, and USDA, whose activities are coordinated by a State Department-chaired interagency working group to ensure oversight. Without BCR, these agencies would lack the financial means to perform this key role in NWMDE, and NWMDE programs would lack needed technical expertise. The FY 2007 program will allow HHS, USDA, and EPA to provide critical capacity and training to graduate the scientists to sustainable employment, and will allow us to expand work to include under-engaged chemical and biological experts in Central Asia.
- The BioIndustry Initiative (BII) is the only U.S. program to reconfigure large-scale former Soviet biological weapons production facilities for civilian biotechnology purposes. Via BII, the U.S. has gained access to over ten previously closed Soviet BW production facilities and is engaging them in projects. Also, as mandated by Congress, BII focuses on accelerated drug and vaccine development to combat highly infectious diseases, which makes the program an important element of U.S.-Russian efforts to combat bioterrorism. FY 2007 is a critical year for BII as several large-scale projects currently under development will be coming online and will require a budgetary commitment in FY 2007 to bring them to fruition. These projects include large-scale reconfiguration projects at institutes mentioned in the BII Congressional mandate.
- The WMD Scientist Redirection Program in Iraq is in the start-up phase. A program office (the Iraqi International Center for Science and Industry) has been established, staffed by Iraqis; it pays stipends to WMD scientists. A Science Advisory Council comprised of Iraqi WMD scientists meets regularly at the Center to set priorities for future work. In FY 2007, the start-up phase will be completed and approved projects to employ scientists in Iraq will be identified and implemented. FY 2007 funding is required to provide for continuing operations and for financing of projects identified by the Center.
- \$50 million for voluntary contributions to the International Atomic Energy Agency (IAEA) to support programs in nuclear safeguards, safety, and security. Safeguards funding will support strengthened nuclear verification measures to detect covert nuclear activities and help replace outdated equipment,

and will support the work of the Committee on Safeguards and Verification established in 2005 in fulfillment of one of the President's February 2004 NDU initiatives. Nuclear safety and security funds will support IAEA's worldwide programs to help states limit the risk from nuclear accidents and counter threats of nuclear terrorism by providing training and technical assistance in nuclear safety, physical protection, countering nuclear smuggling, and controlling hazardous radioactive materials that could be used for dirty bombs.

- \$19.8 million for the Comprehensive Nuclear Test Ban Treaty (CTBT) Preparatory Commission to pay the U.S. share for the ongoing development and implementation of the International Monitoring System (IMS), which supplements U.S. capabilities to detect nuclear explosions. Since the United States does not seek ratification and entry-into-force of the CTBT, none of the funds will support Preparatory Commission activities that are not related to the IMS.

### **Anti -Terrorism Programs**

- \$135.6 million for the Anti-Terrorism Assistance (ATA) program to support the global campaign against terrorism by providing strategic, operational, and technical training and enabling equipment to coalition partners to assist them in detecting and eliminating terrorists threats and in protecting facilities, individuals and infrastructure. Funds will support maintaining the scope and volume of existing training capabilities and also provides for development of new courses to respond to shifting requirements emanating from the evolving terrorist threat. In addition, the FY 2007 request supports: new in-country programs in Iraq and the Philippines, participating countries critical to the U.S. counterterrorism effort; and, follow on funding for special programs in Afghanistan, Pakistan, Indonesia, Kenya and Colombia. The request funds the Mobile Anti-terrorism Training Team component to continue facilitating in-country ATA training for priority, short-notice requirements. Lastly, the request continues to fund activities at the regional counterterrorism policy and training center established by the Government of Malaysia.
- \$9.08 million for Counterterrorism Financing Programs to assist foreign countries' efforts to detect, investigate and root out terrorist networks proactively by "following the money," as well as to freeze assets, and to prevent the abuse of financial institutions, businesses, cash couriers, and charitable organizations as conduits for money to terrorist organizations.
- \$11.8 million for the Terrorist Interdiction Program which strives to derail terrorist international travel by providing select countries with a computer network enabling immigration and border control officials to quickly identify suspect persons attempting to enter or leave the country. Funds requested for FY 2007 will support significant enhancements to the existing watch listing system software in order to provide a fraudulent document detection capability, a biometrics search capability, and greatly improved name-searching effectiveness. Funds will also support program expansion and strengthening specifically within the highest priority countries, namely Iraq, Afghanistan, Pakistan, Yemen and Kenya. Funds are also required to sustain existing system capabilities in the twenty other countries expected to be participating in the program in 2007.
- \$1.0 million for the Counterterrorism Engagement with Allies Program. The diplomatic, military, law enforcement, intelligence, and judicial cooperation of partner nations is *the* primary element of a successful international counterterrorism effort with key partners. Programs funded with these monies include conferences to foster regional (U.S. embassy and host country) cooperation on issues such as maritime security/terrorist interdiction, mainstream Muslims' engagement against extremism, border security, and interdiction of weapons of mass destruction and their components. In FY 2007, funds will sponsor conferences on maritime security/terrorist safehaven issues in South East Asia and with Middle

East posts to address the issue of foreign fighters in Iraq. Additional programs will: 1) foster cooperation between partner nations' intelligence officials, police and prosecutors to enhance their ability to bring terrorist to justice; 2) fund resident legal advisors to provide sustained assistance in development of CT laws and Joint CT Task Forces; and 3) sponsor training to enable weak but willing partners to meet international standards for travel document security. We are working closely with donors such as the UK and Australia to coordinate and leverage assistance in these areas.

### **Regional Stability and Humanitarian Assistance**

- \$64.3 million for the Humanitarian Demining program, which supports a range of humanitarian mine action (HMA) initiatives. The program emphasizes landmine and unexploded ordnance (UXO) clearance, landmine surveys, and mine-risk education. In addition, some funds are provided for management training and special projects that enhance global mine action response mechanisms. The FY 2007 request continues the Administration's commitment to initiate, sustain, or expand U.S. HMA efforts in some 15 countries across the globe. These efforts protect the victims of war, alleviate adverse humanitarian and economic impacts, and serve as an engagement tool to further efforts to promote regional stability.
- \$10 million to support the International Trust Fund (ITF) for Demining and Mine Victims' Assistance in South East Europe. As with previous funding, this \$10 million will be used to match dollar-for-dollar contributions from other international donors to conduct a broad range of mine action initiatives.
- \$8.6 million to support the Small Arms/Light Weapons Destruction initiative, designed to eliminate excess, loosely secured, or other at-risk small arms and light weapons worldwide. Destruction of these weapons contributes to U.S. force protection and regional security efforts by helping prevent the spread of illicit weapons to insurgent groups and terrorist organizations. Destruction of shoulder-launched man-portable air defense systems, or MANPADS, a weapon sought after and used by terrorist groups, will continue to be a program priority in FY 2007.

### **Global HIV/AIDS Initiative (GHAI)**

The Global HIV/AIDS Initiative account is the principle source of new funding for the President's Emergency Plan for AIDS Relief (the Emergency Plan). The Emergency Plan's vision is to help turn the tide of this global pandemic. The FY 2007 request for the GHAI account is \$2.894 billion, a significant increase that will be used to sharply ramp up treatment, care, and prevention activities in the 15 focus countries by building on the demonstrated success of the programs on the ground and the capacity that has been built in the focus countries during the first three years of the Emergency Plan. The Emergency Plan's commitment to holding programs accountable for achieving results has ensured that funds are used effectively and has allowed us to measure the outcomes achieved with U.S. funding. The request includes funding for country-based activities, centrally-funded programs, international partners, technical oversight and management, and strategic information and evaluation activities.

*Country Activities* – \$2.136 billion is requested to expand integrated prevention, care, and treatment programs in 15 focus countries, consisting of Botswana, Cote d'Ivoire, Ethiopia, Guyana, Haiti, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, Vietnam, and Zambia. An additional \$50 million will be used to fund HIV/AIDS activities in other countries, complementing funds provided primarily from the Child Survival and Health Programs Fund (CSH) and other USAID-managed accounts, and from accounts of the U.S. Department of Health and Human Services.

*Central Programs* – \$480 million is requested to support centrally-funded technical leadership and technical assistance activities and specific programs in the following areas: anti-retroviral therapy, safe medical injections, safe blood supply, orphans and vulnerable children, abstinence and faithfulness, human capacity development, twinning of U.S. and overseas institutions, and supply chain management.

*International Partners* - \$127 million will supplement funding from the CSH and Health and Human Services accounts to support international partners. \$100 million is requested for a contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria from this account in addition to \$200 million proposed under the CSH and HHS accounts. In addition, \$27 million is requested in this account for a contribution to UNAIDS.

*Technical Oversight and Management* - \$65 million is requested to fund technical oversight and management costs. This request includes funding for the salaries and travel costs of the technical and management experts that oversee implementation and monitor and backstop the program from the headquarters of the various agencies that implement the Emergency Plan, including the U.S. Agency for International Development, the Department of Health and Human Services, the Department of Defense, and the Peace Corps, as well as \$13 million to fund the administrative expenses of the Office of the U.S. Global AIDS Coordinator.

*Strategic Information* - \$36 million is requested for Strategic Information activities that monitor program performance; track progress toward goals; evaluate the efficacy of interventions; and provide descriptive information about Emergency Plan activities.

### **Conflict Response Fund (CRF)**

This funding is requested to allow the Secretary to respond quickly and effectively to or prevent conflict in foreign countries and regions by providing resources that can be drawn upon at the onset of a crisis. Similar to FY 2004 emergency supplemental funding provided for Liberia and Sudan, these funds will be used to finance a range of foreign assistance activities, including support for peace, transitional security, governance and humanitarian operations to prevent or respond to foreign territorial disputes, armed ethnic and civil conflicts that pose threats to regional and international peace, and acts of ethnic cleansing, mass killing or genocide. By identifying these funds in advance in their own account, the U.S. will accelerate delivery of critical expertise and resources that could influence the dynamics of a post-conflict environment and potentially shorten the overall period for deploying international peacekeepers or police. These funds would also allow for the design, preparation and deployment of programs, enabling the U.S. to establish a visible and effective civilian ground presence and to facilitate transition from military to civilian leadership on stabilization and reconstruction, and could include administrative costs of USG agencies associated with these activities. Finally, these funds will allow initiation of a civilian “reserve” to augment full-time staff and contracting capabilities.

These funds will not be used to provide assistance in response to natural disasters because existing contingency funding is available for that purpose.

## E. Department of the Treasury

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
Treasury Technical Assistance	18,848	19,800	23,700
Debt Restructuring	99,200	64,350	182,799
<b>Total, Department of the Treasury</b>	<b>118,048</b>	<b>84,150</b>	<b>206,499</b>

### Treasury Technical Assistance

The FY 2007 request for Treasury International Affairs Technical Assistance is \$23.7 million. The program provides financial advisors to countries seeking assistance in implementing significant economic reforms, especially during critical periods of transition to market-based economies. The program supports economic policy and financial management reforms, focusing on the functional areas of budget, taxation, government debt, financial institutions, and financial crimes law enforcement.

In FY 2007, it is estimated that \$5.47 million of the request will be used by Treasury Technical Assistance to fund resident and short-term advisor projects with countries combating terrorist finance activity. A large portion of the request (32%) will be used for assistance programs in sub-Saharan Africa, supporting economic and financial reforms in countries receiving HIPC debt relief, and other areas of emphasis. Over a quarter of the request (25.7%) will be used to carry out projects in the Greater Middle East, including Afghanistan, Iraq, and Jordan.

### Debt Restructuring

The FY 2007 request is \$182.8 million for Heavily Indebted Poor Countries (HIPC) and poorest country debt reduction and for Tropical Forest Conservation Act programs.

For the poorest countries with unsustainable debt, debt reduction provides an incentive to implement macroeconomic and structural reforms necessary for economic growth and also frees up resources for poverty reduction efforts. At least \$175 million is required to cover the cost of completing HIPC bilateral debt reduction for the Democratic Republic of Congo.

The Tropical Forest Conservation Act (TFCA) received strong bipartisan support and was signed into law in 1998. The program allows for reduction of U.S. concessional debt and redirection of payments in local currency in eligible countries to support programs to conserve tropical forests.

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### III. Military Assistance

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
International Military Education and Training	89,012	85,877	88,900
Foreign Military Financing	4,995,232	4,464,900	4,550,900
Peacekeeping Operations	547,568	173,250	200,500
<b>Total, Military Assistance</b>	<b>5,631,812</b>	<b>4,724,027</b>	<b>4,840,300</b>

#### International Military Education and Training (IMET)

IMET's traditional purpose of promoting more professional militaries around the world through training and education has taken on greater importance as an effective means to strengthen military alliances and the international coalition against terrorism. IMET has made these militaries more efficient, effective and reflective of U.S. values and has improved interoperability with U.S., NATO and regional coalitions.

Recipients of IMET training include foreign military personnel and civilian government and NGO personnel whose participation contributes to improved civil-military relations, civilian control of the military and human rights.

The FY 2007 request for IMET is \$88.9 million. The U.S. policy interest in building military alliances and capabilities in the international coalition against terrorism continues to be the focus of the FY 2007 request.

*Africa* – \$10.8 million, including \$3 million for Nigeria, Senegal, Ghana and Ethiopia – major contributors to peacekeeping operations on the continent and beyond.

*East Asia and the Pacific* – \$9.9 million, including \$7.4 million for key programs in the Philippines, Thailand, Mongolia and Indonesia.

*Europe* – \$27.1 million for new NATO members and key coalition partners, as well as other nations in the region to promote regional security and integration among U.S., NATO, European and Eurasian armed forces.

*Near East* – \$14.1 million, including \$10.5 million to sustain major programs in Jordan, Morocco, Tunisia, Egypt, Oman and Yemen, as well as \$1.2 million for a program in Iraq to establish English language skills to serve as the foundation from which to draw students to receive professional and technical military education.

*South Asia* – \$10.3 million, including \$3.6 million for programs in Pakistan and India and \$1.2 million to maintain training of the Afghan National Army (ANA).

*Western Hemisphere* – \$12.6 million, including \$1.8 million for El Salvador, \$1.7 million for Colombia and \$3.5 million for key programs in Argentina, Dominican Republic and Honduras.

## **Foreign Military Financing (FMF)**

The FY 2007 request for FMF is \$4.55 billion. The total reflects small increases in funding for major programs while sustaining other critical programs. FY 2007 FMF will continue to support coalition partners and front-line states critical to the Global War on Terrorism (GWOT), and other key countries committed to counterterrorism activities such as Colombia.

The FMF program is a key element of coalition building, critical to enhancing the capabilities of friends and allies on whom we depend in multilateral coalitions and operations.

*Africa* – \$14.8 million for key African countries to bolster counterterrorism capabilities, improve peacekeeping capacity, enhance border and maritime control and strengthen regional stability. Major items include \$2 million to help Ethiopia build on its counterterrorism capabilities and support its nascent training institutions; \$4 million to fund the African Coastal and Border Security program, which seeks to provide new and follow-on assistance to several key African partners to develop means to control Africa's territorial waters and borders; and \$4 million for Djibouti to provide equipment and training to help protect its borders and waters from terrorist activity.

*East Asia and the Pacific* – \$31.9 million, including \$17.6 million for the Philippines to continue the long-term, multi-year plan for modernizing and reforming the Philippine Armed Forces, to reinforce the armed forces' counter-terrorism training instituted after 9/11, and to continue the maintenance and mobility program; \$6.5 million for Indonesia to promote defense reform and to improve maritime security, mobility and disaster relief capabilities; \$3 million for Mongolia to support interoperability with Western and UN forces as a key component of the coalition and complete its border communications project; \$2 million for Regional Maritime Security Program to support essential integrating network systems to facilitate information sharing and promote regional interoperability with particular focus on Indonesia, Malaysia, the Philippines and Thailand; and, \$1.3 million to support Thailand's special operations units, which are the Thai military's primary counter-terrorism assets.

*Europe* – \$136.8 million to fund ongoing efforts to incorporate the most recent NATO members into the Alliance, support prospective NATO members and coalition partners. Major programs include \$30 million to continue the defense reform in Poland while advancing professionalization, modernization and interoperability to support its coalition efforts; \$15 million to further defense reform and modernization in Romania; and \$15 million to promote Turkish Armed Forces modernization and strengthen its participation in the global war on terrorism.

*Near East* – \$3.9 billion, including \$2.340 billion for Israel, an increase of \$60 million consistent with the agreement to increase FMF and decrease Economic Support Funds (ESF) for Israel; \$1.3 billion for Egypt to fund programs which promote a modern, well-trained Egyptian military; \$206 million to support Jordan's force modernization, border surveillance and counterterrorism efforts; \$14 million to enhance Oman's capability to monitor land, sea and air borders and improve interoperability with U.S. forces; \$15.8 million to upgrade Bahrain's military capabilities pivotal to U.S. operations; \$12.5 million to enhance Morocco's capacity to patrol its northern coast and the Strait of Gibraltar; \$8.5 million to improve Yemen's ability to uproot the al-Qaeda presence in Yemen and safeguard its borders and territorial waters; and \$8.5 million to support Tunisia's efforts to secure its porous borders from terrorist threats.

*South Asia* – \$308.6 million, including \$300 million to provide equipment to help Pakistan's Armed Forces interdict and apprehend terrorists and prevent illegal cross-border movements which is critical to ongoing Operation Enduring Freedom efforts. Funds will also support countries in Central Asia to pursue defense reform and support the continued implementation of NATO Membership, Partnership and Individual

country Action Plan goals. \$1.3 million will support Nepalese armed forces' efforts to combat a Maoist insurgency.

*Western Hemisphere* – \$105.3 million to ensure that regional militaries are equipped and professionally trained to participate in coalition and peacekeeping operations, exert effective authority over their national territory. Of this, \$90 million is requested for Colombia -- which is at the center of the hemisphere's narcotics and terrorism threat -- to provide operational support and specialized equipment to the Colombian armed forces, focusing on specialized and mobile units of the Colombian Army, which are involved in securing national territory, as well as units assigned to protect the Cano Limon oil pipeline, a key portion of Colombia's economic infrastructure. Other programs include \$5.5 million to support El Salvador's modernization and interoperability efforts as a key coalition partner and enhance its disaster preparedness capabilities; and \$4 million for Operation Enduring Friendship to stem transnational criminal trafficking in aliens, narcotics, arms and other contraband by promoting a regional framework to respond to threats to Caribbean maritime security resulting in enhanced homeland security.

*Global* - \$43.5 million for FMF administrative costs.

### **Peacekeeping Operations (PKO)**

The Administration is requesting \$200.5 million for PKO in FY 2007.

PKO funds advance international support for voluntary multinational efforts in conflict resolution, including support for international missions in response to emerging crises. These funds promote involvement of regional organizations and help leverage support for multinational efforts where no formal cost-sharing mechanisms exist.

The request includes \$3.95 million for *Africa Regional Peacekeeping Operations*. PKO funding is critical to our efforts to help end destructive conflicts and ensure viable peace in the Great Lakes region, the Mano River region of West Africa, and other sensitive areas on the continent by supporting conflict management activities, confidence-building measures and defense reform efforts. Funds may also support programs to enhance African capabilities to respond to regional crises, especially in conjunction with the African Union (AU) and the Economic Community of West African States (ECOWAS).

The request also includes \$41.4 million for *Sudan Security Sector Transformation* and \$14.8 million for *Liberia Security Sector Reform* in FY 2007. Funds for both of these programs will continue efforts to transform the Southern Sudanese and Liberian militaries into capable and professional armed forces. This assistance contributes to the prospects for peace in both countries as the government and people gain confidence in their security situation and are protected by a military that is both more professional and more representative of their respective societies.

FY 2007 PKO request includes \$102.6 million to continue the Presidential *Global Peace Operations Initiative (GPOI)*, which is a five-year program that began in FY 2005. GPOI is intended to enable countries to deploy to global peace support operations (PSOs) by addressing key gaps in their PSO capabilities. The program focuses on training and equipping 75,000 troops, with an emphasis in the Africa region; increasing the number of gendarme units deployable to PSOs; and, facilitating deployments by providing support such as transportation and field sustainment. The program incorporates the previously funded *African Contingency Operations Training and Assistance (ACOTA)* program, and the *Enhanced International Peacekeeping Capabilities (EIPC)*, previously funding under the Foreign Military Financing account.

The request includes \$21 million to continue the U.S. contribution to the *Multinational Force and Observers (MFO)* mission in the Sinai.

Finally, FY 2007 will be the first year of budgeted funding (\$16.750 million) for the *Trans-Sahara Counter-terrorism Initiative (TSCTI)*. Using existing resources, TSCTI began in FY 2005 as a multi-disciplinary initiative designed to counter terrorist threats in the region. PKO funds will develop and enhance counterterrorist capabilities of security forces in the region, including supporting activities that promote interoperability and facilitate coordination between the countries to counter common threats.

## IV. Multilateral Economic Assistance

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
<b>International Financial Institutions</b>			
Global Environment Facility	106,640	79,200	56,250
International Development Association	843,200	940,500	950,000
Multilateral Investment Guarantee Agency	-	1,287	-
Asian Development Bank	-	-	23,750
Asian Development Fund	99,200	99,000	115,250
African Development Fund	105,152	134,343	135,700
African Development Bank	4,067	3,602	5,018
European Bank for Reconstruction and Development	35,148	1,006	-
Enterprise for the Americas Multilateral Investment Fund	10,912	1,724	25,000
Inter-American Investment Corporation	-	1,724	-
International Fund for Agricultural Development	14,880	14,850	18,000
Arrears	[10,912]	[5,453]	-
<b>Total, International Financial Institutions</b>	<b>1,219,199</b>	<b>1,277,236</b>	<b>1,328,968</b>
International Organizations and Programs	300,967	326,163	289,000
<b>Total, Multilateral Economic Assistance</b>	<b>1,520,166</b>	<b>1,603,399</b>	<b>1,617,968</b>

### International Financial Institutions (IFIs)

International Financial Institutions (IFIs) provide loans, grants and investments in developing and transition economies and private sector enterprises in countries where risks are too high for private financing alone and where leverage is needed to encourage private financing. Bank policies and assistance programs reflect U.S. priorities in promoting growth, increasing productivity, and reducing poverty in developing countries.

The FY 2007 request for the IFIs is \$1.3 billion of scheduled annual commitments, including the initial scheduled commitments for the first replenishment of the Inter-American Development Bank's Enterprise for the Americas Multilateral Investment Fund (MIF) and the seventh replenishment of the International Fund for Agricultural Development (IFAD-7).

The FY 2007 request, through funding for the International Development Association (IDA) and the African Development Fund (AfDF), supports key international development priorities such as the landmark debt relief initiative, secured by the U.S. working with the UK and other key countries, that will end the destabilizing lend-and-forgive cycle of development assistance for the world's poorest and most heavily indebted countries, freeing up funds for more effective and measurable economic growth and poverty reduction programs.

Through U.S. leadership in the IFI replenishment negotiations, key policy reforms were initiated, reinforced and extended in the international financial institutions that will improve debt sustainability and increase grants, further measurable results, and increase transparency and fight corruption.

Debt sustainability frameworks adopted in IDA, AfDF, and IFAD will provide a significant increase in grant resources to the poorest countries. IDA will provide approximately 30% of its total resources to the world's poorest and debt vulnerable countries as grants, and the AfDF will raise the estimated grant share from about 20 percent to over one-third of available resources. The Asian Development Fund's eighth replenishment established, for the first time in the AsDF, a grant window where approximately 30 percent of assistance to the poorest countries will be in the form of grants.

Results measurement systems were expanded significantly through the IDA-14 and AfDF-10 replenishments and will be robust with the adoption of clear, measurable goals and targets and results-based management processes and standards.

Measures to improve transparency and efforts to fight corruption in countries, on bank projects, and in the institutions themselves were strengthened. The AfDB established a new anti-corruption and investigative unit, the IDB overhauled its procurement policies and practices to conform to best international practices, and AsDB significantly increased its in-country governance programs. In FY 2007, IDA will conduct an independent assessment of its internal controls framework.

### **International Organizations and Programs (IO&P)**

The FY 2007 request of \$289 million for voluntarily funded International Organizations and Programs (IO&P) will advance U.S. strategic goals by supporting and enhancing international consultation and coordination. This approach is required in transnational areas such as protecting the ozone layer or safeguarding international air traffic, where solutions to problems can best be addressed globally. In other areas, such as in development programs, the United States can multiply the influence and effectiveness of its contributions through support for international programs.

The request includes \$123 million to support the core budget of the UN Children's Fund (UNICEF), which helps provide goods and services directly to the world's neediest children and contributes to the development of local institutional capacity to meet their basic needs. UNICEF's development work is closely coordinated with U.S. and international development agencies.

The request also includes \$94.5 million for the United Nations Development Program (UNDP), the primary development agency in the UN system. These funds will support UNDP's regular budget, which supports its core development goals, as well specific trust funds targeted in the areas of democratic governance and crisis prevention and recovery.

Nearly \$40 million of the FY 2007 request will support international environmental organizations and conservation programs, including \$19 million for the Montreal Protocol Multilateral Fund, which aims to combat ozone depletion.

The FY 2007 request also includes \$10 million to continue the expansion of the UN Democracy Fund. The purpose of the Fund is to provide support for programs that advance democracy on a wide range of fronts, including rule of law, independent courts, free press, political parties, civil society development, and trade unions. This U.S. Presidential initiative was established and initially funded from voluntary contributions in 2005. U.S. funding has spurred significant participation from a host of other nations, underscoring the growing trend of support for democracy and democratic values in all regions of the world.

# STATE, JUSTICE, COMMERCE, AND RELATED AGENCIES

## I. Department of State

### A. Administration of Foreign Affairs

#### State Programs

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
Diplomatic and Consular Programs			
Ongoing Operations	4,256,316	3,647,918	3,856,703
Worldwide Security Upgrades	649,904	680,716	795,170
Total, Diplomatic and Consular Programs	4,906,220	4,328,634	4,651,873
Capital Investment Fund	51,452	58,143	68,298
Centralized IT Modernization Program	76,811	68,482	-
<b>Total, State Programs</b>	<b>5,034,483</b>	<b>4,455,259</b>	<b>4,720,171</b>

#### Overview

America stands committed to a bold mission – the expansion of freedom and democracy in the world. By extending freedom to millions who have not known it and building democratic institutions, the United States can establish a durable basis for peace and make our homeland more secure.

The Department of State continues to press this mission daily, engaging governments and publics around the world to promote human rights, international stability, and economic prosperity. Together with partners on every continent, we are working to create a balance of power that favors freedom.

To achieve such goals, America must have an equally bold diplomacy and the capacity for sustained, concerted, international application. In the FY 2007 budget, we have identified the resources required by the State Department to meet the challenges and seize the opportunities of an extraordinary time of transformation – the resources to ensure that American diplomacy remains the front line of freedom.

#### Diplomatic and Consular Programs (D&CP)

The FY 2007 request for D&CP – the Department’s principal operating appropriation – totals \$4.652 billion. This funding supports the people, platform, and programs required to carry out U.S. foreign policy in more than 260 embassies, consulates, and other posts around the world.

The D&CP request provides \$3.857 billion for Ongoing Operations. The request sustains current diplomatic and consular operations worldwide and enables the Department to meet new high-priority requirements for transformational diplomacy. Among these requirements are a strengthened American

presence in states making the transition to democracy and coordination of U.S. Government civilian efforts to help the world's newest democracies.

The request for Ongoing Operations includes \$351 million for vigorous public diplomacy to shape foreign opinion and win support for U.S. foreign policy goals. The public diplomacy strategy stresses outreach to younger and more diverse audiences. It also places increased emphasis on research and analysis to target programs more effectively and on translations to facilitate access. The funding will also help improve rapid response capability to counter misinformation about U.S. policies and dangerous rumors in the same news cycle.

The D&CP request also provides \$795 million for Worldwide Security Upgrades to continue to strengthen the security of diplomatic personnel and facilities in the face of international terrorism. The program will extend the core program to upgrade security equipment and technical support, information and systems security, perimeter security, and security training. Increases will address the exceptional security demands of the U.S. Mission in Afghanistan and the needs for biological/chemical protection and soft target security.

The FY 2007 request provides \$1.139 billion for the Border Security Program. Revenue from Machine Readable Visa (MRV) and other consular fees and surcharges will help fund continuous improvements in systems, processes, and programs to protect U.S. borders against the illegal entry of terrorists and others who threaten homeland security. This funding also includes \$10 million in appropriated funds to pilot a 10-fingerprint collection system to support the national security requirement to collect biometric data from visa and passport applicants.

### **Capital Investment Fund (CIF)**

The FY 2007 request provides \$68 million for the Capital Investment Fund (CIF) to continue to make investments in Information Technology (IT). With every Department program now dependent on IT, from simple e-mail to specialized systems, these investments are essential for conducting the business of foreign affairs. The Department's request for IT from all funding sources – including CIF, D&CP, user fees, and other State appropriations – totals \$881 million.

Funding for IT infrastructure maintenance and upgrades – including classified and unclassified desktop computers, servers, network equipment, circuits, and software – that was appropriated in the Centralized Information Technology Modernization Program account in FY 2006 is being requested for FY 2007 as fee spending authority.

The funds requested will help support modernization of Local Area Networks and global IT infrastructure to provide reliable access to needed information and systems – anytime, anywhere. The funding will also facilitate collaboration and data sharing internally and with other agencies.

## Embassy Security, Construction, and Maintenance

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
Ongoing Operations	603,510	591,152	640,161
Supplemental	592,000	-	-
Worldwide Security Upgrades			
Capital Security Construction	774,831	799,852	800,559
Compound Security	125,303	98,722	98,809
Total, Worldwide Security Upgrades	900,134	898,574	899,368
<b>Total, Embassy Security, Construction, and Maintenance</b>	<b>2,095,644</b>	<b>1,489,726</b>	<b>1,539,529</b>

### Embassy Security, Construction, and Maintenance (ESCM)

The FY 2007 request for the ESCM account totals \$1.54 billion. This funding – an increase of \$50 million over the FY 2006 level – reflects the Administration’s continuing commitment to protecting U.S. Government personnel assigned abroad and providing U.S. diplomatic and consular posts with safe and functional facilities. Full funding of the request is essential to maintain the progress made over the last four years in replacing non-secure facilities.

The ESCM request provides \$640 million for Ongoing Operations. This budget funds maintenance and repairs at overseas posts, facility rehabilitation projects, construction security, renovation of the Harry S Truman Building, all activities associated with leasing overseas properties, and management of the overseas buildings program. The value of the real estate portfolio managed by the State Department exceeds \$12 billion and includes over 15,000 properties.

The ESCM request provides \$801 million for the Capital Security Construction Program under Worldwide Security Upgrades (WSU). This program was initiated to replace diplomatic facilities at the 187 most vulnerable posts. FY 2007 funding will support the next tranche of security-driven projects, including design and construction of 10 new facilities.

FY 2007 will be the third year of the five-year phase-in of the Capital Security Cost Sharing Program. Through this program each agency with staff overseas under Chief of Mission authority contributes to the costs of constructing secure embassy compounds. In FY 2007, contributions to the Capital Security Construction Program from agencies other than the State Department will total approximately \$363 million.

The ESCM request for WSU further provides \$99 million to upgrade compound security at high-risk posts and increase protection for soft targets such as schools, recreation facilities, and other symbols of U.S. presence.

## Other Administration of Foreign Affairs

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
Office of Inspector General	30,028	29,645	32,508
Educational and Cultural Exchanges	355,932	426,275	474,288
Representation Allowances	8,525	8,175	8,201
Protection of Foreign Missions and Officials	9,762	9,270	9,288
Emergencies in the Diplomatic & Consular Service (1)	877	24,872	4,940
Repatriation Loans Program Account	1,313	1,302	1,285
Payment to the American Institute in Taiwan	19,222	19,499	15,826
Payment to the Foreign Service Retirement and Disability Fund [Mandatory]	[132,600]	[131,700]	[126,400]
<b>Total, Other Administration of Foreign Affairs</b>	<b>425,659</b>	<b>519,038</b>	<b>546,336</b>

(1) FY 2005 Actual excludes \$2.904 million made available by the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (P.L. 109-13).

### Office of Inspector General

The FY 2007 request includes \$32.5 million to support activities of the Inspector General. These include audits, investigations, and inspections of worldwide operations and programs of the Department of State and the Broadcasting Board of Governors. Such activities assist in improving the economy, efficiency, and effectiveness of operations, as well as in detecting and preventing fraud, waste, and mismanagement.

### Educational and Cultural Exchange Programs

The FY 2007 request provides a total of \$474 million for exchanges to increase mutual understanding and engage the leaders of tomorrow. Aligned with public diplomacy efforts, these strategic people-to-people programs help establish the trust and international cooperation necessary to advance a broad front of U.S. national interests.

Funding increases in FY 2007 will raise the number of foreign and American participants in exchange programs of proven value and create new opportunities to educate and empower, particularly in the Muslim world.

FY 2007 funding will support “key influencers” programs to bring to America opinion leaders, journalists, teachers, religious educators, and others who can shape the discourse about the United States and U.S. policies in their home institutions and communities. Funding will also institute Freedom Fellowships to reach talented students from outside traditional elites.

Furthermore, FY 2007 funding will help support the President’s National Security Languages Initiative by promoting teaching and learning by Americans of critically needed foreign languages, such as Arabic, Russian, Turkish, Chinese, Hindi, and Urdu.

The budget request provides \$258 million for academic programs, including the Fulbright Program and Gilman scholarships as well as English language programming abroad, U.S. overseas educational advising centers, American overseas research centers, and U.S. Studies programs.

The request provides \$163 million for professional and cultural exchanges, including the International Visitor Leadership Program, which supports visits to the United States by current and emerging foreign leaders, and cooperative programs with non-governmental organizations, such as the Citizen Exchange Program.

The request also provides \$3.6 million for program and performance, including evaluation and alumni activities, and \$49.8 million for exchanges support, which funds staffing costs and provides support for exchange programs management, coordination among U.S. Government agencies that administer international exchange and training programs, and the U.S. Cultural Property Advisory Committee.

### **Representation Allowances**

The FY 2007 request of \$8.2 million will partly reimburse diplomatic and consular personnel for official representation of the United States abroad and before international organizations.

### **Protection of Foreign Missions and Officials**

The FY 2007 request of \$9.3 million in two-year funds will help provide extraordinary protection of international organizations and foreign missions and officials in the United States.

### **Emergencies in the Diplomatic and Consular Service**

The FY 2007 request includes \$4.9 million to help meet unforeseen emergencies and other requirements in the conduct of foreign affairs. This appropriation routinely funds emergency evacuations of American citizens and U.S. Government officials due to civil unrest, natural disasters, or viral epidemics. The appropriation also pays rewards for information concerning international terrorism, narco-terrorism, and war crimes.

### **Repatriation Loans Program Account**

Requested FY 2007 funding of \$1.3 million will provide emergency loans to assist destitute Americans abroad who have no other source of funds to return to the United States. These include travelers without money because of theft, illness, or accident, as well as Americans residing abroad caught in disasters or needing to escape abusive situations.

### **Payment to the American Institute in Taiwan**

The FY 2007 request of \$15.8 million will fund the contract with the American Institute in Taiwan for economic and commercial services, cultural and information programs, and travel documents and services for Americans and the people in Taiwan.

## B. International Organizations

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
Contributions to International Organizations	1,166,212	1,151,317	1,268,523
Contributions for International Peacekeeping Activities	1,113,455	1,022,275	1,135,327
<b>Total, International Organizations</b>	<b>2,279,667</b>	<b>2,173,592</b>	<b>2,403,850</b>

### Contributions to International Organizations (CIO)

The FY 2007 request of \$1.269 billion for CIO provides funding, consistent with statutory restrictions, to pay U.S. assessed contributions to 47 international organizations. These include the United Nations, the World Health Organization, the North Atlantic Treaty Organization, the International Atomic Energy Agency, and the Organization for Economic Cooperation and Development.

The request represents an increase of \$117 million over the FY 2006 enacted level. Many of the programmatic increases appear in areas of priority for the United States, such as supporting the work of the UN's Counter-Terrorism Committee, which seeks to monitor UN member state implementation of counter-terrorism measures, or strengthening the International Atomic Energy Agency's safeguards program.

The request for CIO recognizes the obligations of the United States to international organizations and reflects the U.S. commitment to maintain their financial stability and efficiency. Multilateral diplomacy through such organizations addresses a broad range of U.S. foreign policy goals. Among these are: promoting economic growth through market economies; settling disputes peacefully; encouraging non-proliferation, nuclear safeguards, arms control, and disarmament; adopting international standards to facilitate international trade, telecommunications, transportation, environmental protection, and scientific exchange; and strengthening international cooperation in agriculture and health.

### Contributions for International Peacekeeping Activities (CIPA)

The FY 2007 request of \$1.135 billion for CIPA will allow the United States to pay its share of projected United Nations peacekeeping assessments. The requested funding will help support UN peacekeeping missions in Africa, Europe/Eurasia, the Middle East, and the Caribbean, including missions in Sudan/Darfur, Liberia, Cote d'Ivoire, the Democratic Republic of the Congo, and Haiti.

UN peacekeeping missions further U.S. objectives by ending conflicts, restoring peace, and strengthening regional stability. They also leverage U.S. political, military, and financial assets through the authority of the UN Security Council and the participation of other states that provide funds and peacekeepers for conflicts around the world.

The Administration requests that 15 percent of the CIPA funding be appropriated as "two-year funds" because of the unpredictability of requirements in this account and the nature of multi-year operations with mandates overlapping U.S. fiscal years.

## C. Related Appropriations

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
The Asia Foundation	12,826	13,821	10,000
National Endowment for Democracy	59,199	74,042	80,000
East-West Center	19,240	18,994	12,000
Center for Middle Eastern-Western Dialogue - Trust Fund	6,660	4,936	-
Center for Middle Eastern-Western Dialogue - Program	622	740	750
Eisenhower Exchange Fellowship Program	493	494	500
Israeli Arab Scholarship Program	370	370	375
<b>Total, Related Appropriations</b>	<b>99,410</b>	<b>113,397</b>	<b>103,625</b>

### **The Asia Foundation**

The Asia Foundation (TAF) is a private, grant-making organization with a longstanding presence in Asia, in-depth knowledge of people and institutions, and rapid response capacity. TAF's programs complement U.S. Government efforts to advance U.S. national interests in the Asia-Pacific region.

The FY 2007 request of \$10 million will enable TAF to support local groups and hands-on programs that strengthen democratic institutions and leadership, develop non-governmental and regional organizations, and advance the rule of law and human rights. In response to global terrorism, TAF will continue to emphasize activities that contribute to expanding democracy and combating extremism in Asia.

### **National Endowment for Democracy**

The National Endowment for Democracy (NED) was established by Congress in 1983 to strengthen democratic institutions around the world. Governed by an independent, nonpartisan board of directors, the NED makes grants to nongovernmental organizations and civil society groups fighting for democracy, human rights, religious tolerance, freedom of the press, and free elections.

The FY 2007 budget request for the NED of \$80 million will fund democracy-building programs in Africa, Asia, Central and Eastern Europe, Eurasia, Latin America, and the Middle East. This funding will support expanded efforts to promote democracy in the broader Middle East and North Africa.

### **East-West Center**

The Center for Cultural and Technical Interchange between East and West was established by Congress in 1960 as a national educational and research organization. Located in Hawaii, the center promotes understanding and strengthens relations between the United States and nearly 60 nations of Asia and the Pacific.

The FY 2007 request of \$12 million provides core funding for the center's programs of cooperative study, training, and research. These programs address U.S. concerns and multilateral needs, including homeland security, internal conflict in Asia, terrorism, educational policy, and outreach to Muslim populations.

### **Center for Middle Eastern-Western Dialogue**

The Center for Middle Eastern-Western Dialogue was established by Congress to foster the exchange of views and ideas among students and scholars on such topics as post-war Iraq and leadership in the Middle East. The FY 2007 request seeks appropriation authority to make an estimated \$750 thousand in earnings from the center's permanent trust fund available to the Steering Committee for operations of the center.

### **Eisenhower Exchange Fellowship Program**

The Eisenhower Exchange Fellowship Program builds international understanding by bringing rising leaders to the United States, and sending their American counterparts abroad, on custom-designed professional programs. The program's trust fund will provide an estimated \$500 thousand in FY 2007 to support these exchanges.

### **Israeli Arab Scholarship Program**

The Israeli Arab Scholarship Program fosters mutual understanding by enabling Arab citizens of Israel to study and conduct research in the United States. The program's trust fund will provide an estimated \$375 thousand in FY 2007 to support these scholarships.

## II. Broadcasting Board of Governors

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
International Broadcasting Operations	587,906	633,257	617,338
Broadcasting to Cuba	-	-	36,279
Broadcasting Capital Improvements	10,946	10,754	18,286
<b>Total, Broadcasting Board of Governors</b>	<b>598,852</b>	<b>644,011</b>	<b>671,903</b>

### Overview

The Broadcasting Board of Governors (BBG) is an independent entity responsible for all U.S. non-military international broadcasting programs. Its mission is to promote and sustain freedom and democracy by broadcasting accurate and objective news and information about the United States and the world to audiences overseas.

### International Broadcasting Operations

The FY 2007 request provides \$617 million for International Broadcasting Operations. Through this account, the BBG funds operations of the Voice of America (VOA), Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), and Middle East Broadcasting Networks (including Alhurra, Alhurra-Iraq, Alhurra-Europe, and Radio Sawa), as well as related program delivery and support activities.

The FY 2007 budget expands news coverage on Alhurra television and Radio Sawa. VOA will enhance broadcasts to Venezuela and Zimbabwe. RFE/RL will shift its Russian radio broadcasting from shortwave radio transmission to more popular UKV frequencies in major cities, while RFA will add medium wave transmission to North Korea.

The FY 2007 budget focuses on specific audiences, especially in the broader Middle East, using popular media such as television and FM radio. Based on this strategy, the BBG is reducing its broadcasts in Serbian, Albanian, Bosnian, Georgian, Macedonian, Hindi, Russian, English, Croatian, Greek, Thai, and Turkish and reducing shortwave transmission.

### Broadcasting to Cuba

The FY 2007 request provides \$36 million for Radio Marti and TV Marti broadcast operations to support current schedules, including operations of the aircraft funded in FY 2006. The FY 2007 budget includes funding for a replacement aerostat.

Funding for Broadcasting to Cuba was provided in the International Broadcasting Operations account in FY 2005 and 2006. In FY 2007, funding for Broadcasting to Cuba is requested as a separate account.

### Broadcasting Capital Improvements

The FY 2007 request provides \$18 million for Broadcasting Capital Improvements to maintain the BBG's worldwide transmission network, including security of transmission facilities overseas. The FY 2007 budget includes funding to expand VOA television capability in order to support increased VOA programming.

### III. Other Programs

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
International Trade Commission	60,876	61,951	64,201
Foreign Claims Settlement Commission	1,204	1,270	1,610
United States Institute of Peace	121,893	22,065	26,979
<b>Total, Other Programs</b>	<b>183,973</b>	<b>85,286</b>	<b>92,790</b>

#### International Trade Commission

The International Trade Commission (ITC) is an independent, nonpartisan, Federal agency with a wide range of trade-related mandates. The ITC makes determinations with respect to unfair trade practices in import trade, as well as import injury and intellectual property-based investigations. It also exercises broad investigative powers on matters of trade, conducts economic research and fact-finding investigations of trade issues, and provides technical information and advice on trade matters to Congress and the Administration.

The FY 2007 request of \$64.2 million for the ITC will fund activities related to these mandates.

#### Foreign Claims Settlement Commission

The Foreign Claims Settlement Commission adjudicates the claims of American nationals (individuals and corporations) arising out of the nationalization, expropriation, or other taking of their property by foreign governments – and, in some cases, claims for personal injury and death – pursuant to the International Claims Settlement Act of 1949 and other statutes.

The FY 2007 request of \$1.6 million will enable the Commission to continue this function, while also providing technical assistance to the Departments of State and the Treasury, other Federal agencies, and the public in connection with international and war claims programs.

#### United States Institute of Peace

The FY 2007 request includes \$27 million for the United States Institute of Peace (USIP) to actively promote the prevention, management, and peaceful resolution of international and internal armed conflicts. USIP does this through direct involvement in peacekeeping efforts as well as by empowering others with knowledge, skills, and resources through education, professional training, and research.

In FY 2007, USIP will continue to engage the Muslim world to facilitate dialogue, promote democratization, and strengthen moderates.

**AGRICULTURE, RURAL DEVELOPMENT,  
FOOD AND DRUG ADMINISTRATION,  
AND RELATED AGENCIES**

**Department of Agriculture**

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
P.L. 480 Title II	1,413,041	1,138,500	1,218,500
McGovern-Dole International Food for Education	86,800	99,000	99,000
<b>Total, Department of Agriculture</b>	<b>1,499,841</b>	<b>1,237,500</b>	<b>1,317,500</b>

**P.L. 480 Title II**

The FY 2007 request for Title II Food Aid is \$1.219 billion. Title II Food Aid of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) is requested by the Department of Agriculture and administered by USAID.

Title II provides U.S. food assistance in response to emergencies and disasters around the world via the World Food Program and private voluntary organizations. Title II resources have been critical to saving lives by preventing and mitigating famines and providing urgent relief to victims of natural disasters and complex emergencies where natural disasters are compounded by ongoing civil strife.

Through this program, the United States also provides development-oriented resources to private voluntary organizations and the world Food Program to help improve the food security of needy people through the direct distribution of agricultural commodities or the use of local currencies generated by the sale of these commodities in the recipient country.

**McGovern-Dole International Food for Education**

The FY 2007 request for the McGovern-Dole International Food for Education and Child Nutrition Program Grants is \$99 million. The Department of Agriculture (USDA) administers this program. The FY 2005 program provided \$87 million for the donation of U.S. agricultural commodities and associated technical and financial assistance to carry out preschool and school feeding programs in 17 foreign countries in order to improve food security, reduce the incidence of hunger and malnutrition, and improve literacy and primary education. The program also supports maternal, infant, and child nutrition programs for pregnant women, nursing mothers, infants and children.

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**Child Survival and Health Programs Fund**  
(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Request</b>
<b>Africa</b>			
Angola	7,111	14,623	13,374
Benin	7,450	7,903	8,403
Burundi	3,093	2,669	3,080
Democratic Republic of Congo	25,415	23,960	23,170
Eritrea	14	-	-
Ethiopia	20,090	31,570	28,813
Ghana	18,920	18,157	18,543
Guinea	7,050	6,748	5,471
Kenya	14,600	16,840	14,611
Liberia	3,971	3,164	3,001
Madagascar	13,315	11,526	11,479
Malawi	21,425	21,125	21,060
Mali	16,705	16,529	15,893
Mozambique	13,430	17,361	15,929
Namibia	796	1,168	1,180
Nigeria	28,250	21,544	19,677
Rwanda	7,100	7,163	7,729
Senegal	14,775	14,001	14,183
Sierra Leone	100	297	300
Somalia	100	-	-
South Africa	5,328	5,070	5,130
Tanzania	15,110	21,754	20,662
Uganda	15,160	19,948	18,512
Zambia	13,655	16,083	14,402
Zimbabwe	11,100	10,973	10,822
Africa Regional	29,598	28,891	129,875
REDSO/ESA	12,900	9,898	9,510
Regional Center for Southern Africa	7,486	7,401	7,411
Sudan	16,500	19,000	20,400
West Africa Regional	19,737	16,570	15,890
<b>Subtotal - Africa</b>	<b>370,284</b>	<b>391,936</b>	<b>478,510</b>
<b>East Asia and the Pacific</b>			
Cambodia	29,300	28,556	27,378
Indonesia	37,100	28,017	27,507
Philippines	27,050	22,671	21,072
Vietnam	1,200	-	-
Regional Development Mission / Asia	18,511	18,941	20,007
<b>Subtotal - East Asia and the Pacific</b>	<b>113,161</b>	<b>98,185</b>	<b>95,964</b>

**Child Survival and Health Programs Fund**  
(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Request</b>
<b>Europe and Eurasia</b>			
Azerbaijan	500	-	-
Central and Eastern Europe Regional	250	-	-
Georgia	2,000	-	-
Romania	2,000	-	-
Russia	6,450	2,970	2,970
Ukraine	4,663	2,176	2,176
<b>Subtotal - Europe and Eurasia</b>	<b>15,863</b>	<b>5,146</b>	<b>5,146</b>
<b>International Organizations</b>			
International Organizations/Partnerships	402,443	440,242	271,548
<b>Subtotal - International Organizations</b>	<b>402,443</b>	<b>440,242</b>	<b>271,548</b>
<b>South Asia</b>			
Afghanistan	38,000	41,449	42,800
Bangladesh	33,412	26,384	25,884
Central Asian Republics	1,000	1,238	1,238
India	53,222	47,690	48,366
Nepal	25,165	18,613	17,985
Pakistan	21,000	32,172	21,700
Sri Lanka	300	-	-
<b>Subtotal - South Asia</b>	<b>172,099</b>	<b>167,546</b>	<b>157,973</b>
<b>Western Hemisphere</b>			
Bolivia	16,495	16,479	14,689
Brazil	8,710	3,069	5,985
Dominican Republic	13,099	12,721	11,338
Ecuador	-	-	2,000
El Salvador	7,555	8,144	7,348
Guatemala	11,311	12,040	10,838
Haiti	19,969	19,801	15,812
Honduras	13,192	13,140	12,170
Jamaica	4,542	4,472	2,810
Mexico	3,234	3,990	3,720
Nicaragua	7,703	7,699	6,661
Paraguay	1,980	2,884	2,106
Peru	14,756	14,213	12,736
Caribbean Regional	4,695	6,435	5,640
Central American Regional	5,901	6,039	5,700
LAC Regional	11,478	9,735	8,480
<b>Subtotal - Western Hemisphere</b>	<b>144,620</b>	<b>140,861</b>	<b>128,033</b>

**Child Survival and Health Programs Fund**  
(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Request</b>
<b>Global</b>			
Asia-Near East Regional	4,458	9,501	3,287
Democracy, Conflict & Humanitarian Assistance	6,075	2,970	3,000
Global Health	324,105	298,112	288,153
Other Programs	6,015	12,077	-
Other Programs SUP	-	75,200	-
Program & Policy Coordination	3,277	2,574	1,386
<b>Subtotal - Global</b>	<b>343,930</b>	<b>400,434</b>	<b>295,826</b>
<b>Total</b>	<b>1,562,400</b>	<b>1,644,350</b>	<b>1,433,000</b>

**Development Assistance**  
(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Request</b>
<b>Africa</b>			
Angola	4,990	4,468	7,544
Benin	6,972	4,378	400
Burundi	2,118	2,917	3,943
Democratic Republic of Congo	16,812	10,670	11,088
Eritrea	14	-	-
Ethiopia	32,616	28,910	22,810
Ghana	18,173	25,834	15,451
Guinea	8,132	7,855	4,529
Kenya	15,782	17,792	21,002
Liberia	6,854	23,926	29,499
Madagascar	9,424	9,966	8,129
Malawi	17,523	10,352	8,716
Mali	20,669	14,581	16,932
Mozambique	17,435	12,307	13,403
Namibia	6,602	6,179	5,275
Nigeria	14,808	14,000	21,204
Rwanda	5,680	5,852	3,943
Senegal	12,995	19,554	13,246
Sierra Leone	4,600	3,756	3,820
Somalia	5,000	2,045	2,571
South Africa	25,710	24,362	19,279
Tanzania	8,755	9,167	9,260
Uganda	27,967	21,614	23,845
Zambia	15,212	26,622	16,336
Zimbabwe	2,460	1,376	1,400
Africa Regional	65,356	127,007	125,352
Central Africa Regional	15,000	15,000	15,000
REDSO/ESA	21,524	17,979	17,111
Regional Center for Southern Africa	15,315	15,022	15,990
Sudan	70,000	70,000	70,000
West Africa Regional	23,009	35,026	36,379
<b>Subtotal - Africa</b>	<b>517,507</b>	<b>588,517</b>	<b>563,457</b>
<b>East Asia and the Pacific</b>			
Cambodia	8,950	5,487	6,597
China	-	4,950	5,000
East Timor	500	-	-
Indonesia	27,848	33,212	26,724
Philippines	27,576	25,522	19,603
Vietnam	4,750	2,818	2,440

**Development Assistance**  
(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Request</b>
Regional Development Mission / Asia	10,400	13,628	12,000
<b>Subtotal - East Asia and the Pacific</b>	<b>80,024</b>	<b>85,617</b>	<b>72,364</b>
<b>Near East</b>			
Lebanon	500	-	-
Morocco	6,000	8,217	5,400
<b>Subtotal - Near East</b>	<b>6,500</b>	<b>8,217</b>	<b>5,400</b>
<b>South Asia</b>			
Afghanistan	164,000	148,500	150,000
Bangladesh	16,535	10,859	8,400
India	24,856	10,892	10,004
Nepal	10,000	7,895	7,051
Pakistan	29,000	40,590	29,000
Sri Lanka	6,774	3,465	3,500
<b>Subtotal - South Asia</b>	<b>251,165</b>	<b>222,201</b>	<b>207,955</b>
<b>Western Hemisphere</b>			
Bolivia	8,186	10,091	10,000
Brazil	3,479	8,007	8,000
Cuba	-	1,980	-
Dominican Republic	7,372	7,065	6,009
Ecuador	6,609	6,578	5,644
El Salvador	26,675	22,511	7,557
Guatemala	10,824	9,699	7,515
Guyana	3,572	3,960	4,000
Haiti	24,281	29,700	23,143
Honduras	20,856	18,824	13,290
Jamaica	12,219	9,579	7,391
Mexico	15,055	14,084	9,282
Nicaragua	26,058	20,843	12,996
Panama	5,125	4,335	3,180
Paraguay	3,748	4,385	4,130
Peru	11,246	9,435	9,000
Amazon Environmental Initiative	16,000	-	-
Caribbean Regional	6,214	4,891	6,000
Central American Regional	11,236	5,876	13,000
LAC Regional	26,667	61,082	29,715
South America Regional	1,817	1,485	2,000
<b>Subtotal - Western Hemisphere</b>	<b>247,239</b>	<b>254,410</b>	<b>181,852</b>

**Development Assistance**  
(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Request</b>
<b>Global</b>			
Asia-Near East Regional	28,744	18,186	23,540
Democracy, Conflict & Humanitarian Assistance	103,070	110,050	69,797
Economic Growth, Agriculture and Trade	185,028	160,369	139,024
Global Development Alliance	10,000	11,880	10,000
Legislative and Public Affairs	2,179	1,798	1,816
Other Programs	7,660	40,622	-
Program & Policy Coordination	9,204	6,893	6,795
<b>Subtotal - Global</b>	<b>345,885</b>	<b>349,798</b>	<b>250,972</b>
<b>Total</b>	<b>1,448,320</b>	<b>1,508,760</b>	<b>1,282,000</b>

## Economic Support Fund

(\$ in thousands)

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
<b>Africa</b>			
Angola	2,726	2,970	2,500
Burundi	3,224	3,811	2,500
Democratic Republic of Congo	4,960	4,950	5,000
Djibouti	1,984	4,950	3,500
Ethiopia	3,960	3,960	4,000
Kenya	7,678	7,920	6,755
Liberia	24,800	42,719	40,000
Nigeria	4,960	4,950	5,000
Sierra Leone	5,952	5,940	2,500
South Africa	992	1,287	1,300
Zimbabwe	1,984	2,970	3,000
Africa Regional	11,520	8,613	8,000
African Union (AU)	-	-	3,000
Kimberley Process	1,736	2,475	-
NED Democracy Programs	3,472	-	-
Regional Organizations	900	990	1,000
Safe Skies	3,472	2,970	3,000
Sudan	19,840	19,800	60,000
Sudan SUP	22,000	-	-
Trans-Sahara Counter-terrorism Initiative (TSCTI)	-	-	6,000
Women's Justice Empowerment Initiative	-	-	7,250
<b>Subtotal - Africa</b>	<b>126,160</b>	<b>121,275</b>	<b>164,305</b>
<b>East Asia and the Pacific</b>			
Burma	7,936	10,890	7,000
Cambodia	16,864	14,850	13,500
East Timor	21,824	18,810	13,500
Indonesia	68,480	69,300	80,000
Laos	-	-	500
Mongolia	9,920	7,425	7,500
Philippines	30,720	19,800	20,000
Thailand	992	990	-
Vietnam	-	1,980	1,000
ASEAN	744	3,366	3,400
Developing Asian Institutions Fund	-	1,485	2,000
Environmental Programs	1,736	990	-
NED Democracy Programs	3,968	-	-
Pacific Islands	-	99	100
Regional Security Fund	248	-	-
Regional Women's Issues	992	990	800
South Pacific Fisheries	17,856	17,820	18,000
Tibet	4,216	3,960	-
<b>Subtotal - East Asia and the Pacific</b>	<b>186,496</b>	<b>172,755</b>	<b>167,300</b>

**Economic Support Fund**  
(\$ in thousands)

	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Request</b>
<b>Europe and Eurasia</b>			
Cyprus	13,392	15,840	15,000
International Fund for Ireland	18,352	13,365	-
Irish Visa Program	3,472	3,465	3,500
OSCE Regional	-	-	1,000
<b>Subtotal - Europe and Eurasia</b>	<b>35,216</b>	<b>32,670</b>	<b>19,500</b>
<b>International Organizations</b>			
UN Democracy Fund (UNDEF)	3,797	-	-
<b>Subtotal - International Organizations</b>	<b>3,797</b>	<b>-</b>	<b>-</b>
<b>Near East</b>			
Egypt	530,720	490,050	455,000
Iraq	-	60,390	478,770
Israel	357,120	237,600	120,000
Israel SUP	50,000	-	-
Jordan	248,000	247,500	245,000
Jordan SUP	100,000	-	-
Lebanon	34,720	39,600	35,500
Lebanon SUP	5,000	-	-
Libya	300	-	-
Morocco	19,540	10,890	18,000
Yemen	14,880	7,920	12,000
Middle East Multilaterals	1,984	990	1,000
Middle East Partnership Initiative	74,400	99,000	120,000
Middle East Regional Cooperation	4,960	3,960	5,000
NED Muslim Democracy Programs	3,968	-	-
West Bank/Gaza*	74,400	148,500	150,000
West Bank/Gaza SUP	150,000	-	-
<b>Subtotal - Near East</b>	<b>1,669,992</b>	<b>1,346,400</b>	<b>1,640,270</b>
<b>South Asia</b>			
Afghanistan	223,200	425,700	610,000
Afghanistan SUP	1,086,600	-	-
Bangladesh	4,960	4,950	5,000
India	14,880	4,950	6,500
Nepal	4,960	4,950	5,000
Pakistan	297,600	337,095	350,000
Sri Lanka	9,920	3,960	4,000
South Asia Regional Fund	992	990	2,000
<b>Subtotal - South Asia</b>	<b>1,643,112</b>	<b>782,595</b>	<b>982,500</b>

**Economic Support Fund**  
(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Request</b>
<b>Western Hemisphere</b>			
Bolivia	7,936	5,940	6,000
Cuba	8,928	8,910	9,000
Dominican Republic	2,976	1,980	12,000
Ecuador	11,901	2,970	6,000
El Salvador	-	-	10,000
Guatemala	5,952	4,455	13,000
Haiti	39,680	49,500	50,000
Haiti SUP	20,000	-	-
Mexico	13,392	9,009	9,000
Nicaragua	4,467	3,366	3,000
Panama	2,976	990	-
Paraguay	2,179	1,980	2,000
Peru	4,000	2,970	4,000
Venezuela	2,432	-	1,500
Peru-Ecuador Peace	2,976	1,980	-
Regional Anticorruption Initiatives	2,976	990	1,595
Summit of the Americas Support	1,488	2,970	2,000
Third Border Initiative	8,928	2,970	3,000
Trade Capacity Building	19,840	19,800	20,000
<b>Subtotal - Western Hemisphere</b>	<b>163,027</b>	<b>120,780</b>	<b>152,095</b>
<b>Global</b>			
Asia-Pacific Partnership	-	-	26,000
Disability Programs	2,480	3,960	-
Extractive Industries Transparency	-	990	-
House Democracy Assistance Program	-	990	-
Human Rights and Democracy Fund	35,704	-	35,000
Oceans, Environmental and Science Initiative	2,480	7,920	8,000
Partnership to Eliminate Sweatshops	1,984	-	-
Reconciliation Programs	11,904	10,890	11,000
Security and Sustainability Programs	2,976	1,485	-
Trafficking in Persons	24,304	11,880	8,500
UNHCHR Nepal	-	1,485	-
Wheelchairs	4,960	4,950	-
<b>Subtotal - Global</b>	<b>86,792</b>	<b>44,550</b>	<b>88,500</b>
<b>Total</b>	<b>3,914,592</b>	<b>2,621,025</b>	<b>3,214,470</b>

\* Note: In light of the recent legislative elections, the Administration is reviewing the West Bank/Gaza program details.

**Assistance for Eastern Europe and the Baltic States**  
(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Request</b>
<b>Europe and Eurasia</b>			
Albania	28,266	24,750	20,000
Bosnia and Herzegovina	41,000	39,600	31,000
Bulgaria	27,250	19,800	-
Croatia	22,000	14,850	-
Kosovo	83,000	74,250	79,000
Macedonia	37,000	34,650	27,000
Romania	28,500	19,800	-
Serbia and Montenegro	93,600	84,150	70,500
OSCE Regional	5,379	24,453	28,500
Regional SEED	27,432	21,087	17,900
<b>Subtotal - Europe and Eurasia</b>	<b>393,427</b>	<b>357,390</b>	<b>273,900</b>
<b>Total</b>	<b>393,427</b>	<b>357,390</b>	<b>273,900</b>

**Assistance for the Independent States of the Former Soviet Union**  
(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Request</b>
<b>Europe and Eurasia</b>			
Armenia	74,400	74,250	50,000
Azerbaijan	37,755	34,650	28,000
Belarus	6,896	11,880	10,000
Belarus SUP	5,000	-	-
Georgia	86,000	66,330	58,000
Moldova	17,350	17,820	16,000
Russia	85,000	79,200	58,000
Ukraine	78,600	83,160	85,000
Ukraine SUP	60,000	-	-
OSCE Regional	12,901	11,880	12,000
Regional FSA	30,289	31,957	29,430
<b>Subtotal - Europe and Eurasia</b>	<b>494,191</b>	<b>411,127</b>	<b>346,430</b>
<b>South Asia</b>			
Kazakhstan	26,690	24,750	19,000
Kyrgyz Republic	35,126	24,750	32,000
Tajikistan	24,513	23,760	22,000
Turkmenistan	6,505	4,950	5,000
Uzbekistan	31,495	17,820	15,000
Central Asia Regional	2,000	1,703	1,570
<b>Subtotal - South Asia</b>	<b>126,329</b>	<b>97,733</b>	<b>94,570</b>
<b>Global</b>			
Northern Caucasus SUP	5,000	-	-
<b>Subtotal - Global</b>	<b>5,000</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>625,520</b>	<b>508,860</b>	<b>441,000</b>

**International Narcotics Control and Law Enforcement**  
(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Request</b>
<b>Africa</b>			
Liberia	5,000	990	800
Nigeria	2,232	990	400
South Africa	1,756	594	500
Africa Regional	1,512	594	500
Sudan	-	-	9,800
Women's Justice Empowerment Initiative	1,200	-	9,500
<b>Subtotal - Africa</b>	<b>11,700</b>	<b>3,168</b>	<b>21,500</b>
<b>East Asia and the Pacific</b>			
East Timor	-	1,485	-
Indonesia	-	4,950	4,700
Laos	1,984	990	900
Philippines	3,968	1,980	1,900
Thailand	1,608	990	900
<b>Subtotal - East Asia and the Pacific</b>	<b>7,560</b>	<b>10,395</b>	<b>8,400</b>
<b>Europe and Eurasia</b>			
Malta	2,976	-	-
<b>Subtotal - Europe and Eurasia</b>	<b>2,976</b>	<b>-</b>	<b>-</b>
<b>Near East</b>			
Iraq	-	-	254,600
Morocco	2,992	990	1,000
<b>Subtotal - Near East</b>	<b>2,992</b>	<b>990</b>	<b>255,600</b>
<b>South Asia</b>			
Afghanistan	89,280	232,650	297,390
Afghanistan SUP	620,000	-	-
Pakistan	32,150	37,620	25,500
<b>Subtotal - South Asia</b>	<b>741,430</b>	<b>270,270</b>	<b>322,890</b>
<b>Western Hemisphere</b>			
Bahamas	992	495	500
Guatemala	2,820	2,475	2,200
Haiti	-	14,850	10,000
Jamaica	1,488	990	900
Mexico	39,680	39,600	39,000
Caribbean and Central America Regional	-	-	1,700
Latin America Regional	3,224	2,475	-
Southern Cone Regional	-	-	500

**International Narcotics Control and Law Enforcement**  
(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Request</b>
<b>Subtotal - Western Hemisphere</b>	<b>48,204</b>	<b>60,885</b>	<b>54,800</b>
<b>Global</b>			
Anticorruption	6,746	-	-
Anticrime Programs	8,333	10,395	14,500
Asia Regional	496	-	-
Civilian Police Program	2,678	1,980	2,000
Demand Reduction	9,920	9,900	1,900
International Law Enforcement Academies	12,734	15,840	17,000
International Organizations	5,000	3,960	5,400
Interregional Aviation Support	66,620	62,865	65,500
Program Development and Support	13,850	16,830	19,000
Systems Support and Upgrades	694	-	-
Trafficking in Persons	4,960	4,950	7,000
United Nations Crime Center	496	-	-
<b>Subtotal - Global</b>	<b>132,527</b>	<b>126,720</b>	<b>132,300</b>
<b>Total</b>	<b>947,389</b>	<b>472,428</b>	<b>795,490</b>

**Andean Counterdrug Initiative**  
(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Request</b>
<b>Andean Counterdrug Initiative</b>			
Bolivia Total	90,272	79,200	66,000
<i>Bolivia - Alternative Development/Institution     Building</i>	41,664	36,630	31,000
<i>Bolivia - Interdiction</i>	48,608	42,570	35,000
Brazil Total	8,928	5,940	4,000
Colombia Total	462,767	464,781	465,000
<i>Colombia - Alternative Development/Institution     Building</i>	124,694	129,920	125,000
<i>Colombia - Interdiction</i>	310,694	307,742	313,850
<i>Colombia - Rule of Law</i>	27,379	27,119	26,150
Ecuador Total	25,792	19,800	17,300
<i>Ecuador - Alternative Development/Institution     Building</i>	14,880	11,425	8,400
<i>Ecuador - Interdiction</i>	10,912	8,375	8,900
Guatemala Total	992	-	-
Nicaragua Total	992	-	-
Panama Total	5,952	4,455	4,000
Peru Total	115,370	106,920	98,500
<i>Peru - Alternative Development/Institution     Building</i>	53,866	48,510	42,500
<i>Peru - Interdiction</i>	61,504	58,410	56,000
Venezuela Total	2,976	2,229	1,000
Air Bridge Denial Program	11,111	13,860	-
Critical Flight Safety Program	-	29,970	65,700
<b>Total</b>	<b>725,152</b>	<b>727,155</b>	<b>721,500</b>

**Migration and Refugee Assistance**  
(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Request</b>
<b>Migration and Refugee Assistance (MRA)</b>			
<b>Overseas Assistance</b>	<b>649,152</b>	<b>562,765</b>	<b>547,988</b>
Africa	229,351	245,486	235,920
Africa SUP	94,400	-	-
East Asia	22,778	22,594	20,405
Europe	48,189	44,335	40,040
Near East	98,442	97,215	113,325
South Asia	59,098	49,190	44,424
Western Hemisphere	23,775	24,335	21,978
Migration	13,425	12,889	11,640
Strategic Global Priorities	59,694	66,721	60,256
<b>Refugee Admissions</b>	<b>163,664</b>	<b>159,440</b>	<b>222,694</b>
Refugee Admissions	137,664	159,440	222,694
Refugee Admissions (Protection) SUP	26,000	-	-
<b>Humanitarian Migrants to Israel</b>	<b>49,600</b>	<b>39,600</b>	<b>40,000</b>
<b>Administrative Expenses</b>	<b>21,824</b>	<b>21,285</b>	<b>22,218</b>
<b>Total (MRA)</b>	<b>884,240</b>	<b>783,090</b>	<b>832,900</b>
<b>U.S. Emergency Refugee and Migration Assistance Fund</b>			
U.S. Emergency Refugee and Migration Assistance Fund	29,760	29,700	55,000
<b>Total (ERMA)</b>	<b>29,760</b>	<b>29,700</b>	<b>55,000</b>

**Nonproliferation, Anti-terrorism, Demining, and Related Programs**  
(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Request</b>
<b>Nonproliferation Programs</b>			
Nonproliferation and Disarmament Fund	31,744	37,125	38,000
Nonproliferation Disarmament Fund - SUP	7,500	-	-
Export Control and Related Border Security Assistance	36,496	42,966	45,050
Nonproliferation of WMD Expertise	50,096	52,074	56,200
IAEA Voluntary Contribution	52,576	49,500	50,000
CTBT International Monitoring System	18,848	14,207	19,800
<b>Subtotal - Nonproliferation Programs</b>	<b>197,260</b>	<b>195,872</b>	<b>209,050</b>
<b>Anti-Terrorism Programs</b>			
Anti-terrorism Assistance	117,800	122,265	135,600
Anti-terrorism Assistance - SUP	17,100	-	-
Terrorist Interdiction Program	4,960	5,445	11,800
CT Engagement with Allies	1,984	990	1,000
Counterterrorism Financing	7,192	7,425	9,080
<b>Subtotal - Anti-Terrorism Programs</b>	<b>149,036</b>	<b>136,125</b>	<b>157,480</b>
<b>Regional Stability &amp; Humanitarian Assistance</b>			
Humanitarian Demining Program	59,024	55,440	64,300
International Trust Fund	9,920	9,900	10,000
Small Arms/Light Weapons Destruction	6,944	8,663	8,600
<b>Subtotal - Regional Stability &amp; Humanitarian Assistance</b>	<b>75,888</b>	<b>74,003</b>	<b>82,900</b>
<b>Total</b>	<b>422,184</b>	<b>406,000</b>	<b>449,430</b>

**Global HIV/AIDS Initiative**  
(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Request</b>
<b>Africa</b>			
Botswana	35,544	41,000	58,000
Cote d'Ivoire	25,512	30,137	47,000
Ethiopia	69,945	109,500	225,000
Kenya	116,495	175,950	285,000
Mozambique	48,434	79,600	124,000
Namibia	37,461	51,500	73,000
Nigeria	85,928	138,100	272,000
Rwanda	43,800	60,000	82,000
South Africa	118,165	191,553	330,000
Tanzania	81,801	100,312	155,000
Uganda	122,741	145,000	188,000
Zambia	99,831	116,000	155,000
<b>Subtotal - Africa</b>	<b>885,657</b>	<b>1,238,652</b>	<b>1,994,000</b>
<b>East Asia and the Pacific</b>			
Vietnam	24,044	31,214	54,000
<b>Subtotal - East Asia and the Pacific</b>	<b>24,044</b>	<b>31,214</b>	<b>54,000</b>
<b>Western Hemisphere</b>			
Guyana	14,753	18,000	25,000
Haiti	44,095	47,300	63,000
<b>Subtotal - Western Hemisphere</b>	<b>58,848</b>	<b>65,300</b>	<b>88,000</b>
<b>Global</b>			
Central Programs	253,673	286,643	480,000
International Partnerships	29,000	227,700	127,000
Other Bilateral Programs	36,500	49,500	50,000
Strategic Information/Evaluation	30,500	31,185	36,000
Technical Oversight and Management	55,698	44,856	65,000
<b>Subtotal - Global</b>	<b>405,371</b>	<b>639,884</b>	<b>758,000</b>
<b>Total</b>	<b>1,373,920</b>	<b>1,975,050</b>	<b>2,894,000</b>

**International Military Education and Training**  
(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Request</b>
<b>Africa</b>			
Angola	313	396	400
Benin	-	149	150
Botswana	710	693	690
Burkina Faso	128	109	120
Burundi	-	149	100
Cameroon	236	248	295
Cape Verde	181	119	145
Central African Republic	-	99	100
Chad	470	247	295
Comoros	82	99	105
Cote d'Ivoire	-	-	50
Democratic Republic of Congo	196	248	220
Djibouti	239	322	345
Equatorial Guinea	-	49	45
Eritrea	241	247	445
Ethiopia	572	594	640
Gabon	292	198	245
Gambia	190	99	120
Ghana	648	569	640
Guinea	508	347	345
Guinea-Bissau	87	99	100
Kenya	139	297	45
Lesotho	-	49	45
Liberia	-	198	245
Madagascar	253	198	225
Malawi	362	347	355
Mali	-	49	45
Mauritania	112	129	130
Mauritius	137	124	145
Mozambique	220	213	215
Namibia	-	49	45
Niger	-	49	45
Nigeria	-	792	590
Republic of the Congo	163	99	105
Rwanda	296	223	270
Sao Tome and Principe	194	198	200
Senegal	1,222	1,089	1,135
Seychelles	106	99	120
Sierra Leone	270	322	325
South Africa	-	49	45

**International Military Education and Training**  
(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Request</b>
Swaziland	97	99	100
Tanzania	-	49	45
Togo	44	119	120
Uganda	293	238	295
Zambia	181	223	245
African Union	-	198	-
ECOWAS	-	198	-
Sudan	-	49	100
<b>Subtotal - Africa</b>	<b>9,182</b>	<b>10,826</b>	<b>10,830</b>
<b>East Asia and the Pacific</b>			
Cambodia	-	49	45
East Timor	364	297	320
Fiji	268	248	270
Indonesia	728	792	1,285
Laos	-	49	45
Malaysia	1,100	891	885
Mongolia	1,009	866	910
Papua New Guinea	300	297	295
Philippines	2,915	2,871	2,865
Samoa	-	49	45
Solomon Islands	152	149	155
Thailand	2,526	2,376	2,370
Tonga	140	134	145
Vanuatu	111	99	120
Vietnam	50	50	95
<b>Subtotal - East Asia and the Pacific</b>	<b>9,663</b>	<b>9,217</b>	<b>9,850</b>
<b>Europe and Eurasia</b>			
Albania	1,145	891	935
Armenia	819	743	790
Azerbaijan	879	743	885
Bosnia and Herzegovina	965	891	910
Bulgaria	1,532	1,386	1,430
Croatia	-	49	45
Czech Republic	2,051	1,881	1,875
Estonia	1,183	1,188	1,185
Georgia	1,413	1,188	1,235
Greece	1,026	594	590
Hungary	2,013	1,559	1,480
Latvia	1,396	1,188	1,185

**International Military Education and Training**  
(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Request</b>
Lithuania	1,306	1,188	1,185
Macedonia	729	644	665
Malta	-	49	45
Moldova	1,044	891	885
Poland	2,282	1,980	2,075
Portugal	850	594	690
Romania	1,575	1,485	1,580
Russia	788	743	790
Serbia and Montenegro	-	49	45
Slovakia	994	941	985
Slovenia	950	891	885
Turkey	3,716	2,970	2,960
Ukraine	1,855	1,683	1,725
<b>Subtotal - Europe and Eurasia</b>	<b>30,511</b>	<b>26,409</b>	<b>27,060</b>
<b>Near East</b>			
Algeria	920	743	840
Bahrain	649	644	640
Egypt	1,264	1,188	1,235
Iraq	-	693	1,185
Jordan	3,039	2,970	3,060
Kuwait	-	-	20
Lebanon	809	693	935
Morocco	1,920	1,856	1,975
Oman	1,141	1,089	1,135
Saudi Arabia	-	24	20
Tunisia	1,860	1,856	1,975
Yemen	1,089	1,089	1,085
<b>Subtotal - Near East</b>	<b>12,691</b>	<b>12,845</b>	<b>14,105</b>
<b>South Asia</b>			
Afghanistan	945	792	1,185
Bangladesh	1,035	891	985
India	1,502	1,188	1,480
Kazakhstan	997	990	1,085
Kyrgyz Republic	1,039	1,089	1,085
Maldives	169	173	195
Nepal	648	644	790
Pakistan	1,885	2,024	2,075
Sri Lanka	461	445	540
Tajikistan	348	346	370

**International Military Education and Training**  
(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Request</b>
Turkmenistan	389	297	395
Uzbekistan	-	594	95
<b>Subtotal - South Asia</b>	<b>9,418</b>	<b>9,473</b>	<b>10,280</b>
<b>Western Hemisphere</b>			
Argentina	1,119	1,089	1,135
Bahamas	341	386	225
Belize	308	198	245
Bolivia	-	792	45
Brazil	-	50	45
Chile	600	644	690
Colombia	1,700	1,683	1,680
Costa Rica	-	50	45
Dominican Republic	1,194	1,287	1,085
Ecuador	-	50	45
El Salvador	1,794	1,782	1,825
Guatemala	444	396	490
Guyana	296	297	320
Haiti	151	213	245
Honduras	1,322	1,089	1,285
Jamaica	757	891	750
Mexico	1,253	50	45
Nicaragua	274	594	590
Panama	955	792	650
Paraguay	-	50	45
Peru	-	50	45
Suriname	139	149	145
Trinidad and Tobago	-	49	45
Uruguay	-	49	45
Venezuela	-	-	45
Eastern Caribbean	591	764	765
<b>Subtotal - Western Hemisphere</b>	<b>13,238</b>	<b>13,444</b>	<b>12,575</b>
<b>Global</b>			
E-IMET Schools	3,369	2,970	3,700
General Costs	661	693	500
No-Year/Carry Forward	279	-	-
<b>Subtotal - Global</b>	<b>4,309</b>	<b>3,663</b>	<b>4,200</b>
<b>Total</b>	<b>89,012</b>	<b>85,877</b>	<b>88,900</b>

**Foreign Military Financing**  
(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Request</b>
<b>Africa</b>			
Botswana	496	-	-
Djibouti	4,468	3,960	4,000
Ethiopia	7,050	1,980	2,000
Ghana	496	495	400
Kenya	-	495	25
Liberia	2,976	1,980	1,600
Nigeria	-	990	800
Senegal	496	495	400
Uganda	1,984	-	-
Africa Coastal/Border Security Program	3,968	3,960	4,000
Military Health Affairs	1,984	1,980	1,600
<b>Subtotal - Africa</b>	<b>23,918</b>	<b>16,335</b>	<b>14,825</b>
<b>East Asia and the Pacific</b>			
Cambodia	992	990	500
East Timor	1,023	990	500
Fiji	248	495	250
Indonesia	-	990	6,500
Mongolia	992	2,970	3,000
Philippines	29,760	29,700	17,600
Thailand	1,488	1,485	1,300
Tonga	248	248	250
Regional Maritime	-	-	2,000
<b>Subtotal - East Asia and the Pacific</b>	<b>34,751</b>	<b>37,868</b>	<b>31,900</b>
<b>Europe and Eurasia</b>			
Albania	2,976	3,465	3,200
Armenia	7,936	3,960	3,500
Azerbaijan	7,936	3,960	4,500
Bosnia and Herzegovina	8,480	8,910	9,000
Bulgaria	6,944	9,900	10,000
Czech Republic	5,952	3,960	3,500
Estonia	4,960	4,455	4,000
Georgia	11,904	11,880	10,000
Hungary	5,951	2,475	2,500
Latvia	4,960	4,455	4,000
Lithuania	5,456	4,455	4,000
Macedonia	5,208	3,960	3,600
Moldova	446	495	500
Poland	76,470	29,700	30,000

**Foreign Military Financing**  
(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Request</b>
Romania	13,412	12,870	15,000
Slovakia	4,959	3,960	4,000
Slovenia	1,486	495	500
Turkey	33,728	14,850	15,000
Ukraine	2,976	10,890	10,000
<b>Subtotal - Europe and Eurasia</b>	<b>212,140</b>	<b>139,095</b>	<b>136,800</b>
<b>Near East</b>			
Bahrain	18,847	15,593	15,750
Egypt	1,289,600	1,287,000	1,300,000
Israel	2,202,240	2,257,200	2,340,000
Jordan	204,352	207,900	206,000
Jordan SUP	100,000	-	-
Lebanon	-	990	4,800
Morocco	15,128	12,375	12,500
Oman	19,840	13,860	14,000
Tunisia	10,407	8,415	8,500
Yemen	9,910	8,415	8,500
<b>Subtotal - Near East</b>	<b>3,870,324</b>	<b>3,811,748</b>	<b>3,910,050</b>
<b>South Asia</b>			
Afghanistan	396,800	-	-
Bangladesh	248	990	875
Kazakhstan	4,960	3,465	3,500
Kyrgyz Republic	1,984	1,881	1,500
Nepal	-	1,980	1,300
Pakistan	148,800	297,000	300,000
Pakistan SUP	150,000	-	-
Sri Lanka	496	990	900
Tajikistan	496	495	250
Turkmenistan	694	297	250
<b>Subtotal - South Asia</b>	<b>704,478</b>	<b>307,098</b>	<b>308,575</b>
<b>Western Hemisphere</b>			
Argentina	-	49	40
Bahamas	99	99	80
Belize	698	198	175
Bolivia	-	990	25
Chile	495	594	500
Colombia	99,200	89,100	90,000
Dominican Republic	992	941	725

**Foreign Military Financing**  
(\$ in thousands)

	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Request</b>
Ecuador	-	495	25
El Salvador	1,488	9,900	5,500
Guyana	99	99	75
Haiti	297	990	775
Honduras	1,492	891	675
Jamaica	595	594	500
Nicaragua	496	594	500
Panama	992	990	775
Peru	-	198	25
Suriname	99	99	80
Eastern Caribbean	1,113	889	775
Operation Enduring Friendship	-	3,960	4,000
<b>Subtotal - Western Hemisphere</b>	<b>108,155</b>	<b>111,670</b>	<b>105,250</b>
<b>Global</b>			
Enhanced International Peacekeeping Capabilities	1,786	-	-
FMF Administrative Costs	39,680	41,086	43,500
<b>Subtotal - Global</b>	<b>41,466</b>	<b>41,086</b>	<b>43,500</b>
<b>Total</b>	<b>4,995,232</b>	<b>4,464,900</b>	<b>4,550,900</b>

**Peacekeeping Operations**  
(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Request</b>
<b>Africa</b>			
Africa Regional	47,204	40,866	3,950
African Contingency Operations Training and Assistance	14,880	-	-
Sudan	74,400	13,000	41,425
Sudan SUP	60,000	-	-
Trans-Sahara Counter-terrorism Initiative (TSCTI)	3,000	-	16,750
Liberia	-	-	14,800
<b>Subtotal - Africa</b>	<b>199,484</b>	<b>53,866</b>	<b>76,925</b>
<b>East Asia and the Pacific</b>			
East Timor	1,228	-	-
<b>Subtotal - East Asia and the Pacific</b>	<b>1,228</b>	<b>-</b>	<b>-</b>
<b>Europe and Eurasia</b>			
OSCE Regional	1,400	-	-
<b>Subtotal - Europe and Eurasia</b>	<b>1,400</b>	<b>-</b>	<b>-</b>
<b>Near East</b>			
Multinational Force and Observers	19,956	19,000	21,000
<b>Subtotal - Near East</b>	<b>19,956</b>	<b>19,000</b>	<b>21,000</b>
<b>South Asia</b>			
Afghanistan	15,500	-	-
<b>Subtotal - South Asia</b>	<b>15,500</b>	<b>-</b>	<b>-</b>
<b>Global</b>			
Global Peace Operations Initiative	80,000	100,384	102,575
Coalition Solidarity Initiative SUP	230,000	-	-
<b>Subtotal - Global</b>	<b>310,000</b>	<b>100,384</b>	<b>102,575</b>
<b>Total</b>	<b>547,568</b>	<b>173,250</b>	<b>200,500</b>

**International Organizations and Programs**  
(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Request</b>
<b>International Organizations</b>			
Center for Human Settlements	149	149	400
IMO Maritime Security Programs	99	396	400
International Civil Aviation Organization	992	941	950
International Conservation Programs	6,349	5,890	5,906
International Contributions for Scientific, Educational, and Cultural Activities	837	990	1,000
International Development Law Organization	-	-	300
International Panel on Climate Change/UN Framework Convention on Climate Change	5,952	5,940	5,320
Montreal Protocol Multilateral Fund	21,328	21,285	19,000
OAS Development Assistance Programs	4,861	4,702	5,225
OAS Fund for Strengthening Democracy	2,976	2,475	2,500
Reserve to be Allocated	-	22,275	-
UN Children's Fund	124,000	125,730	123,000
UN Democracy Fund (UNDEF)	[10,000]	[7,920]	10,000
UN Development Fund for Women	1,984	3,218	950
UN Development Program	108,128	108,900	94,500
UN Environment Program	10,912	10,159	9,524
UN Office for the Coordination of Humanitarian Affairs (UN OCHA)	-	805	1,000
UN Voluntary Fund for Technical Cooperation in the Field of Human Rights	1,488	1,485	1,425
UN Voluntary Fund for Victims of Torture	6,944	6,517	4,750
UNIFEM Trust Fund	992	1,485	-
World Meteorological Organization	1,984	1,881	1,900
World Trade Organization	992	940	950
<b>Subtotal - International Organizations</b>	<b>300,967</b>	<b>326,163</b>	<b>289,000</b>
<b>Total</b>	<b>300,967</b>	<b>326,163</b>	<b>289,000</b>

Bracketed amounts reflect funding provided from prior year IO&P and other appropriations.

**Contributions to International Organizations**  
(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Request</b>
Food and Agriculture Organization	89,716	83,981	89,332
International Atomic Energy Agency	79,829	77,447	83,192
International Civil Aviation Organization	12,650	14,894	15,180
International Labor Organization	63,107	59,866	63,338
International Maritime Organization	1,479	1,435	1,565
International Telecommunication Union	7,655	7,370	7,656
United Nations - Regular Budget	362,209	438,952	422,761
United Nations - War Crimes Tribunals	35,039	31,620	33,201
United Nations - Capital Master Plan	6,000	10,595	22,110
United Nations Education, Science and Cultural Organization	76,754	68,191	69,599
Universal Postal Union	1,770	1,629	1,690
World Health Organization	96,110	96,111	101,421
World Intellectual Property Organization	1,137	1,076	1,121
World Meteorological Organization	12,143	10,399	10,804
Inter-American Institute for Cooperation on Agriculture	16,560	16,600	16,620
Organization of American States	55,661	64,396	56,540
Pan American Health Organization	57,009	56,709	56,609
Pan American Institute of Geography and History	324	324	324
Asia-Pacific Economic Cooperation	601	601	695
Colombo Plan Council for Technical Cooperation	15	15	15
NATO Parliamentary Assembly	853	834	916
North Atlantic Treaty Organization	49,054	54,853	62,332
Organization for Economic Cooperation and Development	80,389	85,100	92,323
The Pacific Community (SPC)	1,539	1,450	1,450
Customs Cooperation Council	4,147	3,971	4,221
Hague Conference on Private International Law	203	194	200
International Agency for Research on Cancer	1,707	1,865	1,865
International Bureau of the Permanent Court of Arbitration	60	59	61
International Bureau of the Publication of Customs Tariffs	133	119	123
International Bureau of Weights and Measures	1,091	1,117	1,178
International Center for the Study of the Preservation and Restoration of Cultural Property	910	930	963
International Coffee Organization	323	479	501
International Copper Study Group	68	47	61
International Cotton Advisory Committee	327	396	440
International Grains Council	593	514	537
International Hydrographic Organization	113	104	120

**Contributions to International Organizations**  
(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Request</b>
International Institute for the Unification of Private Law	139	136	141
International Lead and Zinc Study Group	81	45	46
International Office of Epizootics	135	132	137
International Organization for Legal Metrology	129	142	150
International Rubber Study Group	126	113	118
International Seed Testing Association	9	9	9
International Tropical Timber Organization	212	197	246
International Union for the Conservation of Nature and Natural Resources	351	344	361
Organization for the Prohibition of Chemical Weapons	25,351	22,498	24,731
International Union for the Protection of New Varieties of Plants	212	203	269
World Trade Organization	21,513	20,204	21,251
<b>Total Requirements</b>	<b>1,165,536</b>	<b>1,238,266</b>	<b>1,268,523</b>
FY 2004 Exchange Rate and other Changes	92,098	-	-
FY 2005 Exchange Rate and other Changes	(91,422)	91,422	-
FY 2006 Exchange Rate and other Changes	-	(178,371)	-
<b>Total, Contributions to International Organizations</b>	<b>1,166,212</b>	<b>1,151,317</b>	<b>1,268,523</b>

**Contributions for International Peacekeeping Activities**  
(\$ in thousands)

	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Request</b>
U.N. Disengagement Observer Force on the Golan Heights (UNDOF)	11,064	11,241	11,241
U.N. Interim Force in Lebanon (UNIFIL)	14,745	24,228	24,228
U.N. Mission for the Referendum in Western Sahara (MINURSO)	10,992	11,749	5,000
U.N. Mission in Kosovo (UNMIK)	73,933	66,221	50,000
U.N. Peacekeeping Force in Cyprus (UNFICYP)	7,369	6,570	-
U.N. Observer Mission in Georgia (UNOMIG)	9,041	9,416	9,416
War Crimes Tribunal - Yugoslavia (UNICTY)	23,881	23,881	25,075
War Crimes Tribunal - Rwanda (UNICTR)	18,312	18,312	19,228
U.N. Mission in Sierra Leone (UNAMSIL)	54,562	-	-
U.N. Operations in the Democratic Republic of the Congo (MONUC)	284,593	302,077	152,745
U.N. Mission in Ethiopia and Eritrea (UNMEE)	46,282	44,260	39,296
Burundi Operation (ONUB)	90,941	79,606	-
U.N. Mission in Liberia (UNMIL)	235,421	198,473	150,000
U.N. Mission in Sudan	131,945	375,100	441,873
U.N. Operation in Cote d'Ivoire (UNOCI)	101,459	99,716	84,225
U.N. Mission in Haiti (MINUSTAH)	133,342	128,177	123,000
U.N. Mission of Support in East Timor (UNMISET)	10,583	-	-
<b>Annual Requirements</b>	<b>1,258,465</b>	<b>1,399,027</b>	<b>1,135,327</b>
FY 2005 Adjustment	(145,010)	-	-
FY 2006 Adjustment	-	(376,752)	-
<b>Total, Contributions for International Peacekeeping Activities</b>	<b>1,113,455</b>	<b>1,022,275</b>	<b>1,135,327</b>

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