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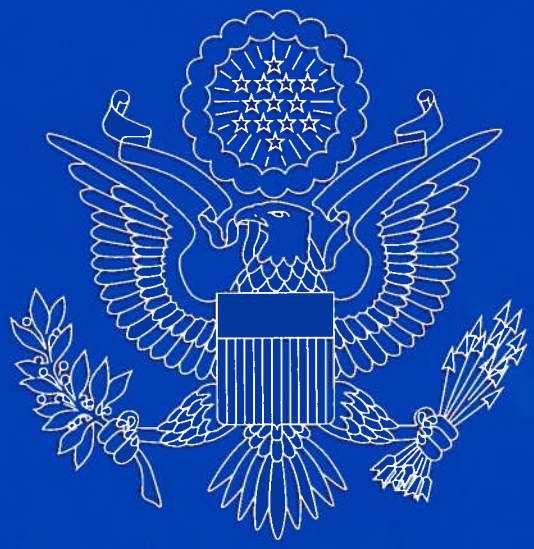

CONGRESSIONAL BUDGET JUSTIFICATION
FOREIGN OPERATIONS
Annex: Regional Perspectives

Fiscal Year 2013

Congressional Budget Justification

FOREIGN OPERATIONS

Annex: Regional Perspectives

Fiscal Year 2013

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Africa Regional Overview

Foreign Assistance Program Overview

The FY 2013 budget request reflects United States policy priorities in Africa and the U.S. vision for using American diplomatic and development resources: to promote peace and stability; to advance good governance and economic development; and to address critical issues such as health, food insecurity, and climate change. With U.S. support and partnership, it is possible to save lives, prevent instability and the advance of extremism on the continent, and assist Africa as it moves along the path to a stronger future.

Recent trends in Africa have provided reason for cautious optimism despite the persistent challenges to human development across the continent. Most countries in sub-Saharan Africa have recovered quickly from the global financial crisis, and the International Monetary Fund has projected that the growth rate in Africa will increase in 2012 to nearly 6%. On the other hand, the region's progress toward democracy and good governance continues to be characterized by moderate decline according to the 2011 Freedom House "Freedom in the World" index measuring political rights and civil liberties. On the positive side, Niger and Zambia experienced peaceful transitions in political power last year, Liberia and Nigeria conducted internationally recognized free and fair elections, and Cote d'Ivoire's political stalemate was resolved. However, The Gambia experienced serious deterioration in its freedom rating following seriously flawed elections, the electoral process in the Democratic Republic of Congo (DRC) was troubled, and a trend of backlash against the media, civil society and political opposition was seen across countries such as Djibouti, Ethiopia, Malawi and Uganda. Looking forward, elections in Kenya and possibly Zimbabwe during 2012 will highlight the challenges of consolidating democracy in countries beset by complex ethnic and political disputes exacerbated by years of mistrust and violence.

Despite Africa's enormous challenges, successes and opportunities exist. Seventeen countries in Africa (representing over 40 percent of the region's population) have been growing at over 3 percent per capita since 1996. There have also been significant improvements in key health areas. Mortality among children under the age of five, for example, fell by 14 percent between 1990 and 2008 (from 184 deaths per 1,000 live births in 1990 to 144 deaths in 2008); this trend is expected to continue with the expanded coverage of interventions to address malaria and infant and child health. Since 1990, sub-Saharan Africa has made significant progress towards the Millennium Development Goal of universal primary education. According to the World Bank, primary education completion in the region increased from 51 percent in 1990 to 64 percent in 2008. Finally, Africans are increasingly taking control of their collective development through regional organizations such as the Southern African Development Community, which works to improve economic integration. These regional organizations as well as the African Union have the potential to provide leadership and share best practices, but the influence of poorly governed and autocratic states on these multilateral institutions complicates and stifles the evolution toward better governance in Africa.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**7,915,306**	**7,075,274**	**6,368,292**	**-706,982**
Overseas Contingency Operations	**-**	**68,750**	**-**	**-68,750**
Nonproliferation, Antiterrorism, Demining and Related Programs	-	7,750	-	-7,750
Peacekeeping Operations	-	61,000	-	-61,000

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Enduring/Core Programs	**7,915,306**	**7,006,524**	**6,368,292**	**-638,232**
Development Assistance	987,337	1,000,552	1,000,717	165
Economic Support Fund	503,540	607,731	562,199	-45,532
Food for Peace Title II	1,213,357	323,000	273,000	-50,000
Foreign Military Financing	19,098	16,118	15,971	-147
Global Health Programs - State	3,646,673	3,370,638	2,956,818	-413,820
Global Health Programs - USAID	1,265,573	1,369,802	1,301,410	-68,392
International Military Education and Training	16,110	14,315	13,255	-1,060
International Narcotics Control and Law Enforcement	61,368	85,900	74,947	-10,953
Nonproliferation, Antiterrorism, Demining and Related Programs	42,600	35,500	37,975	2,475
Peacekeeping Operations	159,650	182,968	132,000	-50,968

Request by Program by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Africa Regional Overview	**7,915,306**	**7,075,274**	**6,368,292**	**-706,982**
Africa Conflict Stabilization and Border Security (ACSBS)	**6,000**	**7,150**	**9,000**	**1,850**
Peacekeeping Operations	6,000	7,150	9,000	1,850
Africa Maritime Security	**3,635**	**4,000**	**4,000**	**-**
Foreign Military Financing	3,635	2,000	2,000	-
Peacekeeping Operations	-	2,000	2,000	-
Africa Military Education Program	**-**	**-**	**1,000**	**1,000**
Peacekeeping Operations	-	-	1,000	1,000
Partnership for Regional East Africa Counter-terrorism (PREACT)	**20,299**	**21,800**	**22,523**	**723**
Economic Support Fund	2,039	2,000	2,000	-
International Narcotics Control and Law Enforcement	-	2,000	2,000	-
Nonproliferation, Antiterrorism, Demining and Related Programs	8,300	7,800	8,523	723
Peacekeeping Operations	9,960	10,000	10,000	-
Horn Of Africa /Combating Weapons of Mass Destruction	**300**	**300**	**270**	**-30**
Nonproliferation, Antiterrorism, Demining and Related Programs	300	300	270	-30
Safe Skies for Africa	**1,000**	**1,000**	**1,000**	**-**
Economic Support Fund	1,000	1,000	1,000	-
Trafficking in People (TIP)	**500**	**1,050**	**900**	**-150**
Economic Support Fund	500	1,000	900	-100

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
International Narcotics Control and Law Enforcement	-	50	-	-50
Trans Sahara Counter-Terrorism Partnership (TSCTP)	**36,300**	**28,800**	**25,722**	**-3,078**
Development Assistance	22,000	12,500	10,500	-2,000
Economic Support Fund	3,500	4,000	3,500	-500
International Narcotics Control and Law Enforcement	2,500	3,500	2,500	-1,000
Nonproliferation, Antiterrorism, Demining and Related Programs	8,300	8,800	9,222	422
West Africa Regional Security Initiative (WARSI)	**2,433**	**16,800**	**13,000**	**-3,800**
International Narcotics Control and Law Enforcement	2,433	16,800	13,000	-3,800
Africa Regional Democracy Fund	**4,300**	**4,300**	**4,300**	**-**
Economic Support Fund	4,300	4,300	4,300	-
Anti-Piracy Incentive Fund	**-**	**1,300**	**1,300**	**-**
Economic Support Fund	-	1,300	1,300	-
Women, Peace, and Security (WPS)	**2,750**	**2,750**	**2,750**	**-**
Economic Support Fund	2,750	2,750	2,750	-
Conflict Minerals	**-**	**650**	**650**	**-**
Economic Support Fund	-	650	650	-
Kimberley Process	**2,000**	**3,000**	**2,000**	**-1,000**
Economic Support Fund	2,000	3,000	2,000	-1,000
Africa Regional Counter Terrorism (ARCT)	**-**	**-**	**1,400**	**1,400**
Foreign Military Financing	-	-	1,400	1,400
Other	**7,835,789**	**6,982,374**	**6,278,477**	**-703,897**
Development Assistance	965,337	988,052	990,217	2,165
Economic Support Fund	487,451	587,731	543,799	-43,932
Food for Peace Title II	1,213,357	323,000	273,000	-50,000
Foreign Military Financing	15,463	14,118	12,571	-1,547
Global Health Programs - State	3,646,673	3,370,638	2,956,818	-413,820
Global Health Programs - USAID	1,265,573	1,369,802	1,301,410	-68,392
International Military Education and Training	16,110	14,315	13,255	-1,060
International Narcotics Control and Law Enforcement	56,435	63,550	57,447	-6,103
Nonproliferation, Antiterrorism, Demining and Related Programs	25,700	26,350	19,960	-6,390
Peacekeeping Operations	143,690	224,818	110,000	-114,818

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Africa Regional Overview	**7,915,306**	**7,075,274**	**6,368,292**	**-706,982**
1 Peace and Security	**387,613**	**501,300**	**360,826**	**-140,474**
Development Assistance	**39,636**	**23,298**	**27,555**	**4,257**
1.1 Counter-Terrorism	22,750	12,825	11,250	-1,575
1.6 Conflict Mitigation and Reconciliation	16,886	10,473	16,305	5,832
Economic Support Fund	**66,769**	**100,801**	**81,603**	**-19,198**
1.1 Counter-Terrorism	6,539	16,500	6,000	-10,500
1.3 Stabilization Operations and Security Sector Reform	825	5,825	825	-5,000
1.5 Transnational Crime	700	1,200	1,100	-100
1.6 Conflict Mitigation and Reconciliation	58,705	77,276	73,678	-3,598
Foreign Military Financing	**19,098**	**16,118**	**15,971**	**-147**
1.3 Stabilization Operations and Security Sector Reform	19,098	16,118	15,971	-147
International Military Education and Training	**16,110**	**14,315**	**13,255**	**-1,060**
1.3 Stabilization Operations and Security Sector Reform	15,864	14,315	13,255	-1,060
1.4 Counter-Narcotics	246	-	-	-
International Narcotics Control and Law Enforcement	**43,750**	**59,550**	**52,467**	**-7,083**
1.3 Stabilization Operations and Security Sector Reform	41,000	57,750	50,792	-6,958
1.4 Counter-Narcotics	1,200	1,050	1,050	-
1.5 Transnational Crime	1,550	750	625	-125
Nonproliferation, Antiterrorism, Demining and Related Programs	**42,600**	**43,250**	**37,975**	**-5,275**
1.1 Counter-Terrorism	25,600	25,950	23,595	-2,355
1.2 Combating Weapons of Mass Destruction (WMD)	600	900	1,170	270
1.3 Stabilization Operations and Security Sector Reform	16,400	16,400	13,210	-3,190
Peacekeeping Operations	**159,650**	**243,968**	**132,000**	**-111,968**
1.3 Stabilization Operations and Security Sector Reform	159,650	243,968	132,000	-111,968
2 Governing Justly and Democratically	**261,185**	**272,520**	**313,934**	**41,414**
Development Assistance	**89,859**	**62,609**	**104,293**	**41,684**
2.1 Rule of Law and Human Rights	6,700	3,100	9,833	6,733
2.2 Good Governance	39,813	33,758	50,290	16,532
2.3 Political Competition and Consensus-Building	18,602	6,343	13,720	7,377
2.4 Civil Society	24,744	19,408	30,450	11,042
Economic Support Fund	**153,708**	**183,561**	**187,161**	**3,600**
2.1 Rule of Law and Human Rights	25,092	27,865	22,228	-5,637
2.2 Good Governance	75,582	76,460	87,470	11,010
2.3 Political Competition and Consensus-Building	19,900	42,040	38,312	-3,728

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
2.4 Civil Society	33,134	37,196	39,151	1,955
International Narcotics Control and Law Enforcement	**17,618**	**26,350**	**22,480**	**-3,870**
2.1 Rule of Law and Human Rights	16,618	26,350	22,480	-3,870
2.4 Civil Society	1,000	-	-	-
3 Investing in People	**5,386,388**	**5,285,511**	**4,624,670**	**-660,841**
Development Assistance	**264,660**	**298,005**	**198,684**	**-99,321**
3.1 Health	53,110	76,130	46,050	-30,080
3.2 Education	209,550	219,875	152,634	-67,241
3.3 Social and Economic Services and Protection for Vulnerable Populations	2,000	2,000	-	-2,000
Economic Support Fund	**100,900**	**137,100**	**104,158**	**-32,942**
3.1 Health	21,000	39,000	19,171	-19,829
3.2 Education	76,300	94,100	77,404	-16,696
3.3 Social and Economic Services and Protection for Vulnerable Populations	3,600	4,000	7,583	3,583
Food for Peace Title II	**108,582**	**109,966**	**63,600**	**-46,366**
3.1 Health	92,986	98,101	56,425	-41,676
3.2 Education	2,484	2,509	890	-1,619
3.3 Social and Economic Services and Protection for Vulnerable Populations	13,112	9,356	6,285	-3,071
Global Health Programs - State	**3,646,673**	**3,370,638**	**2,956,818**	**-413,820**
3.1 Health	3,646,673	3,370,638	2,956,818	-413,820
Global Health Programs - USAID	**1,265,573**	**1,369,802**	**1,301,410**	**-68,392**
3.1 Health	1,265,573	1,369,802	1,301,410	-68,392
4 Economic Growth	**973,303**	**975,970**	**1,063,786**	**87,816**
Development Assistance	**592,729**	**616,640**	**669,685**	**53,045**
4.2 Trade and Investment	36,813	30,156	41,671	11,515
4.3 Financial Sector	9,133	5,743	9,100	3,357
4.4 Infrastructure	16,934	6,971	12,165	5,194
4.5 Agriculture	363,660	416,500	448,000	31,500
4.6 Private Sector Competitiveness	15,906	5,250	28,895	23,645
4.7 Economic Opportunity	1,633	6,500	5,923	-577
4.8 Environment	148,650	145,520	123,931	-21,589
Economic Support Fund	**181,163**	**185,269**	**188,277**	**3,008**
4.1 Macroeconomic Foundation for Growth	14,458	20,300	21,000	700
4.2 Trade and Investment	-	4,500	6,500	2,000
4.3 Financial Sector	-	4,000	5,500	1,500
4.4 Infrastructure	72,806	68,000	58,000	-10,000
4.5 Agriculture	67,320	45,208	48,208	3,000

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.6 Private Sector Competitiveness	15,392	26,239	31,995	5,756
4.7 Economic Opportunity	3,687	8,522	5,274	-3,248
4.8 Environment	7,500	8,500	11,800	3,300
Food for Peace Title II	**199,411**	**174,061**	**205,824**	**31,763**
4.4 Infrastructure	2,617	2,196	1,976	-220
4.5 Agriculture	172,313	159,755	194,848	35,093
4.7 Economic Opportunity	1,786	2,110	-	-2,110
4.8 Environment	22,695	10,000	9,000	-1,000
5 Humanitarian Assistance	**906,817**	**39,973**	**5,076**	**-34,897**
Development Assistance	**453**	**-**	**500**	**500**
5.2 Disaster Readiness	453	-	500	500
Economic Support Fund	**1,000**	**1,000**	**1,000**	**-**
5.2 Disaster Readiness	1,000	1,000	1,000	-
Food for Peace Title II	**905,364**	**38,973**	**3,576**	**-35,397**
5.1 Protection, Assistance and Solutions	891,943	35,000	-	-35,000
5.2 Disaster Readiness	13,421	3,973	3,576	-397

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Africa Regional Overview	**7,915,306**	**7,075,274**	**6,368,292**	**-706,982**
1 Peace and Security	**387,613**	**501,300**	**360,826**	**-140,474**
1.1 Counter-Terrorism	54,889	55,275	40,845	-14,430
1.2 Combating Weapons of Mass Destruction (WMD)	600	900	1,170	270
1.3 Stabilization Operations and Security Sector Reform	252,837	354,376	226,053	-128,323
1.4 Counter-Narcotics	1,446	1,050	1,050	-
1.5 Transnational Crime	2,250	1,950	1,725	-225
1.6 Conflict Mitigation and Reconciliation	75,591	87,749	89,983	2,234
2 Governing Justly and Democratically	**261,185**	**272,520**	**313,934**	**41,414**
2.1 Rule of Law and Human Rights	48,410	57,315	54,541	-2,774
2.2 Good Governance	115,395	110,218	137,760	27,542
2.3 Political Competition and Consensus-Building	38,502	48,383	52,032	3,649
2.4 Civil Society	58,878	56,604	69,601	12,997
3 Investing in People	**5,386,388**	**5,285,511**	**4,624,670**	**-660,841**
3.1 Health	5,079,342	4,953,671	4,379,874	-573,797
3.2 Education	288,334	316,484	230,928	-85,556
3.3 Social and Economic Services and Protection for	18,712	15,356	13,868	-1,488

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Vulnerable Populations				
4 Economic Growth	**973,303**	**975,970**	**1,063,786**	**87,816**
4.1 Macroeconomic Foundation for Growth	14,458	20,300	21,000	700
4.2 Trade and Investment	36,813	34,656	48,171	13,515
4.3 Financial Sector	9,133	9,743	14,600	4,857
4.4 Infrastructure	92,357	77,167	72,141	-5,026
4.5 Agriculture	603,293	621,463	691,056	69,593
4.6 Private Sector Competitiveness	31,298	31,489	60,890	29,401
4.7 Economic Opportunity	7,106	17,132	11,197	-5,935
4.8 Environment	178,845	164,020	144,731	-19,289
5 Humanitarian Assistance	**906,817**	**39,973**	**5,076**	**-34,897**
5.1 Protection, Assistance and Solutions	891,943	35,000	-	-35,000
5.2 Disaster Readiness	14,874	4,973	5,076	103
of which: Objective 6	**506,354**	**277,690**	**279,720**	**2,030**
6.1 Program Design and Learning	217,252	87,296	84,428	-2,868
6.2 Administration and Oversight	289,102	190,394	195,292	4,898

Peace and Security

Given state fragility, conflict, and transnational issues, the promotion of peace and security remains one of the United States' highest priorities in sub-Saharan Africa. Resources in this objective will be used to support stabilization operations, security sector reform, peacekeeping operations, targeted counterterrorism and counternarcotics initiatives, and maritime safety and security programs throughout the region.

Efforts to mitigate extremism, including the Trans-Sahara Counterterrorism Partnership and the Partnership for Regional East Africa Counterterrorism, which includes programs in Somalia, will aim to deny terrorists safe havens, operational bases, and recruitment opportunities. U.S. resources will enhance coordination with partnership countries and bolster regional activities to resist attempts by al Qaeda, al Shabaab and others to impose their radical ideology on the moderate and tolerant populations of the region.

Stabilization operations and security-sector reform efforts in the Democratic Republic of Congo (DRC), Liberia, and Somalia will incorporate training on human rights and gender-based violence. Police and military professionalization programs, particularly in South Sudan, will also help to prevent conflict and maintain regional stability. Conflict mitigation and reconciliation programs will complement these efforts through regional activities that address the complex range of development problems that undermine stability across Africa.

Peacekeeping operations in Cote d'Ivoire, DRC, Liberia, Somalia, and South Sudan will promote stability in the entire continent. The United States will continue to train African peacekeepers through the Africa Contingency Operations Training and Assistance program, which is part of the Global Peace Operations Initiative. These initiatives are critical for the long-term success of peace building in Africa.

U.S. assistance will strengthen both the police and justice sectors to counteract the destabilizing effect of a dramatic increase in narcotics trafficking in West Africa. If left unchecked, this is likely to undermine

government institutions and investments that the United States has made to promote stability and development in the region.

Governing Justly and Democratically

In FY 2013, the United States will seek to fortify its support to key processes and institutions that are critical to accountable governance and stability in Africa, and promote governance systems that enable sustainable socioeconomic progress.

The biggest governance challenge in Africa during FY 2013 will be the consolidation and strengthening of the newly independent and democratic nation of South Sudan. The United States will continue to build the capacity of government institutions in South Sudan, and support the peaceful resolution of disputes in and around the oil-producing border regions.

Supporting peaceful and legitimate elections will also be a priority in FY 2013. The United States will support election officials, civil society, political parties, and the media to prepare for, monitor, and conduct credible elections in Ethiopia, Ghana, Kenya, and Zimbabwe. Post-elections, U.S. assistance will continue to support Kenya and Zimbabwe as they pursue and implement reforms to move toward post-transition governmental institutions and systems.

In the midst of these challenges, the United States will continue supporting countries such as Ghana, Mali, Mozambique, and Tanzania, which have adopted progressive policies and are building democratic institutions that promote economic development and improve the lives of their citizens. U.S. assistance will strengthen national and regional institutions essential for improving democracy and governance in the region. Desired outcomes of assistance include consolidation of democratic policies and practices, accountable and responsive parliaments and local governments, independent judiciaries, free and independent media organizations, vibrant civil societies, and representative political parties. Supporting good governance will help lower the risks of political backsliding, improve regional stability, increase the return on development assistance investments in other sectors, and strengthen the voices of progressive African countries in regional organizations such as the African Union.

Investing in People

As a key component of the Global Health Initiative, The President's Emergency Plan for AIDS Relief (PEPFAR) has made major strides in the fight against the deadly HIV/AIDS pandemic. Africa is the largest recipient of PEPFAR program resources to address the epidemic where two-thirds of the people living with HIV/AIDS reside. As of September 2011, 3.8 million Africans have received life-saving antiretroviral treatment under PEPFAR. The President's Malaria Initiative (PMI) mobilizes global efforts to combat a major killer, especially of Africa's children. Malaria kills over 800,000 people annually, the vast majority being African children under the age of five years, and causes an estimated $12 billion per year in economic loss in Africa. In 2010, over 27 million people were protected through indoor residual spraying, over 17 million insecticide-treated mosquito nets were procured, and five million intermittent preventive treatments for pregnant women were distributed. Major U.S. efforts continue to address other critical health needs, including polio eradication, control of tuberculosis, reduction of maternal and child mortality, access to voluntary family planning services and information, elimination of neglected diseases, strengthening disease surveillance systems for the prevention of and rapid response to epidemics, and strengthening of health systems. U.S. efforts have contributed to significant reductions in childhood death rates in Africa.

Access to clean water, sanitation, and hygiene has a significant impact on health, economic well-being, and education. For this reason, the United States continues to work with African governments, non-governmental organizations, and service providers to improve access to high quality water and

sanitation services. U.S. assistance has been guided and supported by the Paul Simon Water for the Poor Act of 2005. In 2010 alone, U.S. efforts contributed to more than 1.35 million people achieving first-time access to an improved water source in Africa, and nearly 2 million people having first-time access to improved sanitation. Across sub-Saharan Africa, about 10 billion liters of water have been treated, with Zambia (2.2 billion), and Rwanda (1.95 billion) among the largest treatment recipients. FY 2013 assistance will continue and expand on these achievements by improving the capacity of service providers through training and technical, financial, and operational improvements. Activities will be undertaken to improve the operating environment for service providers (such as regulatory improvements and extension of credit). Programs will work directly with communities, local governments, and utilities responsible for service provision, but will also focus support on regional associations such as the African Ministers' Council on Water and the African Water Association, helping to strengthen their capabilities and programs.

An educated population is critical to promoting changes in governance institutions, human capacity, and economic systems. Sub-Saharan Africa is home to 19 percent of the world's primary school-age children, but accounts for 47 percent of out-of-school children worldwide. Regionally, almost one-third of primary-age children (35 million), mostly girls, do not attend school. The United States works to expand opportunities for African children so that they and their families can enjoy the benefits and opportunities derived from an education. FY 2013 funding will focus on basic education activities that will assist Africa in meeting the Millennium Development Goals for education, and build on shifts begun during FY 2012 to realign existing programs and design new ones to contribute to the goals of the United States Agency for International Development (USAID) Education Strategy. Programs will focus on improving the quality of education by focusing on improving reading skills and increasing equitable access to education in crisis and conflict environments. African ownership is key to sustainability. Therefore, supporting community involvement in education will continue to increase access to educational opportunities for girls and other marginalized populations.

Economic Growth

Many African countries have been experiencing rapid, poverty-reducing growth for over a decade. This growth not only reduces poverty and hunger, but also creates jobs (especially for a growing and somewhat disaffected youth), and provides the resources to expand health and education services. Africa is expected to continue to experience growth, but growth is also fragile, especially in the face of slowing global economic growth. The United States will support African countries' efforts to sustain this growth by supporting measures that increase agricultural productivity in a sustainable way, strengthen markets, improve the management of renewable and non-renewable natural resources, support small and medium business growth, promote trade, and strengthen the institutions of economic and political governance. Trade and investment programs will improve sub-Saharan Africa's capacity for trade and export competitiveness. Programs will continue to expand African trade with the United States and other trading partners under the African Growth and Opportunity Act.

The Feed the Future (FTF) initiative dedicates resources to addressing the nutrition and food security problems facing Africa's poor. The FY 2013 request will support sustainable, comprehensive, and country-driven agriculture, rural development, and nutrition programs. The United States will provide assistance to increase agricultural productivity and incomes of small-scale agricultural producers in relatively reform-minded, well-governed African countries that offer strong opportunities for improvement in food security, as well as in three regional economic communities (the Common Market for Eastern and Southern Africa, the Economic Community of West African States, and the Southern African Development Community). The United States will also promote reforms and build the capacity of African institutions to support larger agricultural assistance programs in the future. In FY 2013, FTF will be also focused in crisis-prone areas of countries to help prevent future crises and improve economic resiliency, including in

Kenya and Ethiopia in the Horn of Africa. Supporting the Horn of Africa's recovery from the devastating drought crisis continues to be a high priority within the region.

Conserving Africa's natural resources, and promoting the mitigation of, and adaptation to climate change, will be critical to both the economic prosperity of the continent and the future of the world. Africa is home to 45 percent of the world's biodiversity, and the survival of its forests is a critical factor in mitigating global climate change. The ongoing degradation of Africa's soil, water, and biodiversity resources is a significant threat to the economic well-being of future generations. U.S. assistance will promote the productive and sustainable management of natural resources, while helping to reduce long-term threats to the environment.

Under the President's Global Climate Change (GCC) Initiative, programs will focus on helping countries assess their vulnerability to climate change, and on building the information systems and governance mechanisms to adapt to these expected changes. U.S. assistance will also concentrate on reducing greenhouse gas emissions while sustaining economic growth under GCC, Enhancing Capacity for Low Emissions Development Initiative, which helps strengthen capacity at the national level to develop emissions baselines and trajectories, enabling them to make choices about economic growth and emissions pathways. This initiative will be enhanced through on-the-ground investments in projects in access to clean energy, energy efficiency, and improved land management that help reduce or sequester greenhouse gas emissions.

Humanitarian Assistance

U.S. assistance will both prevent and respond to humanitarian crises across the continent, and will seek to raise awareness and support for improved African disaster preparedness, mitigation, and response capacity.

Linkages with the Millennium Challenge Corporation

The Millennium Challenge Corporation (MCC) is a key vehicle for delivering transformational economic growth that complements the programs detailed in this request. To maximize the effectiveness of U.S. assistance programs, USAID will work with MCC to ensure that these significant resources are put to the most effective use through increased collaboration in the development and implementation of relevant respective programs.

Angola

Foreign Assistance Program Overview

Angola, one of three countries in Africa that maintain a Strategic Partnership Dialogue with the United States, possesses a capable military that today ensures its role as a stabilizing regional force. Yet, despite its immense potential, Angola's development indicators remain among the worst in the world, with two-thirds of the population living in poverty. U.S. assistance will focus on preventing major infectious diseases, strengthening health systems, increasing access to family planning and reproductive health services, and building capacity within non-governmental organizations (NGOs) working in health advocacy and health service delivery. U.S. assistance will also continue to promote stabilization and security sector reform.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**60,871**	**58,665**	**56,280**	**-2,385**
Development Assistance	2,300	-	-	-
Global Health Programs - State	10,300	10,300	10,300	-
Global Health Programs - USAID	40,353	40,500	39,700	-800
International Military Education and Training	418	365	280	-85
Nonproliferation, Antiterrorism, Demining and Related Programs	7,500	7,500	6,000	-1,500

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Angola	**60,871**	**58,665**	**56,280**	**-2,385**
1 Peace and Security	**7,918**	**7,865**	**6,280**	**-1,585**
International Military Education and Training	**418**	**365**	**280**	**-85**
1.3 Stabilization Operations and Security Sector Reform	418	365	280	-85
Nonproliferation, Antiterrorism, Demining and Related Programs	**7,500**	**7,500**	**6,000**	**-1,500**
1.3 Stabilization Operations and Security Sector Reform	7,500	7,500	6,000	-1,500
2 Governing Justly and Democratically	**300**	**-**	**-**	**-**
Development Assistance	**300**	**-**	**-**	**-**
2.2 Good Governance	300	-	-	-
3 Investing in People	**52,653**	**50,800**	**50,000**	**-800**
Development Assistance	**2,000**	**-**	**-**	**-**
3.2 Education	2,000	-	-	-
Global Health Programs - State	**10,300**	**10,300**	**10,300**	**-**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
3.1 Health	10,300	10,300	10,300	-
Global Health Programs - USAID	**40,353**	**40,500**	**39,700**	**-800**
3.1 Health	40,353	40,500	39,700	-800

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Angola	**60,871**	**58,665**	**56,280**	**-2,385**
1 Peace and Security	**7,918**	**7,865**	**6,280**	**-1,585**
1.3 Stabilization Operations and Security Sector Reform	7,918	7,865	6,280	-1,585
2 Governing Justly and Democratically	**300**	**-**	**-**	**-**
2.2 Good Governance	300	-	-	-
3 Investing in People	**52,653**	**50,800**	**50,000**	**-800**
3.1 Health	50,653	50,800	50,000	-800
3.2 Education	2,000	-	-	-
of which: Objective 6	**5,676**	**4,422**	**4,393**	**-29**
6.1 Program Design and Learning	804	903	909	6
6.2 Administration and Oversight	4,872	3,519	3,484	-35

Peace and Security

Angola is a major regional power and has one of the largest and most capable militaries on the continent. U.S. assistance supports the destruction of unstable and excess ordnance and weapons, including anti-personnel landmines, while building capacity within the Angolan agencies responsible for addressing these issues. Humanitarian landmine clearance of roads and in rural areas allows for the safe return of refugees and improves economic opportunities, and increases access to social services. U.S. assistance will also bolster professionalism in the Angolan armed forces and promote goodwill between Angolans and Americans.

International Military Education and Training (IMET): IMET funding will support continued military professionalization, including a focus on English language training and training on the importance of reduction of the incidence of HIV/AIDS in the Angolan military. IMET activities will provide exposure to American values and institutions, and build a deeper military-to-military relationship with Angola's forces.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): Destruction of excess munitions and removal of landmines and unexploded ordnance are crucial to promoting internal stability and enabling increased use of rural land. U.S. assistance will fund the work of non-governmental organizations (NGOs) clearing 1.5 million square meters of land and roads, and the destruction of 10,000 weapons, including 70 tons of excess munitions, stockpiled by the army and air force in densely populated areas.

Investing in People

As many as one million Angolans died, 4.5 million were internally displaced, and another 450,000 had fled the country by the end of the civil war in 2002. The country's infrastructure and public service systems were in ruins. Lack of access to quality health and education services has constrained the social development of Angola's population. Child and maternal mortality rates are among the highest in the world, with almost one child in five not surviving to age five, while maternal mortality is 610 per 100,000 live births. The high fertility rate of 5.8 births per woman and lack of access to clean water contributes to the problem. Malaria is widespread and the number one killer of children. HIV/AIDS prevalence in Angola is relatively low, which presents the United States with the opportunity, in collaboration with Angola's public and private sectors, as well as civil society, to help prevent the spread of this disease before it rises to the devastating rates seen in neighboring countries within the region.

Global Health Programs (GHP): Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative to achieve major improvements in health outcomes through sustainable approaches and increased country ownership. The U.S. Government has partnered with the Government of Angola and other stakeholders to support the development of an integrated, comprehensive, and sustainable health system and a strong workforce capable of providing quality health care services to all Angolans under the Health Systems Strengthening approach. U.S. assistance will support investments in quality health service delivery by providing capacity-building for Angolan NGOs working in this sector, which will complement the implementation and procurement objectives of the United States Agency for International Development (USAID) Forward initiative. Funding will also continue to work with the Angolan Ministry of Health (MOH) to build institutional capacity, while simultaneously strengthening provincial and district level systems.

- Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR) – GHP-State and USAID: Angola will receive significant support to build partnerships to provide integrated prevention, care, and treatment programs throughout the country and support orphans and vulnerable children.

- Malaria: U.S. assistance under the President's Malaria Initiative (PMI) will expand efforts to scale-up proven preventive and treatment interventions toward achievement of 85 percent coverage among vulnerable groups to support the PMI goal of reducing malaria-related morbidity by 50 percent. The FY 2013 request level for Angola does not include the total projected funding for the PMI. Decisions on allocations of centrally-managed funds will be made at the time that the FY 2013 operating year budget is set.

- Maternal and Child Health: Activities will continue to support the MOH with polio surveillance, routine immunizations, and nationwide health campaigns.

- Family Planning (FP) and Reproductive Health (RH): Health systems that provide access to high-quality voluntary family planning services and information and reproductive health care on a sustainable basis will be strengthened. Health care providers will receive training in the provision of long-term family planning methods. USAID will purchase contraceptives and provide logistic technical assistance to complement MOH efforts to achieve country contraceptive security.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: A formal program review was conducted of the humanitarian demining and weapons destruction programs in FY 2011, which included financial audits of all three implementing partners, as well as the verification of clearance, the recording and reporting of the

number of weapons destroyed, and the impact of the program. Multiple site visits were conducted to monitor the IMET-funded HIV/AIDS training programs.

During FY 2011, all of the activities in the health program underwent quarterly pipeline analyses that examined spending rates to ensure that resources were being efficiently programmed. In addition, all activities under these sectors produced approved Performance Monitoring Plans, which were used to gauge progress during the Portfolio Implementation Reviews held in November 2011. U.S. staff also conducted field visits to directly examine progress, interview stakeholders, and ensure program compliance. Several program evaluations, including the overall performance of the Family Planning program and a nationwide health systems assessment were carried out during FY 2010 and FY 2011.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Program reviews concluded that NADR funds were being used effectively and efficiently, improving and hastening access to demined areas throughout the country. IMET program reviews determined that the military-to-military relationship and capacity building are moving in the right direction. Additionally, the Angolan military's U.S.-funded HIV/AIDS reduction programs continue to benefit Angola and improve the U.S – Angola relationship.

Within the Health Portfolio, the evaluation of the FP Program identified the need for change in the FP program from service delivery assistance to a focus on FP policy, guidelines, and advocacy at the central level, in the context of HSS. The findings of the 2010 evaluation of the Angolan health system informed the USAID health sector strategy for 2011-2015 and provided various recommendations for the MOH and its new Angolan district health strategy. The Strengthening Angolan Systems of Health (SASH) program focuses on HSS and direct capacity building base on findings outlined in this assessment.

Relating Past Performance to FY 2013 Plans: Formal program reviews of the humanitarian demining and weapons destruction programs informed funding decisions under the NADR account to clear high and medium impacted communities, perform surveys of suspected hazard areas, conduct mine risk education campaigns, and safely destroy weapons and munitions throughout Angola. IMET funding will be used to assist the Angolan military in its efforts to develop an internal English language instruction program less dependent upon U.S. assistance and reduce the impact of HIV/AIDS in their military.

The PEPFAR Partnership Framework will continue to boost activities in HIV/AIDS prevention and increase the amount of strategic information available to improve planning and decision-making for the national program.

Benin

Foreign Assistance Program Overview

Benin is a model of democracy in West Africa. Presidential elections in March 2011 and legislative elections a month later were peaceful and benefited from strong citizen participation and robust press freedom. However, poor health care, low quality of public education and insufficiently transparent governance persist as obstacles to national development. The United States supports efforts to improve the health of Beninese families by reducing the malaria disease burden, improving the health of mothers and young children, and strengthening the health system. Additionally, U.S. assistance provides support to Benin's defense and military capacity enhancement, thereby enabling the country to maintain domestic peace and security, while contributing to regional stability.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**30,990**	**28,630**	**23,710**	**-4,920**
Development Assistance	2,557	-	-	-
Global Health Programs - USAID	28,197	28,400	23,500	-4,900
International Military Education and Training	236	230	210	-20

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Benin	**30,990**	**28,630**	**23,710**	**-4,920**
1 Peace and Security	**236**	**230**	**210**	**-20**
International Military Education and Training	**236**	**230**	**210**	**-20**
1.3 Stabilization Operations and Security Sector Reform	236	230	210	-20
3 Investing in People	**30,754**	**28,400**	**23,500**	**-4,900**
Development Assistance	**2,557**	**-**	**-**	**-**
3.2 Education	2,557	-	-	-
Global Health Programs - USAID	**28,197**	**28,400**	**23,500**	**-4,900**
3.1 Health	28,197	28,400	23,500	-4,900

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Benin	**30,990**	**28,630**	**23,710**	**-4,920**
1 Peace and Security	**236**	**230**	**210**	**-20**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.3 Stabilization Operations and Security Sector Reform	236	230	210	-20
3 Investing in People	**30,754**	**28,400**	**23,500**	**-4,900**
3.1 Health	28,197	28,400	23,500	-4,900
3.2 Education	2,557	-	-	-
of which: Objective 6	**5,077**	**4,055**	**2,755**	**-1,300**
6.1 Program Design and Learning	1,996	1,725	950	-775
6.2 Administration and Oversight	3,081	2,330	1,805	-525

Peace and Security

Benin is a substantial contributor to multilateral peacekeeping operations in Africa and is willing to take part in additional peacekeeping and stabilization operations. Benin has assumed a leadership role in maritime security for the Gulf of Guinea, a key U.S. objective in the region. Department of State programs will support efforts to ensure regional stability by professionalizing the military.

International Military Education and Training (IMET): FY 2013 International Military Education and Training funds will continue to support the development of a professional, apolitical, and well-trained military that will contribute to Benin's stability, support border security, and enhance its peacekeeping capacity. U.S. assistance will support professionalization training at the Army Staff College and Army War College. It will also be used for defense resource management training and Naval Staff College training.

Investing in People

Benin's health system is structured geographically to provide nearly every citizen access to basic health services, but quality of services remains poor due to a weak overall health system. Malaria is the single most significant cause of death in children under the age of five. Maternal mortality remains high, with no significant reduction over the last decade. Under-five mortality has decreased, but high neonatal mortality persists. Modern contraceptive prevalence, at six percent, is very low even by West African standards. The HIV/AIDS epidemic has been stable over the last five years. U.S. assistance will support improved planning and implementation of key national programs focused on malaria, mother and child health, HIV/AIDS prevention and family planning, and will complement national efforts to achieve the health-related Millennium Development Goals by 2015.

Global Health Programs (GHP): Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership. U.S. assistance will help strengthen Benin's health system by building the capacity of its public health system to provide quality services at the decentralized level, and support private health care providers to align their services with national norms.

- Malaria: U.S. assistance under the President's Malaria Initiative (PMI) will expand efforts to scale up proven preventive and treatment interventions toward achievement of 85 percent coverage among vulnerable groups to support the PMI goal of reducing global malaria-related morbidity by 50 percent. The FY 2013 request level for Benin does not include the total projected funding for PMI. Decisions on allocations of centrally-managed funds will be made at the time that the FY 2013 operating year budget is set. Assistance will focus on prevention and treatment, including indoor residual spraying, universal distribution of bed nets, procurement of artemisinin-based combination therapies, and prevention of malaria in pregnant women.

- Maternal and Child Health: Funding will support proven, high-impact and low-cost interventions that improve maternal health, neonatal survival, childhood immunizations, and the provision of community case management and/or referral of common childhood illnesses such as malaria, pneumonia and diarrhea.

- Family Planning and Reproductive Health (FP/RH): Assistance will expand access to high quality, voluntary family planning services, information, and reproductive health care on a sustainable basis. Such programs enhance the ability of couples to plan the number and spacing of their children, including the timing of first birth. They also make substantial contributions to reducing abortion, maternal and child mortality, and morbidity; and to mitigating adverse effects of population dynamics on natural resources, economic growth and state stability. USAID/Benin will focus on commodity support, with an emphasis on injectables and other longer-term family planning methodologies. A small portion of FP/RH funds will be directed towards the surgical repair of obstetric fistulas.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In FY 2011, the USAID Mission to Benin conducted routine activities to monitor programmatic and financial performance and reached a number of evaluation milestones, such as the following:

- A performance evaluation showed that coverage of maternal and child health, and family planning interventions has improved, but there continue to be gaps in sustainability and gender equality.
- A program audit of the malaria program recommended several actions to improve data collection and reporting, commodity management and project site visits.
- Quarterly program reviews assessed progress on program activities, and surveys provided data on how commodities and supplies are reaching and benefitting the intended end-users. One survey assessed the readiness of rural hospitals to initiate and sustain malaria interventions.
- An assessment of the commodity supply chain used by the Ministry of Health indicated that USAID-supported reforms have resulted in better supply chain performance at the central level.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The monitoring and evaluation activities summarized above led to the following targeted actions:

- Lessons learned in the Integrated Family Health Project were used in the development of the Benin GHI Country Strategy and will be used to develop new activities for integrated mother and child health and family planning.
- Actions following the malaria program audit led to the tightening of data collection and protection protocols, re-training of staff in data collection, and the resolution of commodity management issues that will enhance future program implementation.
- The results of the supply chain assessment led to a re-orientation of ongoing reform activities towards Ministry of Health regional depots.
- In FY 2012, Benin will participate in the multi-country impact evaluation of malaria interventions to reduce under-five mortality. The final evaluation of integrated case management of common childhood diseases will help refine approaches to addressing the acute health worker crisis through task-shifting to community health workers. Data from Benin's fourth Demographic and Health Survey that will be completed in 2012 will provide a baseline for the next generation of projects for the health sector in Benin.

Relating Past Performance to FY 2013 Plans: The FY 2013 budget request includes the nationwide scale-up of selected malaria activities. A review of the results of the Triage, Evaluate and Treat Urgently (TETU) approach for children with complicated malaria showed that the approach could reduce malaria deaths in young children by up to 40 percent.

The evaluation of integrated family health activities showed that capacity building at the Ministry of Health's central level is required to support field activities. It also showed that the urban poor now have less coverage than the rural poor. As a result of these findings, the FY 2013 budget request includes funding for new activities targeting capacity building and the urban poor.

Botswana

Foreign Assistance Program Overview

Botswana is one of the United States' strongest, most outspoken allies in Africa and offers a powerful model for the region and the world of a stable, democratic African nation. Botswana still struggles with one of the world's highest HIV/AIDS rates, a pressing need to diversify its diamond-dependent economy, and expanding relations with other nations increasingly interested in Botswana's untapped coal reserves. United States' foreign policy priorities in Botswana include managing the HIV/AIDS epidemic, including its impact on women and vulnerable citizens, and reinforcing strong civil-military relations to maintain robust bilateral ties and encourage Botswana's support for regional security.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**75,467**	**66,855**	**61,415**	**-5,440**
Foreign Military Financing	339	200	200	-
Global Health Programs - State	74,443	66,000	60,640	-5,360
International Military Education and Training	685	655	575	-80

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Botswana	**75,467**	**66,855**	**61,415**	**-5,440**
1 Peace and Security	**1,024**	**855**	**775**	**-80**
Foreign Military Financing	**339**	**200**	**200**	**-**
1.3 Stabilization Operations and Security Sector Reform	339	200	200	-
International Military Education and Training	**685**	**655**	**575**	**-80**
1.3 Stabilization Operations and Security Sector Reform	685	655	575	-80
3 Investing in People	**74,443**	**66,000**	**60,640**	**-5,360**
Global Health Programs - State	**74,443**	**66,000**	**60,640**	**-5,360**
3.1 Health	74,443	66,000	60,640	-5,360

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Botswana	**75,467**	**66,855**	**61,415**	**-5,440**
1 Peace and Security	**1,024**	**855**	**775**	**-80**
1.3 Stabilization Operations and Security Sector Reform	1,024	855	775	-80

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
3 Investing in People	**74,443**	**66,000**	**60,640**	**-5,360**
3.1 Health	74,443	66,000	60,640	-5,360
of which: Objective 6	**6,338**	**-**	**-**	**-**
6.1 Program Design and Learning	2,607	-	-	-
6.2 Administration and Oversight	3,731	-	-	-

Peace and Security

Botswana has one of Africa's most professional and responsible military establishments, and offers a model for civilian-military relations for the rest of the continent. It continues to host regional military exchanges that promote a spirit of regional cooperation, and is the most reliable supporter of the U.S. Africa Command (AFRICOM) in the southern Africa region.

Foreign Military Financing (FMF): Resources will be used to meet equipment and operational needs, including the provision of technical service updates and training for items such as C-130 operations and maintenance, which is an ideal platform for supporting peacekeeping operations.

International Military Education and Training (IMET): U.S. assistance expands connections with Botswana's military leaders and supports Botswana in strengthening both domestic and regional civil-military and military-to-military relations. Assistance also improves professionalization of the military, enhancing the country's capacity to participate meaningfully in peacekeeping and humanitarian operations both within the Southern African Development Community and throughout Africa. Funding will be used to send Botswana Defense Force officers and non-commissioned officers to courses at the senior and mid-level professional military education schools such as Command and General Staff College and the Sergeant Major's Academy, and to participate in tailored professional enhancement courses. These courses reinforce democratic principles by teaching the role of the military in a democracy, the centrality of human rights, and the rule of law.

Investing in People

Botswana has an HIV/AIDS prevalence of 25 percent among adults between 15 and 49 years old, one of the highest rates in the world. It is estimated that more than 300,000 Botswanans are living with HIV/AIDS.

Global Health Programs (GHP):
Assistance will support the goals of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership.

Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR) – GHP-State: Botswana will receive significant support to build partnerships to provide integrated prevention, care, and treatment programs throughout the country, and support orphans and vulnerable children.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Data Quality Assessments (DQAs) were done in 15 locations throughout the country, mostly with local non-governmental organization (NGO) sub-partners. DQAs were also introduced to the Government of Botswana (GOB) Districts through Centers for Disease Control (CDC) activities with the Ministry of Local Government. In FY 2012, DQA activities with the GOB will be further developed and standardized.

Portfolio Reviews were done for each project. Post also completed a final evaluation of a three-year project that supported orphans and vulnerable children, and is completing a bio-behavioral surveillance survey to identify and understand the size and locations of most at-risk populations and determine their impact on the transmission of HIV in Botswana.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: A recent PEPFAR analysis resulted in the development of a strategic approach that guides PEPFAR investments in Botswana toward expanding country ownership and sustainability to achieve program success. This strategy calls for different approaches for the most mature programs, such as treating and preventing mother-to-child transmission, as compared to the approach for programs where critical gaps remain, including tuberculosis/HIV and medical male circumcision. Evaluation findings have been used to select focus regions and populations for programs that will have the greatest impact on reducing the spread of the HIV/AIDS epidemic in Botswana.

IMET funding requests are based on reviews at U.S. Africa Command (AFRICOM) and in Washington to evaluate program performance against the goals stated in AFRICOM's annual Commander's Intent and assess country-specific projections for resources needed to further U.S. objectives.

Relating Past Performance to FY 2013 Plans: Continued U.S. support for the Botswana Defense Force through the IMET and FMF programs remains key to sustaining one of the most professional militaries on the continent which in turn serves as a regional role model and consistent partner.

PEPFAR support has contributed to the success that the country has achieved in providing critical prevention, treatment, care, and support services to those affected by HIV/AIDS.

Moving forward, the United States Agency for International Development (USAID) will seek to directly fund some of the local NGOs which have been beneficiaries of USAID capacity-building programs and are now ready to transition to more direct ownership, with the eventual goal of creating programs that are completely locally supported.

Burkina Faso

Foreign Assistance Program Overview

Burkina Faso is a stable, majority Muslim country that has adopted a favorable foreign policy towards the United States. It is one of the world's poorest countries, ranking 181 out of 187 countries in the 2011 United Nations Development Program Human Development Index. About 80 percent of its 15.8 million people reside in rural areas, with the vast majority depending on subsistence agriculture. Malnutrition persists at a crisis level for a high percentage of children in several regions. The lack of basic health care and potable water engender serious health problems. U.S. assistance to Burkina Faso focuses on increasing food security for mothers and children in food deficit areas, improving the education of girls, strengthening malaria control and reproductive health services, addressing threats of meningitis and influenza, increasing production of high potential agricultural zones, enhancing access to markets, and increasing investment in land and rural productivity. Support for counterterrorism and strengthening border security are of growing importance in Burkina Faso.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**17,886**	**24,225**	**21,200**	**-3,025**
Food for Peace Title II	11,652	15,000	15,000	-
Global Health Programs - USAID	5,988	9,000	6,000	-3,000
International Military Education and Training	246	225	200	-25

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Burkina Faso	**17,886**	**24,225**	**21,200**	**-3,025**
1 Peace and Security	**246**	**225**	**200**	**-25**
International Military Education and Training	**246**	**225**	**200**	**-25**
1.3 Stabilization Operations and Security Sector Reform	-	225	200	-25
1.4 Counter-Narcotics	246	-	-	-
3 Investing in People	**11,658**	**16,304**	**12,554**	**-3,750**
Food for Peace Title II	**5,670**	**7,304**	**6,554**	**-750**
3.1 Health	5,282	6,795	6,554	-241
3.2 Education	388	509	-	-509
Global Health Programs - USAID	**5,988**	**9,000**	**6,000**	**-3,000**
3.1 Health	5,988	9,000	6,000	-3,000
4 Economic Growth	**5,982**	**7,696**	**8,446**	**750**
Food for Peace Title II	**5,982**	**7,696**	**8,446**	**750**
4.5 Agriculture	5,982	7,696	8,446	750

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Burkina Faso	**17,886**	**24,225**	**21,200**	**-3,025**
1 Peace and Security	**246**	**225**	**200**	**-25**
1.3 Stabilization Operations and Security Sector Reform	-	225	200	-25
1.4 Counter-Narcotics	246	-	-	-
3 Investing in People	**11,658**	**16,304**	**12,554**	**-3,750**
3.1 Health	11,270	15,795	12,554	-3,241
3.2 Education	388	509	-	-509
4 Economic Growth	**5,982**	**7,696**	**8,446**	**750**
4.5 Agriculture	5,982	7,696	8,446	750
of which: Objective 6	**575**	**1,400**	**1,100**	**-300**
6.1 Program Design and Learning	-	300	-	-300
6.2 Administration and Oversight	575	1,100	1,100	-

Peace and Security

Burkina Faso is a strong regional ally in the fight against extremist activities and transnational crime, including the trafficking of drugs and people. Its President has played a constructive role in promoting solutions to a number of regional conflicts, and Burkina Faso is an important participant in humanitarian and peacekeeping operations in various countries and is a partner in the Africa Contingency Operations Training and Assistance program. It has supported U.S. efforts against terrorists in the Sahel since 2006 and became a partner in the Trans-Sahara Counterterrorism Partnership in 2009.

International Military Education and Training (IMET): Funding will help professionalize the Burkinabe military by training military leaders in human rights, civilian-military relations, and other officer professionalization courses. The main objective of this training is to increase the level of professionalism and technical competency among military and security forces, and at the same time, raise their respect for civilian leadership and democratic institutions. The increased professionalization will enhance the capacity of Burkina Faso to contribute to peacekeeping on the continent and to counterterrorism efforts.

Investing in People

The high level of poverty in Burkina Faso presents huge development challenges. Indicators for health and education are improving, but remain low. Acute malnutrition rates are among the highest in West Africa; historical malnutrition rates in Burkina Faso have been far above the emergency threshold of 15 percent, and as high as 30 percent in certain regions. Child malnutrition persists at a crisis level for many children, resulting in an overall stunting rate of 36 percent. Adult literacy rates (less than 29 percent average for all, and 22 percent for women in 2007 according to the United Nations) are among the lowest in the world. Lack of basic health care and potable water contribute heavily to a generally poor state of health for most citizens. Malaria is a leading public health problem in Burkina Faso. In 2010, malaria accounted for about 48 percent of all outpatient consultations, 60 percent of all hospitalizations, and 47 percent of all deaths nationwide. The situation in children under five is worse, with malaria accounting for 52 percent of consultations, 78 percent of hospitalizations, and 65 percent of deaths. A high annual population growth rate of about 3 percent adds to the development challenges faced by Burkina Faso. Despite the

Government's efforts and steady progress, it is doubtful that Burkina Faso will achieve any of the Millennium Development Goals by the FY 2015 target date.

Food for Peace Title II: In FY 2013, corresponding to year two and three of two separate five-year programs, USAID will continue work to improve the health of pregnant and lactating mothers, and children who are less than 24 months of age in selected chronically food-insecure areas. Additional funding will be used for activities that strengthen and support basic education in these areas:

- Maternal and Child Health: Resources will support maternal and child health and nutrition, such as improving child feeding and hygiene practices; expanding access to services that prevent and treat childhood illnesses; and increasing dietary diversity and quality. Training in construction of improved cook-stoves will improve indoor air quality and the health of adults and children involved in meal preparation in households and school canteens.

- Water and Sanitation: Funding will expand access to potable water.

- Basic Education: Efforts to increase and maintain preschool and primary school enrollment will continue with the provision of school lunches at all schools located in targeted geographic areas.

Global Health Program (GHP):

- Linkages with Global Health Initiative (GHI): Assistance provided through the GHP account will support the principles of GHI, improving health outcomes by working with partner countries to build a sustainable response by investing in health systems and promoting innovation.

- Presidential Malaria Initiative: U.S. assistance will be used to fill gaps in the Government of Burkina Faso's National Malaria Control Program and to scale up proven preventive and treatment interventions increase coverage among vulnerable groups and reduce malaria-related morbidity. The FY 2013 request level for Burkina Faso does not include the total projected funding for the PMI. Decisions on allocations of centrally-managed funds will be made when the FY 2013 operating year budget is set.

Economic Growth

The landlocked geographic position of Burkina Faso makes it difficult to be competitive in international markets with its main agricultural exports (cotton and shea butter) and raises the cost of doing business. A low level of job creation and slow economic growth result in too few opportunities for people to participate in the market place. When the annual harvest in September and October is good, Burkina Faso enjoys positive economic growth and produces enough food to feed its people. However, as agriculture in Burkina Faso is mostly dependent on highly variable rainfall and drought is recurrent, the country has suffered historically from frequent food shortages and consequent lower annual economic growth. About 80 percent of Burkina Faso's people reside in rural areas, and the vast majority is dependent on subsistence agriculture.

Food for Peace Title II: Funds will be used to support the implementation of years two and three of two separate five-year programs working in chronically food-insecure areas. Key program objectives are to strengthen and diversify agricultural smallholder production and productivity, and increase and diversify rural household incomes. Priority activity goals are to transform subsistence cereals farming into integrated food and cash crop production schemes, strengthen the integration of livestock and poultry production, improve natural resource management, expand market gardening, augment the marketing capacity of producer groups, expand access to credit, and increase the number of women involved in the production and marketing of agricultural produce. Diversifying smallholder farmer production of

agriculture and strengthening other livelihood sectors will decrease the vulnerabilities of poor households to shocks and provide avenues for more economic opportunity.

Linkages with the Millennium Challenge Corporation

Following the successful implementation of a three-year Millennium Challenge Corporation (MCC) threshold program, Burkina Faso's five-year, $481 million MCC compact program entered into force on July 31, 2009. This compact program seeks to reduce poverty by building roads to open up high-potential agriculture production areas, improving rural land tenure, increasing access to markets and rural credit, and aiding farmers with agricultural and irrigation projects. Food for Peace Title II funds in the economic growth sector and regional USAID programs operating in Burkina Faso reinforce the MCC investment, maximize impacts without duplicating efforts, and support Burkina Faso's prospects for a possible second compact.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Data quality assessments, regular monitoring, and quarterly and annual reviews of activity performance are used to make performance determinations on which activities should be continued as designed, which activities should be redesigned, and which should be expanded or dropped. These programmatic determinations naturally lead to revisions in activity budgets. Evaluation results and recommendations are used to improve the design of future activities, and to document success stories, best practices, and key lessons learned. A key element of these evaluations is to highlight strong development investments in terms of results achieved for the funds disbursed. Baseline surveys for one higher education activity and one Food for Peace Title II program were conducted in FY 2011, and one will be conducted for the other Food for Peace program in FY 2012. An external impact evaluation of a girls' education activity will be finalized in FY 2012.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The results of the final in-depth evaluations of two five-year Food for Peace Title II Multi-Year Assistance Programs were used in formulating the guidance for soliciting proposals for both current five-year Food for Peace Title II programs in Burkina Faso. Accordingly, these comprehensive evaluation reports documented lessons learned that were applied to current program design and implementation. The lessons learned include improved child feeding and food-crop cultivation practices. For example, it was found that teaching mothers how to prepare enriched foods for young children was not sufficient to improve child nutrition. The provision of clean water and regular health checks, including de-worming, was also necessary to ensure good child health and regular weight gains.

Providing information on the prevention and treatment of malaria, the biggest killer of children, also led to positive health outcomes. Findings of a recent counterterrorism assessment on the risks of undereducated and unemployed youth in Burkina's Sahel region informed the development of a new regional Countering Violent Extremism activity under the Trans-Sahara Counterterrorism Program. The USAID-funded Famine Early Warning Systems Network and Permanent Interstate Committee for Drought Control in the Sahel track food security issues and inform Title II Food for Peace programmatic choices. Food for Peace Title II monitoring in FY 2012 helped shape the United States' Sahel Food Insecurity Response Strategy for the FY 2012 Food Crisis, which in turn affects some Food for Peace Title II resources as part of the larger U.S. Government contingency plan.

A West Africa Cotton Improvement Program evaluation revealed the role cotton farming plays in food security, both in terms of contributing to income generation and the frequent use of the fertilizer provided in the cotton package that goes to improve food crop production. This evaluation helped to shape the

extension of a regional USAID response in Burkina Faso and improved agricultural programming. A USAID Development Credit Authority assessment of Burkina Faso's agriculture credit sector will help shape Title II and regional agriculture programs in FY 2013 and ensure continued coordination with MCC efforts. A FY 2011 United States Department of Agriculture (USDA) assessment of food monetization led to improved coordination between USDA and Title II Food for Peace monetization activities in Burkina Faso. An Office of Foreign Disaster Assistance evaluation in FY 2011 used performance data from emergency responses to 2009 flooding and 2010 nutritional emergencies to better prepare for future emergencies in Burkina Faso.

Relating Past Performance to FY 2013 Plans: Burkina Faso has seen significant strengthening of local institutions in the areas of education, health, and nutrition, and expects to see significant improvements in malaria prevention in coming years. A significant portion of assistance will be used to strengthen short and long-term food security, improving Burkina Faso's agricultural productivity, nutrition, and child and maternal health. Burkina Faso has been a leader in taking advantage of regional agriculture trade and marketing programs showing significant improvement in producer associations.

Burundi

Foreign Assistance Program Overview

The Government of Burundi, the private sector, civil society, and Burundi's development partners focus on promoting economic growth and development, and improving social conditions for Burundians, which will be advanced by facilitating the country's integration into the East African Community (EAC). Despite being one of the poorest countries in the world, the Government of Burundi (GOB) strives to attain Millennium Challenge Corporation threshold status by improving scorecard indicators across all sectors. U.S. foreign assistance will promote private sector-led economic growth, emphasizing agricultural production and trade (particularly within the EAC Common Market); improve health care delivery; combat HIV/AIDS; reduce malnutrition in children under the age of two years; strengthen good governance and government effectiveness; and build the capacity of Burundi to maintain peace and security both at home and elsewhere in Africa. Women and youth will be prioritized in all development assistance programs.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**56,980**	**31,885**	**31,775**	**-110**
Development Assistance	2,736	-	2,000	2,000
Food for Peace Title II	27,348	10,000	10,000	-
Global Health Programs - State	15,000	5,000	5,000	-
Global Health Programs - USAID	11,544	16,560	14,500	-2,060
International Military Education and Training	352	325	275	-50

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Burundi	**56,980**	**31,885**	**31,775**	**-110**
1 Peace and Security	**352**	**325**	**275**	**-50**
International Military Education and Training	**352**	**325**	**275**	**-50**
1.3 Stabilization Operations and Security Sector Reform	352	325	275	-50
2 Governing Justly and Democratically	**-**	**-**	**500**	**500**
Development Assistance	**-**	**-**	**500**	**500**
2.2 Good Governance	-	-	500	500
3 Investing in People	**39,297**	**31,560**	**26,380**	**-5,180**
Food for Peace Title II	**12,753**	**10,000**	**6,880**	**-3,120**
3.1 Health	12,753	10,000	6,880	-3,120
Global Health Programs - State	**15,000**	**5,000**	**5,000**	**-**
3.1 Health	15,000	5,000	5,000	-

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Global Health Programs - USAID	**11,544**	**16,560**	**14,500**	**-2,060**
3.1 Health	11,544	16,560	14,500	-2,060
4 Economic Growth	**8,533**	**-**	**4,620**	**4,620**
Development Assistance	**2,736**	**-**	**1,500**	**1,500**
4.2 Trade and Investment	-	-	1,500	1,500
4.5 Agriculture	2,736	-	-	-
Food for Peace Title II	**5,797**	**-**	**3,120**	**3,120**
4.5 Agriculture	5,797	-	3,120	3,120
5 Humanitarian Assistance	**8,798**	**-**	**-**	**-**
Food for Peace Title II	**8,798**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	8,798	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Burundi	**56,980**	**31,885**	**31,775**	**-110**
1 Peace and Security	**352**	**325**	**275**	**-50**
1.3 Stabilization Operations and Security Sector Reform	352	325	275	-50
2 Governing Justly and Democratically	**-**	**-**	**500**	**500**
2.2 Good Governance	-	-	500	500
3 Investing in People	**39,297**	**31,560**	**26,380**	**-5,180**
3.1 Health	39,297	31,560	26,380	-5,180
4 Economic Growth	**8,533**	**-**	**4,620**	**4,620**
4.2 Trade and Investment	-	-	1,500	1,500
4.5 Agriculture	8,533	-	3,120	3,120
5 Humanitarian Assistance	**8,798**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	8,798	-	-	-
of which: Objective 6	**3,502**	**1,890**	**2,645**	**755**
6.1 Program Design and Learning	1,368	300	645	345
6.2 Administration and Oversight	2,134	1,590	2,000	410

Peace and Security

Burundi is gradually professionalizing both its military and police forces. The integration of large numbers of former rebel militia members into the ranks of the military and the police has presented budgetary as well as training and operational challenges. Burundi is pursuing a role in international peacekeeping as a source of revenue and a means to modernize and professionalize its security forces. With U.S. government support, Burundi contributes peacekeepers to the African Union Mission in Somalia (AMISOM), which has made it a target of the Al Shabaab terrorist organization.

The United States provides training and education to Burundi's security services with a focus on establishing a foundation of core skills and competencies for the next generation of Burundian military leaders. Complementing these efforts, U.S. assistance will help to improve health services delivery to military personnel who serve as peacekeepers.

International Military Education and Training (IMET): Funding will support the long-term professionalization of the Burundian military, and promote effective civilian oversight and respect for human rights and rule of law through military training courses.

Governing Justly and Democratically

Burundi faces significant challenges in the area of democracy, human rights, and governance despite democratic progress made since emerging from civil war less than a decade ago. U.S. assistance will help to strengthen mechanisms to control corruption, protect and extend civil liberties, and promote government effectiveness. U.S. assistance in these areas will be complemented by the coordinated support of other donors such as the European Union, the World Bank, the United Nations Development Program, Belgium, and Switzerland.

Development Assistance (DA): Programs will focus on good governance.

- Funding will facilitate implementation of the GOB's national strategy to combat corruption, and support civil society organizations that promote anti-corruption, regulatory reform, and government effectiveness. U.S. resources will help promote women's economic rights and equal opportunity. This funding may also be used to address an overconcentration of power in the executive and the closely linked ruling party.

- To improve government effectiveness and the business climate, programs will help reduce the "red tape" that hinders business start-up and operations. Programs will also improve accountability and transparency of governance, potentially through increased capacity of civil society and media to monitor the government, strengthened government accountability and transparent systems and processes, and an improved environment for free and fair political competition.

Investing in People

Burundi suffers from poor maternal and child health; insufficient reproductive health care, family planning services and information; nonexistent or damaged health services infrastructure; a critical shortage of trained health care professionals; and the negative impact of the HIV/AIDS pandemic. Burundi currently ranks near the bottom on most United Nations indices of vital statistics. U.S. assistance programs in conjunction with the GOB, private sector, civil society, and other donors are helping to reduce the incidence of malaria and HIV/AIDS, and improve early childhood nutrition as well as maternal and child health.

Global Health Programs (GHP) - State and USAID:
Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership.

Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR): Burundi will receive significant support to build partnerships to provide integrated prevention, care, and support programs throughout the country and support orphans and vulnerable children.

Maternal and Child Health (MCH): U.S. assistance will continue to provide high-impact MCH services, such as antenatal care, safe and clean assisted delivery, essential and emergency obstetric care, essential newborn care, and immunization.

Malaria: U.S. assistance will focus on prevention of malaria, especially for women and young children, one of the leading causes of illness in Burundi. Resources will be used to target malaria through vector control activities including the distribution and promotion of the correct use of insecticide-treated bed nets, establishment of a functional insectary/animal house, and associated entomology laboratory. Other activities include strengthening of malaria laboratory diagnosis, community case management, preventive treatment of malaria in pregnancy, improved pharmaceutical and logistics management, and combined support for capacity building within the National Malaria Control Program.

Family Planning and Reproductive Health: Funding will be used to expand access to high-quality voluntary family planning services and information and reproductive health care on a sustainable basis. Funding will also be used to expand services, train health personnel, and increase contraceptive supplies and distribution.

Food for Peace Title II: U.S. food aid assistance will continue to support community-based best practices that promote infant and child feeding through behavior change communication and comprehensive growth monitoring, including the prevention of malnutrition in children under two years old. U.S. assistance will focus on health and nutrition activities that strengthen improvements in beneficiary household's health and nutritional status achieved through past Food for Peace programs in Burundi.

Economic Growth

Approximately 90 percent of Burundi's population lives in rural areas and depends on subsistence farming for their livelihoods. With Food for Peace Title II resources, U.S. assistance will continue to support improved agriculture production and enhanced household food security. USAID activities will coordinate with other donors and complement planned GOB agriculture development investments, as recorded in the Comprehensive Africa Agriculture Development Program compact signed by the GOB in August 2009 and the six-year National Agriculture Investment Plan adopted by the GOB in July 2011.

Development Assistance (DA): USAID will work with Burundian agro-entrepreneurs, microenterprises, and producer associations within the coffee, dairy, horticulture, and other agro-product value chains to improve production and marketing. All programs will target women and youth.

In the context of Burundi's economic integration into the East African Community, USAID will identify Burundi's comparative advantage and support development of regional markets for agricultural products with a high potential for trade and revenue generation.

Food for Peace Title II: Resources will support the 2008-2012 achievements of the Multi-Year Assistance Program in Burundi in the watersheds of the three target provinces, and possibly other areas. The program will equip local communities with improved varieties of cassava cuttings resistant to both Mosaic and Brown Streak diseases, which are serious threats to the cassava crop in Burundi.

USG programming will assist in the mitigation of the Bananas Xhantomonas Wilt disease, a major threat to banana plantations in Burundi. Activities will also support the GOB livestock sector. In addition, USG funds will strengthen associations that promote new GOB -prioritized crops including potatoes, corn, bananas, and rice.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: USAID conducts annual portfolio reviews to assess programmatic impacts and financial performance. In addition, USAID performs data quality assessments on all programs at three-year intervals to validate program targets and results. USAID also conducted a Local Capacity Development Assessment in November 2011. The GOB and development partners jointly conducted a review of the National Poverty Reduction Strategy that is expected to serve as a basis for alignment with GOB development efforts. USAID also contributed substantial resources to a Demographic and Health Survey, which provides reliable, data for program planning purposes in the health sector. Information from this survey informs programming decisions, including targeting appropriate populations. Lastly, Burundi prepared and submitted a GHI Country Strategy, which was approved by the GHI Operations Committee September 2011. All health activities will be aligned with that guiding document.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: USAID uses sectoral and other assessments as the foundation for planning and budgeting future activities. For example, based on key findings in the Health Sector Assessment, USAID continues to assist the GOB in decentralizing health care systems and helping women and children through programs on nutrition, malaria, and HIV/AIDS. The Democracy and Governance Sector Assessment recommended ongoing support for good governance and civil society programs. The Economic Growth Assessment and feasibility study supported the expansion of agricultural activities, including micro-enterprise development, with the goal of creating market outlets that will stimulate production and, in turn, generate more revenues.

Relating Past Performance to FY 2013 Plans: U.S. foreign assistance programming proposes to make use of cross-sectoral synergies and linkages, wherever possible, to capitalize on best-practices. Investments in the health sector will continue programming in initiatives where indicators demonstrate greatest achievements, especially maternal and child health, malaria, and HIV/AIDS.

Cameroon

Foreign Assistance Program Overview

Cameroon is rich in natural resources, including oil, timber, and minerals, and untapped agricultural potential; a transportation hub for goods to Chad and Central African Republic; a haven for refugees from war-torn neighboring countries; and favorably disposed to cooperation on maritime security and counterterrorism. It has seen improvements in its human rights record, but some problems persist. Its relatively diversified economy has more than doubled during the last decade, but endemic corruption, inadequate infrastructure, and government inefficiency constrain its growth. The percentage of HIV-positive individuals in Cameroon is one of the highest in the Central Africa region. U.S. assistance programs seek to: combat HIV/AIDS by focusing primarily on prevention of mother-to-child transmission; and improve Cameroon's security forces, especially in the area of combating maritime crime and transnational terrorism.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**24,965**	**13,020**	**17,000**	**3,980**
Food for Peace Title II	1,930	-	-	-
Global Health Programs - State	21,250	11,250	15,250	4,000
Global Health Programs - USAID	1,500	1,500	1,500	-
International Military Education and Training	285	270	250	-20

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Cameroon	**24,965**	**13,020**	**17,000**	**3,980**
1 Peace and Security	**285**	**270**	**250**	**-20**
International Military Education and Training	**285**	**270**	**250**	**-20**
1.3 Stabilization Operations and Security Sector Reform	285	270	250	-20
3 Investing in People	**22,750**	**12,750**	**16,750**	**4,000**
Global Health Programs - State	**21,250**	**11,250**	**15,250**	**4,000**
3.1 Health	21,250	11,250	15,250	4,000
Global Health Programs - USAID	**1,500**	**1,500**	**1,500**	**-**
3.1 Health	1,500	1,500	1,500	-
5 Humanitarian Assistance	**1,930**	**-**	**-**	**-**
Food for Peace Title II	**1,930**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	1,930	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Cameroon	**24,965**	**13,020**	**17,000**	**3,980**
1 Peace and Security	**285**	**270**	**250**	**-20**
1.3 Stabilization Operations and Security Sector Reform	285	270	250	-20
3 Investing in People	**22,750**	**12,750**	**16,750**	**4,000**
3.1 Health	22,750	12,750	16,750	4,000
5 Humanitarian Assistance	**1,930**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	1,930	-	-	-
of which: Objective 6	**2,747**	**225**	**105**	**-120**
6.1 Program Design and Learning	1,706	75	-	-75
6.2 Administration and Oversight	1,041	150	105	-45

Peace and Security

U.S. peace and security assistance to Cameroon will focus on enhancing Cameroon's capacity to defend its territorial integrity and contribute to regional and maritime security.

International Military Education and Training (IMET): Programs will support training, including English language instruction, to help develop a professional military that respects human rights and understands the principles of good governance and democracy. Increased professionalization will enhance Cameroon's ability to support security in the Gulf of Guinea.

Investing in People

Improving the health of its population remains a priority for the Government of Cameroon, as highlighted in its National Health Development Plan (NHDP) 2011-2015. Cameroon has also recently developed an ambitious HIV/AIDS National Strategic Plan 2011-2015, which focuses on scaling up treatment coverage, prevention of mother-to-child transmission, and prevention of new infections in most-at-risk populations, and other vulnerable populations. Unfortunately, national commitments have not translated into significant financial investments in the health sector. The Government of Cameroon currently allocates less than six percent of its national budget to the health sector, which is far below the World Health Organization's recommendation of 15 percent in order to meet health sector Millennium Development Goals. Multilateral and bilateral assistance is helping to meet some of the nation's health needs and compensate for the public spending gap.

Global Health Programs (GHP) – State and USAID: Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership.

Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR): Cameroon will receive significant support to build partnerships to provide integrated prevention, care, and treatment programs throughout the country and support orphans and vulnerable children.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Several monitoring and evaluation efforts were undertaken during FY 2011. The United States Agency for International Development (USAID)/West Africa Regional Health Office monitored implementation of the HIV/AIDS Prevention Program through site visits, a mid-term assessment with recommendations, data quality assessments, and a formal portfolio review. Monitoring activities were also documented through various PEPFAR reporting processes, including the country operational plan, semi-annual program report, and annual program report for FY 2011. USAID also carried out an assessment of Cameroon's pharmaceutical management system. Activities in Peace and Security will be evaluated by the Defense and Security Cooperation Agency on an annual basis.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The HIV/AIDS Prevention Program is using an integrated behavior biological surveillance survey for high-risk populations to adjust program implementation and inform country-level strategic planning. Information from the pharmaceutical management system assessment is being used to develop a new USAID activity focused on strengthening this area.

Relating Past Performance to FY 2013 Plans: The U.S. Government began implementing several research projects in FY 2012 in order to improve on program planning and decision-making, with regard to the HIV/AIDS portfolio. As part of the FY 2012 country operational plan process, agencies implementing PEPFAR-funded activities were requested to carry out a thorough pipeline analysis to assist in projecting future financial indicators. GHP funds requested for FY 2013 will continue to target activities associated with four strategic pillars: prevention of mother-to-child transmission, prevention in most-at-risk populations, blood safety, and health systems strengthening, which represent the best use of U.S. resources within the Cameroonian context.

Cape Verde

Foreign Assistance Program Overview

Cape Verde is one of Africa's success stories and an important partner in West Africa for the United States. A model of democratic governance, Cape Verde enjoys relatively high literacy rates, high per capita income, and positive health indicators. However, its strategic location also means that Cape Verde is increasingly at the crossroads of the transatlantic narcotics trade. Maritime security, domain awareness, and border control, as well as the crosscutting areas of bilateral engagement and development in Cape Verde are of the highest priority for the United States. U.S. foreign assistance will build the capacity of Cape Verde's military to respond more effectively to maritime security challenges. In addressing maritime security, Cape Verde will be better able to access and develop the potential wealth from its national waters. U.S. assistance will be instrumental in allowing Cape Verde to continue to develop and share its political and economic successes with neighbors in West Africa.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**123**	**120**	**100**	**-20**
International Military Education and Training	123	120	100	-20

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Cape Verde	**123**	**120**	**100**	**-20**
1 Peace and Security	**123**	**120**	**100**	**-20**
International Military Education and Training	**123**	**120**	**100**	**-20**
1.3 Stabilization Operations and Security Sector Reform	123	120	100	-20

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Cape Verde	**123**	**120**	**100**	**-20**
1 Peace and Security	**123**	**120**	**100**	**-20**
1.3 Stabilization Operations and Security Sector Reform	123	120	100	-20

Peace and Security

The level of professionalism and technical competency among Cape Verde's military and security forces is limited. U.S. resources will address this by training Cape Verdean military personnel in the United States and in Cape Verde, emphasizing respect for civilian leadership and democratic institutions. An overarching goal is to enhance the capacity of Cape Verde to contribute to regional peace and security efforts.

International Military Education and Training (IMET): The IMET program primarily supports the U.S. goal of professionalizing Cape Verde's military. This training has many goals for both the short and long term, including the development of a small, modern and professionally-trained force; the development of middle management capabilities among the Officer Corps to prepare them for senior positions; the promotion of greater capabilities in areas of joint interest, including counterterrorism, maritime security, search and rescue, and disaster preparedness; and improving the interoperability and engagement between United States and Cape Verde armed forces in counterterrorism operations.

Linkages with the Millennium Challenge Corporation

In October 2010, the Millennium Challenge Corporation (MCC) completed a five-year, $110 million compact agreement with the Government of Cape Verde to help the country achieve its overall national development goal of transforming its economy from aid-dependency to sustainable, private-sector-led growth. MCC funds were used to improve the country's investment climate, reform the financial sector, improve infrastructure to support increased economic activity, raise the income in rural populations, and carry out policy reforms needed for sustained economic growth. U.S. assistance was closely coordinated with other donors, and civil society, as well as other stakeholders played an integral role in the program's implementation. As a result of the Cape Verdean Government's success in continued governance and economic policy reform, as well as implementing the compact, MCC selected Cape Verde as eligible to pursue a second compact in FY 2012. On December 15, 2011, MCC approved for Cape Verde a $66.2 million second compact, which is scheduled to be signed in Praia in February 2012. The Compact will focus on water, sanitation, and land management.

Central African Republic

Foreign Assistance Program Overview

The Central African Republic sits at the heart of a volatile and poor neighborhood and has a long history of development, governance, and human rights problems. Significant portions of its territory remain uncontrolled and ungoverned, with the presence of multiple armed actors creating insecurity in much of the north and northeast. The Lord's Resistance Army continues to terrorize civilians in the southeastern part of the country. While the 2008 Inclusive Political Dialogue and subsequent peace and ceasefire agreements brought an end to much of the internal fighting, true stability has not been cemented because of the government's failure to implement key provisions of the dialogue, including security sector reform and disarmament, demobilization, and reintegration programs. In recent months, new challenges to the peace process have emerged, and insecurity has increased. The first priority for the government is to decrease threats from internal and external actors. United States foreign assistance priorities focus on professionalizing the security forces to bolster stability and promote overall respect for human rights.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**6,775**	**115**	**100**	**-15**
Food for Peace Title II	6,775	-	-	-
International Military Education and Training	-	115	100	-15

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Central African Republic	**6,775**	**115**	**100**	**-15**
1 Peace and Security	**-**	**115**	**100**	**-15**
International Military Education and Training	**-**	**115**	**100**	**-15**
1.3 Stabilization Operations and Security Sector Reform	-	115	100	-15
5 Humanitarian Assistance	**6,775**	**-**	**-**	**-**
Food for Peace Title II	**6,775**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	6,775	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Central African Republic	**6,775**	**115**	**100**	**-15**
1 Peace and Security	**-**	**115**	**100**	**-15**
1.3 Stabilization Operations and Security Sector Reform	-	115	100	-15
5 Humanitarian Assistance	**6,775**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	6,775	-	-	-

Peace and Security

Programs promote the transformation of the military into a force that is respectful of civilian control and supports human rights and democracy. A professional military force is a necessary precursor to effective border protection and stability within the country. The lack of effective security forces has permitted the territory of the Central African Republic to be infiltrated by dangerous forces such as the Lord's Resistance Army, regional traffickers, and domestic armed militias.

International Military Education and Training (IMET): Assistance will focus on programs that help develop a professional military that respects human rights and understands the principles of good governance and democracy. Support may include mobile education teams focused on civil-military relations and international law.

Chad

Foreign Assistance Program Overview

As it emerges from half a century of regionalized conflict and internal turmoil, Chad has the potential to lay foundations for better governance and development. A 2010 peace agreement with Sudan continues to hold, and Chad currently enjoys relative stability; however, the risk of spillover of tensions from Libya, the Central African Republic, and Nigeria remains. Chad is one of the poorest countries in the world, ranking 183rd out of 187 countries in the 2011 United Nations Development Program Human Development Index. Approximately 38 percent of Chadians are undernourished, making Chad, almost half of which is in the Sahara desert, one of the most food-insecure countries in the world. The Chadian government is taking steps to improve infrastructure and foster stability. The United States continues to encourage Chad to advance good governance. U.S. foreign assistance priorities for Chad focus on professionalizing the Chadian military.

United States' priorities in Chad include: addressing the humanitarian needs throughout the country, including for internally displaced persons, refugees from Darfur and the Central African Republic, and individuals affected by food insecurity; and strengthening Chad's capacity to deal with terrorist threats. The U.S. Government utilizes a combination of global, multilateral, regional, and bilateral programs, along with diplomacy, to achieve these goals.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**90,354**	**6,540**	**300**	**-6,240**
Food for Peace Title II	89,564	6,000	-	-6,000
Foreign Military Financing	399	200	-	-200
International Military Education and Training	391	340	300	-40

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Chad	**90,354**	**6,540**	**300**	**-6,240**
1 Peace and Security	**790**	**540**	**300**	**-240**
Foreign Military Financing	**399**	**200**	**-**	**-200**
1.3 Stabilization Operations and Security Sector Reform	399	200	-	-200
International Military Education and Training	**391**	**340**	**300**	**-40**
1.3 Stabilization Operations and Security Sector Reform	391	340	300	-40
3 Investing in People	**3,035**	**3,000**	**-**	**-3,000**
Food for Peace Title II	**3,035**	**3,000**	**-**	**-3,000**
3.1 Health	3,035	3,000	-	-3,000
4 Economic Growth	**3,035**	**3,000**	**-**	**-3,000**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Food for Peace Title II	**3,035**	**3,000**	**-**	**-3,000**
4.5 Agriculture	3,035	3,000	-	-3,000
5 Humanitarian Assistance	**83,494**	**-**	**-**	**-**
Food for Peace Title II	**83,494**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	83,494	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Chad	**90,354**	**6,540**	**300**	**-6,240**
1 Peace and Security	**790**	**540**	**300**	**-240**
1.3 Stabilization Operations and Security Sector Reform	790	540	300	-240
3 Investing in People	**3,035**	**3,000**	**-**	**-3,000**
3.1 Health	3,035	3,000	-	-3,000
4 Economic Growth	**3,035**	**3,000**	**-**	**-3,000**
4.5 Agriculture	3,035	3,000	-	-3,000
5 Humanitarian Assistance	**83,494**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	83,494	-	-	-
of which: Objective 6	**-**	**-**	**70**	**70**
6.2 Administration and Oversight	-	-	70	70

Peace and Security

Funding supports transforming the Chadian military into a force that is respectful of civilian control, human rights and democracy; a force that can combat rising criminality and counter terrorist threats. An emphasis on Chad's security forces is crucial because of their historic involvement in unconstitutional regime change, suppression of dissent, and lack of adherence to standards of good governance. Regional funding for conflict mitigation, increased youth opportunities, and improved community governance may also be available to complement this bilateral funding request.

International Military Education and Training (IMET): Funding supports overall professionalization of Chad's military forces. Assistance will focus on English-language programs and training on civil-military relations, election security, military justice, and international law.

Comoros

Foreign Assistance Program Overview

Enhancing maritime security and maintaining a strong bilateral relationship with Comoros are important to the United States, as these efforts may contribute to a more stable Indian Ocean region.
U.S. Government outreach in Comoros focuses on engagement and relationship building, allowing access to a vantage point that may help us to counter piracy and terrorism. U.S. security assistance to Comoros focuses on training their military and security forces and developing a maritime defense force.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**125**	**100**	**90**	**-10**
International Military Education and Training	125	100	90	-10

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Comoros	**125**	**100**	**90**	**-10**
1 Peace and Security	**125**	**100**	**90**	**-10**
International Military Education and Training	**125**	**100**	**90**	**-10**
1.3 Stabilization Operations and Security Sector Reform	125	100	90	-10

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Comoros	**125**	**100**	**90**	**-10**
1 Peace and Security	**125**	**100**	**90**	**-10**
1.3 Stabilization Operations and Security Sector Reform	125	100	90	-10

Peace and Security

U.S. programs in stabilization operations and security sector reform focus on increasing the overall professionalism of military leaders.

International Military Education and Training (IMET): IMET programs seek to enhance leadership and professionalize the Comorian Armed Forces officers, which will enhance their ability to contribute to coastal security, including curbing smuggling and illegal fishing. In FY 2013, U.S. assistance will mainly rely on in-country mobile training teams to enhance the capability and professionalism of the Comorian coast guard.

Cote d'Ivoire

Foreign Assistance Program Overview

The U.S. Government's overriding interests in Cote d'Ivoire have long been to help restore peace, encourage disarmament and reunification of the country, and support a democratic government whose legitimacy can be accepted by all the citizens of Cote d'Ivoire. FY 2013 is a key year for solidifying Cote d'Ivoire's historic democratic achievement following its post-election crisis. U.S. assistance prioritizes supporting multi-ethnic participation in the democratic process in lieu of violence and separation; enhancing capacity of national, provincial and local governmental institutions, the media, and civil society leading to better governance and increased public confidence in the democratic process; supporting credible and legitimate legislative elections and follow-on activities; increasing respect for the rule of law and human rights; and addressing the HIV/AIDS epidemic through expanded access to prevention, care, and treatment services.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**112,827**	**133,020**	**137,322**	**4,302**
Economic Support Fund	14,715	14,715	13,500	-1,215
Food for Peace Title II	4,718	-	-	-
Foreign Military Financing	-	-	200	200
Global Health Programs - State	93,305	118,305	121,422	3,117
International Military Education and Training	89	-	200	200
Peacekeeping Operations	-	-	2,000	2,000

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Cote d'Ivoire	**112,827**	**133,020**	**137,322**	**4,302**
1 Peace and Security	**1,289**	**500**	**3,600**	**3,100**
Economic Support Fund	**1,200**	**500**	**1,200**	**700**
1.6 Conflict Mitigation and Reconciliation	1,200	500	1,200	700
Foreign Military Financing	**-**	**-**	**200**	**200**
1.3 Stabilization Operations and Security Sector Reform	-	-	200	200
International Military Education and Training	**89**	**-**	**200**	**200**
1.3 Stabilization Operations and Security Sector Reform	89	-	200	200
Peacekeeping Operations	**-**	**-**	**2,000**	**2,000**
1.3 Stabilization Operations and Security Sector Reform	-	-	2,000	2,000
2 Governing Justly and Democratically	**13,515**	**14,215**	**12,300**	**-1,915**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Economic Support Fund	**13,515**	**14,215**	**12,300**	**-1,915**
2.1 Rule of Law and Human Rights	1,500	5,215	4,200	-1,015
2.2 Good Governance	7,015	5,000	4,000	-1,000
2.3 Political Competition and Consensus-Building	4,000	2,000	2,000	-
2.4 Civil Society	1,000	2,000	2,100	100
3 Investing in People	**93,305**	**118,305**	**121,422**	**3,117**
Global Health Programs - State	**93,305**	**118,305**	**121,422**	**3,117**
3.1 Health	93,305	118,305	121,422	3,117
5 Humanitarian Assistance	**4,718**	**-**	**-**	**-**
Food for Peace Title II	**4,718**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	4,718	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Cote d'Ivoire	**112,827**	**133,020**	**137,322**	**4,302**
1 Peace and Security	**1,289**	**500**	**3,600**	**3,100**
1.3 Stabilization Operations and Security Sector Reform	89	-	2,400	2,400
1.6 Conflict Mitigation and Reconciliation	1,200	500	1,200	700
2 Governing Justly and Democratically	**13,515**	**14,215**	**12,300**	**-1,915**
2.1 Rule of Law and Human Rights	1,500	5,215	4,200	-1,015
2.2 Good Governance	7,015	5,000	4,000	-1,000
2.3 Political Competition and Consensus-Building	4,000	2,000	2,000	-
2.4 Civil Society	1,000	2,000	2,100	100
3 Investing in People	**93,305**	**118,305**	**121,422**	**3,117**
3.1 Health	93,305	118,305	121,422	3,117
5 Humanitarian Assistance	**4,718**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	4,718	-	-	-
of which: Objective 6	**7,022**	**2,000**	**1,355**	**-645**
6.1 Program Design and Learning	4,966	1,000	410	-590
6.2 Administration and Oversight	2,056	1,000	945	-55

Peace and Security

The Government of Cote d'Ivoire is working hard to re-invigorate the country, which was nearly destroyed by a decade of internal conflict and corruption, capped by a violent four month post-election struggle. During that struggle, former president Laurent Gbagbo drained the country's wealth and gutted key government ministries in Abidjan. Gbagbo fueled long-simmering ethnic issues in western Cote d'Ivoire during early 2011 which resulted in at least one million internally displaced persons and refugees. Since

gaining power in April 2011, the new administration has consistently followed through on its promises: re-opening the government and banks in Abidjan; assembling an ethnically and politically mixed government; and starting the daunting task of rebuilding after a decade of war. However, a great deal remains to be done to renew democratic institutions and re-establish a solid economic basis for growth.

Meaningful progress in professionalizing the security forces and rebuilding the collapsed justice sector are essential to ensure improved security, to win over Ivoirians' trust and to ensure national reconciliation and long-term economic growth. The tension between accountability and reconciliation continue to pose challenges. The pro-Gbagbo opposition equates reconciliation with a general amnesty and forgiveness, while the country's Dialogue, Truth, and Reconciliation Commission has been weak. More engagement with victims and affected populations, particularly in the hard-hit west of the country, is needed.

International Military Education and Training (IMET): Funding will support the development and professionalization of the military forces (Forces Republicaines de la Cote d'Ivoire - FRCI), focusing on training that includes respect for human rights and the role of the military in a democratic society, strengthening their capacity through training of trainers, and investing in promising future military leaders.

Foreign Military Financing (FMF): Funding supports strengthened maritime security. Cote d'Ivoire's maritime security capacity post-conflict is minimal – the country has no ability to monitor its coastline, which presents a significant transnational threat to security. Accordingly, FMF programs will provide equipment, training, and/or advisory to support maritime border control.

Peacekeeping Operations Funds (PKO): In the wake of the civil war and the legacy of abuse of authority by security forces, PKO funds will focus on defense sector reform in Cote d'Ivoire to develop a military that is respectful of human rights, civilian control of the military, and the rule of law. Funds will support training, advisory support, limited infrastructure and non-lethal equipment.

Economic Support Funds (ESF): U.S. resources will focus on the restoration and extension of government functions beyond the nation's capital, so the country can move beyond the conflict and achieve sustained economic growth and development. Capacity-building activities will also improve the conflict resolution and consensus-building skills of leaders in key institutions and society at the national and community levels, in order to re-establish trust and bolster effectiveness within governmental structures that have been plagued by corruption and cronyism for many years. Activities will support programming that ends impunity, acknowledges and redresses past harm, and fosters reconciliation by strengthening local linkages between citizens and national and local elected representatives.

U.S. assistance will also support Cote d'Ivoire's transition to peace and stability by funding reconciliation activities, so that political, traditional, and civil society leaders, and the media, convey messages of peace and work with various segments of society to resolve lingering conflicts. Reconciliation programming will include youth and women as key demographic groups, and civil society organizations will play a vital role in assisting with developing a more peaceful, inclusive, and cohesive society.

Governing Justly and Democratically

Regardless of notable improvements, many Ivoirians await proof that the country is moving beyond its decade-long crisis. Addressing Gbagbo's legacy of poor governance and the projection of national authority throughout the country remain the greatest challenges.

Economic Support Funds (ESF): U.S. assistance will promote democratic practices, such as the development of a functioning multi-party elections system and capacity building in key elections-related institutions.

The justice system is presently very weak and the criminal courts are dysfunctional. The justice system is unable to prosecute crimes committed during the conflict. The weak system also hinders the country's ability to enforce law, to detain and prosecute criminals, and to provide a secure living and working environment for the general public. Training, technical assistance and other support will be provided to reform, strengthen and legitimize the overall justice system, including the Ministry of Justice, the courts, community policing efforts, and the criminal justice infrastructure. Activities will also improve access to justice and increase the public's understanding of and access to legal information.

U.S. assistance will also support efforts to increase citizen led initiatives that result in greater government responsiveness and accountability. Activities will strengthen linkages between citizens and their elected representatives as well as enhance civil society participation in planning community level initiatives. Efforts will support a process likely to improve civil society agents' opportunities for meaningful involvement in development.

Investing in People

The severe political and humanitarian challenges facing the country have served to heighten awareness that HIV/AIDS continues to require significant, sustained attention and support. The main objective of U.S assistance in this area is to reduce the transmission and impact of HIV/AIDS through support for prevention, care, and treatment programs.

Global Health Programs (GHP): Assistance provided through the GHP account will support the goals and principles of Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership.

Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR): Cote d'Ivoire will receive significant support to build partnerships to provide integrated prevention, care, and treatment programs throughout the country and support orphans and vulnerable children.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The United States Agency for International Development (USAID) West Africa Regional Mission (USAID/WA) oversees the U.S. foreign assistance program in Cote d'Ivoire and conducts regular portfolio reviews. To complement current efforts, USAID/WA is establishing data collection mechanisms for further monitoring and evaluation of democracy and governance and conflict mitigation activities. Additionally, technical assistance will be provided on an as-needed basis to conduct surveys and assessments to inform implementation and clarify program impact and results.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: PEPFAR has established a system and tools for documenting partner performance biannually based on reviews, where results are considered in determining future budget allocations. Partner performance in meeting established targets and providing validated performance data is recorded twice each year during joint agency reviews. Performance is graded as weak, moderate, or strong, and these results are considered with other variables in the awarding and continued funding of grants and contracts. This process will continue to be strengthened, as it has provided an objective basis for guiding and strengthening project implementation and for eliminating low-performing implementing partners.

USAID/WA's reviews and support services mechanisms will also use information collected as part of decision making processes on project implementation.

Relating Past Performance to FY 2013 Plans: A sector assessment informed the design of FY 2013 democracy and governance and conflict mitigation activities. Much of the increased emphasis on improving performance monitoring and more closely linking such information to FY 2013 plans comes from programmatic audits.

Democratic Republic of the Congo

Foreign Assistance Program Overview

U.S. foreign policy in the Democratic Republic of the Congo (DRC) is focused on developing a nation that is stable and democratic, at peace with its neighbors, extends state authority across its territory, and provides for the basic needs of its citizens. To that end, U.S. foreign assistance to the DRC aims to support the security conditions and governance structures necessary for improvement of Congolese social and economic sectors and to permit extension of state authority across the country. Due to the DRC's enormous size and location bordering nine nations, regional stability and security is dependent on durable peace in the DRC. U.S. assistance in the DRC thus seeks to bolster peace and stability, particularly in eastern DRC; protect civilians; strengthen governance institutions and the rule of law; increase food security, agricultural productivity, and access to credit; and support economic recovery, growth, and the provision of basic social services, including access to quality health care and education.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**268,166**	**226,850**	**228,388**	**1,538**
Economic Support Fund	45,915	47,915	50,100	2,185
Food for Peace Title II	67,250	30,000	30,000	-
Foreign Military Financing	300	-	200	200
Global Health Programs - State	39,635	24,635	37,238	12,603
Global Health Programs - USAID	86,046	97,850	89,700	-8,150
International Military Education and Training	500	450	400	-50
International Narcotics Control and Law Enforcement	6,000	6,000	5,250	-750
Nonproliferation, Antiterrorism, Demining and Related Programs	1,000	1,000	500	-500
Peacekeeping Operations	21,520	19,000	15,000	-4,000

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Democratic Republic of the Congo	**268,166**	**226,850**	**228,388**	**1,538**
1 Peace and Security	**30,020**	**26,197**	**23,120**	**-3,077**
Economic Support Fund	**2,200**	**1,247**	**3,020**	**1,773**
1.5 Transnational Crime	200	200	200	-
1.6 Conflict Mitigation and Reconciliation	2,000	1,047	2,820	1,773
Foreign Military Financing	**300**	**-**	**200**	**200**
1.3 Stabilization Operations and Security Sector Reform	300	-	200	200
International Military Education and Training	**500**	**450**	**400**	**-50**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.3 Stabilization Operations and Security Sector Reform	500	450	400	-50
International Narcotics Control and Law Enforcement	**4,500**	**4,500**	**4,000**	**-500**
1.3 Stabilization Operations and Security Sector Reform	4,500	4,500	4,000	-500
Nonproliferation, Antiterrorism, Demining and Related Programs	**1,000**	**1,000**	**500**	**-500**
1.3 Stabilization Operations and Security Sector Reform	1,000	1,000	500	-500
Peacekeeping Operations	**21,520**	**19,000**	**15,000**	**-4,000**
1.3 Stabilization Operations and Security Sector Reform	21,520	19,000	15,000	-4,000
2 Governing Justly and Democratically	**17,507**	**11,500**	**16,390**	**4,890**
Economic Support Fund	**16,007**	**10,000**	**15,140**	**5,140**
2.1 Rule of Law and Human Rights	3,192	3,000	3,028	28
2.2 Good Governance	6,697	3,000	6,379	3,379
2.3 Political Competition and Consensus-Building	2,660	2,400	2,482	82
2.4 Civil Society	3,458	1,600	3,251	1,651
International Narcotics Control and Law Enforcement	**1,500**	**1,500**	**1,250**	**-250**
2.1 Rule of Law and Human Rights	1,500	1,500	1,250	-250
3 Investing in People	**151,154**	**156,945**	**151,996**	**-4,949**
Economic Support Fund	**19,500**	**28,460**	**20,558**	**-7,902**
3.1 Health	5,000	10,000	2,171	-7,829
3.2 Education	12,000	15,560	11,904	-3,656
3.3 Social and Economic Services and Protection for Vulnerable Populations	2,500	2,900	6,483	3,583
Food for Peace Title II	**5,973**	**6,000**	**4,500**	**-1,500**
3.1 Health	5,973	6,000	4,500	-1,500
Global Health Programs - State	**39,635**	**24,635**	**37,238**	**12,603**
3.1 Health	39,635	24,635	37,238	12,603
Global Health Programs - USAID	**86,046**	**97,850**	**89,700**	**-8,150**
3.1 Health	86,046	97,850	89,700	-8,150
4 Economic Growth	**32,099**	**32,208**	**36,882**	**4,674**
Economic Support Fund	**8,208**	**8,208**	**11,382**	**3,174**
4.5 Agriculture	6,521	7,208	8,208	1,000
4.7 Economic Opportunity	1,687	1,000	3,174	2,174
Food for Peace Title II	**23,891**	**24,000**	**25,500**	**1,500**
4.5 Agriculture	23,891	24,000	25,500	1,500
5 Humanitarian Assistance	**37,386**	**-**	**-**	**-**
Food for Peace Title II	**37,386**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	37,386	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Democratic Republic of the Congo	**268,166**	**226,850**	**228,388**	**1,538**
1 Peace and Security	**30,020**	**26,197**	**23,120**	**-3,077**
1.3 Stabilization Operations and Security Sector Reform	27,820	24,950	20,100	-4,850
1.5 Transnational Crime	200	200	200	-
1.6 Conflict Mitigation and Reconciliation	2,000	1,047	2,820	1,773
2 Governing Justly and Democratically	**17,507**	**11,500**	**16,390**	**4,890**
2.1 Rule of Law and Human Rights	4,692	4,500	4,278	-222
2.2 Good Governance	6,697	3,000	6,379	3,379
2.3 Political Competition and Consensus-Building	2,660	2,400	2,482	82
2.4 Civil Society	3,458	1,600	3,251	1,651
3 Investing in People	**151,154**	**156,945**	**151,996**	**-4,949**
3.1 Health	136,654	138,485	133,609	-4,876
3.2 Education	12,000	15,560	11,904	-3,656
3.3 Social and Economic Services and Protection for Vulnerable Populations	2,500	2,900	6,483	3,583
4 Economic Growth	**32,099**	**32,208**	**36,882**	**4,674**
4.5 Agriculture	30,412	31,208	33,708	2,500
4.7 Economic Opportunity	1,687	1,000	3,174	2,174
5 Humanitarian Assistance	**37,386**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	37,386	-	-	-
of which: Objective 6	**15,645**	**9,675**	**14,556**	**4,881**
6.1 Program Design and Learning	7,158	2,543	2,794	251
6.2 Administration and Oversight	8,487	7,132	11,762	4,630

Peace and Security

As the Government of the DRC (GDRC) strengthens state and civilian authority in the majority of the country, ongoing conflict and instability in eastern DRC continue to slow development efforts and reinforce a fragile and insecure environment. Illegal armed groups, including foreign and indigenous militia, continue to fight for control of land, natural resources, and economic and political influence. Armed groups, including elements of the military, continue to commit human rights violations, including horrific acts of rape and sexual violence resulting in population displacement and continued civilian insecurity. The national army and police have very limited capacity to establish peace and protect civilians in the troubled eastern region. U.S. resources are focused on programs that support an ongoing conventional weapons and munitions destruction program and professionalization training for the DRC military and police forces, with an emphasis on human rights, as an integral part of overall security sector reform. Funding also is requested to provide essential support for police and related justice sector training and infrastructure development to address the critical need to extend state authority, which will build the capacity of the Congolese state to address human rights abuses effectively. Ongoing stabilization and

recovery programs will support communities by addressing the root causes and mitigating the consequences of conflict.

Economic Support Funds (ESF): Funds will bolster the GDRC's stabilization and recovery program through support to community recovery and reconciliation, conflict mitigation and resolution, and the extension of state authority. Funds will also be used to address the prevention of trafficking in persons (TIP) and protection of TIP victims.

Foreign Military Financing (FMF): FMF will be used to support Department of Defense programs for Congolese defense sector reform, as part of comprehensive security sector reform. Funding will support U.S. military advisors to the Congolese armed forces and provide training and equipment to enhance the professionalization of the military.

International Military Education and Training (IMET): U.S. assistance will support training to professionalize the Congolese military, primarily through mobile training teams. These teams build the capacity of the national army and ensure sustainability by providing training in officer skills, medical skills, civil-military relations, counter-terrorism, English language, and staff college support.

International Narcotics Control and Law Enforcement (INCLE): Funds will support activities that strengthen law enforcement and the justice sector, particularly through police training and the construction and rehabilitation of law enforcement-related infrastructure.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): Funds will complement IMET and FMF programs to support the professionalization of the Congolese military. NADR-Conventional Weapons of Destruction (CWD) funds the destruction of excess, unsecure, and unstable munitions and conventional weapons. These destruction activities reduce the illicit proliferation of conventional weapons and protect the civilian population by decreasing the risk of catastrophic munitions depot explosions in populated areas.

Peacekeeping Operations (PKO): Funds will support the professionalization of the Congolese military and defense sector reform by providing officer training, military justice sector enhancement, human rights training, advisors to support the establishment of key systems and doctrine, and training and equipment to develop capabilities for the military to maintain peace and security in the DRC. This will lead to increased ability to prevent SGBV and reduce impunity in targeted areas of the eastern DRC.

Governing Justly and Democratically

U.S. Government (USG) democracy and governance activities assist the GDRC to move beyond conflict. By demonstrating increased government service delivery, the USG and the GDRC are working together to enhance citizen support for democracy. To promote citizen engagement in the democratic process, USG activities target the justice sector, Congolese citizens, local government, and independent media. Following national elections (held in November 2011), Congolese citizens have demonstrated their desire to improve government performance and accountability, particularly in addressing impunity and corruption. Yet many of the new institutions created through the 2006 constitution to improve governance still lack enabling legislation, budgets, internal procedures, and physical structures. With greater decentralization, these institutions will need to function at the provincial and sub-provincial levels, as well as at the national level. Some institutions, most notably in the justice sector, provide very few services after decades of under-investment, corruption, and neglect.

Economic Support Fund (ESF): U.S. programs will support the development of core transparent and accountable governance institutions, strengthen judicial independence, promote civic participation in

political process and decision-making, increase the professionalism of independent media, and support provincial and local government institutions. Programs will address policy reforms, institutional capacity building, and access to legal services. Funding will be used to:

- support an ongoing rule of law program that includes technical assistance, training, and material support to strengthen the civilian justice system and expand access to justice for vulnerable populations;
- support an ongoing good governance program that strengthens national and provincial assemblies and advances decentralization through technical assistance, training, and material support;
- support an ongoing media program aimed at enhancing the professionalism and management capacity of media institutions, strengthening the legal framework for mass media, and improving the quality of news production to increase citizen involvement in public affairs and decision making;
- support civic education and voter registration activities that aim to increase citizen participation in elections and other democratic processes; and
- further strengthen democratic institutions such as political parties, electoral commissions, and others.

International Narcotics Control and Law Enforcement (INCLE): Funds will continue support for justice sector work by supporting non-governmental organizations, funding the United Nations Organization Stabilization Mission in the DRC's Prosecution Support Cells (PSC), and by strengthening the relationship with the Ministry of Justice (MOJ). Current programs will expand and include more support for legal representation to survivors of sexual and gender-based violence (SGBV) while improving the ability of officials to prosecute SGBV cases; providing forensics training to police, attorneys and health care workers; and funding administrative, training and travel costs to assist the PSCs in their mission to advise the military justice sector within the Congolese armed forces. Programs will also build new relationships within the MOJ to help address the administrative and structural issues plaguing the justice system.

Investing in People

The DRC has limited capacity to provide even the most basic social services for its people. The country's health system standards are among the lowest in the world. Access to services is abysmal, with estimates that 70 percent of the population has little or no access to primary health care. The DRC faces serious health issues, with life expectancy estimated at 43 years and very high infant and under-five mortality rates. The country's education system is equally weak, characterized by limited access to schools, poor quality, and low pass and completion rates. More than 7.6 million school-aged children, including 4.2 million girls, are not enrolled in school, and less than half of primary school girls complete school. Government social services for vulnerable populations, including survivors of sexual and gender-based violence and at-risk children, barely exist in most areas.

Global Health Programs (GHP) – State and USAID:
Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership. Under GHI, DRC will focus on three cross-cutting areas: strengthened human resources for health, improved supply chain management systems, and support for results-based financing. Funding will be used for interventions to improve quality maternal, newborn, and child health services, as well as prevention, care, and treatment services to populations at high risk for tuberculosis (TB), HIV/AIDS, malaria, and other infectious diseases. A new primary health care program will provide technical, managerial, and financial assistance to strengthen the fragile health care system, while improving access to integrated, quality care.

Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR): The DRC will receive significant support to build partnerships to provide integrated prevention, care, and treatment programs throughout the country and support orphans and vulnerable children.

Tuberculosis: Funds will be used to support TB prevention, detection, and treatment activities. Particular emphasis will be placed on expanding TB/HIV interventions to an increased number of health zones, strengthening Multi-Drug Resistant TB (MDR-TB) training, and containing the spread of MDR-TB through increased access to quality treatment.

Maternal and Child Health: Funds will be used to strengthen capacity and service delivery in birth preparedness and maternity services, treatment of obstetric complications and disabilities, newborn and child care and treatment, childhood immunizations, and nutrition. Funding will also support programming centered on polio.

Family Planning and Reproductive Health: This funding will be used to expand access to high-quality voluntary family planning services and information and reproductive health care on a sustainable basis.

Malaria: U.S. assistance under PMI will expand efforts to scale up proven preventive and treatment interventions toward achievement of 85 percent coverage among vulnerable groups to support the PMI goal of reducing malaria-related morbidity by 50 percent. The FY 2013 request level for the DRC does not include the total projected funding for the PMI. Decisions on allocations of centrally-managed funds will be made at the time that the FY 2013 operating year budget is set.

Nutrition: Funds will be used to expand and improve community-level nutrition activities including breastfeeding promotion, household hygiene, and investigation of locally made child food supplements.

Economic Support Fund (ESF): USAID will support water and sanitation activities for health-related programs, investments in basic education, and programs that provide social and economic services and protection for vulnerable populations.

Basic Education: The education portfolio is aligned with USAID's new Education Strategy. Resources will expand access to quality basic education in targeted geographic areas through teacher training, improved early grade reading, provision of textbooks and learning materials, and school rehabilitation. Special emphasis will be placed on increasing access for the most disadvantaged populations, including girls, by providing incentives to encourage school retention and completion rates. Additionally, programming will target out-of-school youth, orphans, and vulnerable children through school catch-up opportunities, outreach, and special programs.

Social Services: Funding will support programs to respond to and prevent sexual and gender-based violence (SGBV) through provision of care and treatment services to SGBV survivors and other vulnerable individuals. Services will include medical care, fistula repair, counseling and family mediation, legal assistance, and activities to support the social and economic reintegration of SGBV survivors and their families. Assistance will also build the capacity of local service providers and support community efforts to prevent rape and sexual violence.

Water: Funding will reduce illness and death from water-borne disease through support to improved water sources and latrines in targeted health zones. Activities will include increased availability of water treatment products in both rural and urban areas, communications activities to promote improved hygiene practices, and community maintenance of water sources.

Food for Peace Title II: Funds will be used to continue to support non-emergency food aid programs that aim to build and sustain food security for vulnerable households in eastern DRC. These programs will improve the health and nutritional status of children by teaching mothers to screen for and treat common

childhood illnesses and to employ age-appropriate feeding practices; increase access to clean sources of water and sanitation facilities; and encourage greater diversification of the household diet. These maternal and child health activities will combine with agricultural sector capacity building activities to form integrated programs in targeted geographic areas. Food for Peace programs also will feature cross-cutting activities to increase women's empowerment, mitigate conflict, and strengthen community resilience to food security shocks.

Economic Growth

The majority of Congolese people live on less than one dollar per day in an economy that is predominantly rural, agricultural, and based on subsistence food production with very little commercial agricultural production, processing, or marketing. Collapsed infrastructure, corruption along transport corridors, degraded productive land, lack of inputs, and emergent and persistent crop diseases reduce the productivity and competitiveness of agricultural markets. U.S.-sponsored agriculture programs will focus on achieving broad-based agricultural growth, which supports the overall goal of increasing food security and reducing hunger and poverty. Complementary programs support agricultural sector governance and improved economic opportunities in mining communities. These activities reinforce community stability, a transparent mineral supply chain, and rural livelihoods.

Economic Support Fund (ESF): FY 2013 resources will promote agricultural productivity and processing and protect natural resources, with an emphasis on market efficiency and competitiveness. Programs will continue to address supply and policy constraints, improve government capacity at the provincial and national levels, strengthen the capacity and reach of national agricultural research institutions, and support the integration of the DRC's economy within the Central Africa region. Funding will be used to develop local capacity through:

- an ongoing agriculture program which assists the GDRC to improve the business environment and help private sector firms and farmers improve productivity, processing, and marketing of agricultural commodities;
- technical assistance, training, and provision of agricultural inputs to improve processing and transport of commodities from rural centers of production to important urban markets;
- strengthened market linkages between producers, traders, and agribusinesses; and
- technical assistance and capacity building to assist the DRC to refine and implement improved agriculture policy with ongoing support to national, provincial, and local level agriculture coordination mechanisms and planning, thus establishing a foundation and reducing barriers to trade, both in-country and within regional economic communities.

Food for Peace Title II: Funds will continue to support non-emergency food aid programs that build and sustain food security for vulnerable households in eastern DRC. These programs increase and diversify the production of smallholder farmers, increase farmers' access to credit, and thereby, increase profits. Economic growth activities combine with nutrition, water, sanitation, hygiene, and maternal and child health activities to form integrated programs in targeted geographic areas.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In FY 2012, USAID is strengthening its performance management system and conducting a number of key program evaluations. Part of this initiative will include developing and maintaining Performance Management Plans that are in line with the upcoming Country Development Cooperation Strategy (CDCS). In FY 2011, USAID conducted a number of evaluations to assess program and financial performance with additional evaluations scheduled in FY 2012.

Program evaluations include final evaluations of three community recovery and conflict mitigation programs in eastern DRC and USAID's legislative strengthening project. A number of assessments, impact evaluations, and internal performance evaluations are scheduled for FY 2012 to guide the design of future programming, identify lessons learned, establish best practices, and expand current programs. These efforts include a mid-term evaluation of a large family planning and maternal and child health program, the final evaluation of a primary education project, and a mid-term evaluation of a governance program. Additionally, in FY 2012, USAID will develop a CDCS that will draw heavily on evaluations, lessons learned, and sector assessments to provide the analytical backbone of the new strategy. In FY 2012, USAID is identifying opportunities for impact assessments among its larger and innovative projects, and collecting rigorous baseline data for new projects to ensure that the Mission's evaluation practices meet high quality standards in project performance measurement.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Assessments, formal performance evaluations, and internal performance evaluations that were conducted in FY 2011 have enabled USAID to make key programmatic decisions to improve performance. For example, one performance review in the health sector identified programmatic challenges, leading the mission to realign funding. Additionally, three final performance evaluations of the peace and stability portfolio will be used to guide the design of future programming, identify lessons learned, and establish best practices. While DRC presents challenges such as weak infrastructure over a vast geographic area, the Mission emphasizes continuous monitoring of project activities that result in regular adjustments in project implementation across all technical sectors.

Relating Past Performance to FY 2013 Plans: USAID expects positive programmatic impacts in all sectors. FY 2013 funding for peace and security will contribute to the professionalization of the national army and reconciliation in eastern DRC. Under the governing justly and democratically objective, funds will enable the USG to further strengthen government institutions to meet the needs of Congolese citizens. Funding will support improved quality of and access to primary health care services and products to improve the basic health conditions of the Congolese people. Ongoing education projects will continue to reach hundreds of thousands of Congolese learners, further demonstrating USG commitment to improving the quality of and access to basic education. Funding under social services to address sexual and gender-based violence allows the USG to expand service delivery to SGBV survivors and increase efforts to prevent future acts of rape and abuse. As agriculture is the principal income-generating activity of the population, funding for agricultural projects will assist the GDRC to improve food security.

Djibouti

Foreign Assistance Program Overview

Djibouti is an important pro-Western, Muslim-majority partner located in a strategic region. Djibouti's prosperity is hindered by serious unemployment, poor health indicators, food insecurity, and nascent government and political systems. U.S. assistance will focus on improving health and education as well as promoting stability, which is critical in aiding Djibouti to improve its capacity to provide basic services to its people in the long term.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**13,391**	**5,285**	**4,815**	**-470**
Development Assistance	4,000	1,650	1,700	50
Food for Peace Title II	4,823	-	-	-
Foreign Military Financing	1,996	1,500	1,000	-500
Global Health Programs - State	1,800	1,800	1,800	-
Global Health Programs - USAID	400	-	-	-
International Military Education and Training	372	335	315	-20

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Djibouti	**13,391**	**5,285**	**4,815**	**-470**
1 Peace and Security	**2,368**	**1,835**	**1,315**	**-520**
Foreign Military Financing	**1,996**	**1,500**	**1,000**	**-500**
1.3 Stabilization Operations and Security Sector Reform	1,996	1,500	1,000	-500
International Military Education and Training	**372**	**335**	**315**	**-20**
1.3 Stabilization Operations and Security Sector Reform	372	335	315	-20
3 Investing in People	**6,200**	**3,450**	**3,500**	**50**
Development Assistance	**4,000**	**1,650**	**1,700**	**50**
3.2 Education	4,000	1,650	1,700	50
Global Health Programs - State	**1,800**	**1,800**	**1,800**	**-**
3.1 Health	1,800	1,800	1,800	-
Global Health Programs - USAID	**400**	**-**	**-**	**-**
3.1 Health	400	-	-	-
5 Humanitarian Assistance	**4,823**	**-**	**-**	**-**
Food for Peace Title II	**4,823**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	4,823	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Djibouti	**13,391**	**5,285**	**4,815**	**-470**
1 Peace and Security	**2,368**	**1,835**	**1,315**	**-520**
1.3 Stabilization Operations and Security Sector Reform	2,368	1,835	1,315	-520
3 Investing in People	**6,200**	**3,450**	**3,500**	**50**
3.1 Health	2,200	1,800	1,800	-
3.2 Education	4,000	1,650	1,700	50
5 Humanitarian Assistance	**4,823**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	4,823	-	-	-
of which: Objective 6	**900**	**553**	**653**	**100**
6.1 Program Design and Learning	-	-	330	330
6.2 Administration and Oversight	900	553	323	-230

Peace and Security

Instability in the Horn of Africa and the presence of Camp Lemonnier, the only U.S. military expeditionary installation on the African continent, enhances the U.S. strategic interest in this small nation. Djibouti is threatened by ongoing conflict in Somalia, border incursions by Eritrea, and piracy. U.S. assistance to the Government of Djibouti (GoD) includes border protection and military capacity-building programs ranging from maritime cooperation to support for deployment in peacekeeping operations. The United States also works with naval contingents from the European Union and other allies (e.g., Japan) on counter-piracy operations.

Foreign Military Financing (FMF): U.S. security cooperation seeks to ensure that Djibouti can protect its land and maritime borders and resist the spread of extremism and terrorism. In FY 2013, programs will continue to focus on improving operational compatibilities, upgrading border controls, modernizing key equipment, and assisting in the operation and maintenance of U.S. supplied systems. Programs will also provide small patrol boats for counter-piracy and counter-smuggling efforts, create a regional maritime operations center, and provide an assortment of military tactical and support vehicles.

International Military Education and Training (IMET): U.S. security cooperation will enhance peace and security by providing training to military units engaged in monitoring and protecting Djibouti's air, land, and coastal territory. This program links directly to the FMF program to fund training and professional development that complements the equipment and training components of the FMF program.

Investing in People

U.S. assistance, in collaboration with a committed host-government partner, has led to progress in maternal and child health by increasing immunization coverage rates 300 percent and reducing child mortality by 27 percent in four years. Primary education access rates increased from 49 percent in 2003 to 72 percent in 2010. Despite this progress, Djibouti remains challenged to meet the basic needs of its poor population. To ensure continued internal stability in Djibouti, FY 2013 funding will support education programs that increase social equity and enhance workforce participation of the average Djiboutian.

Development Assistance (DA): FY 2013 resources will refocus the education program on improving early reading skills of schoolchildren and expanding workforce development by training youth in needed vocational skills.

Global Health Programs (GHP):

- Linkages to the Global Health Initiative (GHI): Assistance provided through GHP will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership.

- Linkages to the President's Emergency Plan for AIDS Relief (PEPFAR): Djibouti will receive funding to support the national HIV/AIDS strategy and the goals of PEPFAR.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The United States Agency for International Development (USAID) conducts portfolio reviews annually on all its programs to assess programmatic impacts and financial performance. In addition, USAID performs data quality assessments on all programs at three-year intervals to validate program targets and results.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: USAID's education program impact evaluation, carried out in FY 2009, reviewed the 2003-2009 period and found that while access to primary education had increased substantially, the quality of teaching and learning had decreased. By linking the debriefing of USAID's evaluation to the GoD's week-long donor review of its 10-year reform program, the GoD and donor community learned from USAID's findings and shifted their focus from solely promoting access to education to improving the quality of education.

Relating Past Performance to FY 2013 Plans: U.S. foreign assistance programming proposes to utilize cross-sectoral synergies and a whole-of-government approach wherever possible to capitalize on best-practices. By maintaining effective monitoring and evaluation and analyzing past performance, foreign assistance programming will be effectively utilized to achieve strategic, country-owned and led initiatives dedicated to building human capital; help establish a service economy; and put sustainable systems in place that foster Djibouti's continued development.

Ethiopia

Foreign Assistance Program Overview

The U.S. assistance portfolio in Ethiopia remains one of the United States' largest and most complex in Africa. In Ethiopia, the mission manages three Presidential Initiatives – the Feed the Future (FTF) Initiative, the Global Health Initiative (GHI), which includes the President's Malaria Initiative (PMI) and the President's Emergency Plan for AIDS Relief (PEPFAR), and the Global Climate Change (GCC) Initiative. In addition, in the past several years, the United States has provided significant emergency resources to Ethiopia in the form of emergency food aid and humanitarian assistance. In FY 2013, U.S. assistance will mainly focuses on conflict mitigation, health, education, trade and investment, and agricultural productivity. The Government of Ethiopia's (GOE's) new five-year Growth and Transformation Plan sets ambitious targets for growth in all sectors and allocates significant resources to promote development. These targets are ambitious but achievable, if the right policies are put into practice and reflect the Ethiopian government's efforts to provide health, education and economic growth opportunities to its people.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**778,670**	**580,405**	**351,271**	**-229,134**
Development Assistance	77,782	94,398	91,782	-2,616
Food for Peace Title II	304,667	110,000	98,000	-12,000
Foreign Military Financing	-	843	-	-843
Global Health Programs - State	289,089	254,089	54,089	-200,000
Global Health Programs - USAID	106,482	120,500	106,900	-13,600
International Military Education and Training	650	575	500	-75

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Ethiopia	**778,670**	**580,405**	**351,271**	**-229,134**
1 Peace and Security	**3,650**	**1,418**	**3,144**	**1,726**
Development Assistance	**3,000**	**-**	**2,644**	**2,644**
1.6 Conflict Mitigation and Reconciliation	3,000	-	2,644	2,644
Foreign Military Financing	**-**	**843**	**-**	**-843**
1.3 Stabilization Operations and Security Sector Reform	-	843	-	-843
International Military Education and Training	**650**	**575**	**500**	**-75**
1.3 Stabilization Operations and Security Sector Reform	650	575	500	-75
2 Governing Justly and Democratically	**945**	**-**	**1,653**	**1,653**
Development Assistance	**945**	**-**	**1,653**	**1,653**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
2.1 Rule of Law and Human Rights	200	-	453	453
2.2 Good Governance	-	-	500	500
2.3 Political Competition and Consensus-Building	100	-	-	-
2.4 Civil Society	645	-	700	700
3 Investing in People	**439,170**	**423,987**	**192,579**	**-231,408**
Development Assistance	**26,100**	**40,398**	**23,490**	**-16,908**
3.1 Health	5,100	10,000	4,590	-5,410
3.2 Education	21,000	30,398	18,900	-11,498
Food for Peace Title II	**17,499**	**9,000**	**8,100**	**-900**
3.1 Health	11,666	6,000	5,400	-600
3.3 Social and Economic Services and Protection for Vulnerable Populations	5,833	3,000	2,700	-300
Global Health Programs - State	**289,089**	**254,089**	**54,089**	**-200,000**
3.1 Health	289,089	254,089	54,089	-200,000
Global Health Programs - USAID	**106,482**	**120,500**	**106,900**	**-13,600**
3.1 Health	106,482	120,500	106,900	-13,600
4 Economic Growth	**127,002**	**120,000**	**153,395**	**33,395**
Development Assistance	**47,284**	**54,000**	**63,495**	**9,495**
4.2 Trade and Investment	816	-	800	800
4.5 Agriculture	35,000	50,000	50,000	-
4.6 Private Sector Competitiveness	6,468	-	8,695	8,695
4.8 Environment	5,000	4,000	4,000	-
Food for Peace Title II	**79,718**	**66,000**	**89,900**	**23,900**
4.5 Agriculture	60,275	56,000	80,900	24,900
4.8 Environment	19,443	10,000	9,000	-1,000
5 Humanitarian Assistance	**207,903**	**35,000**	**500**	**-34,500**
Development Assistance	**453**	**-**	**500**	**500**
5.2 Disaster Readiness	453	-	500	500
Food for Peace Title II	**207,450**	**35,000**	**-**	**-35,000**
5.1 Protection, Assistance and Solutions	207,450	35,000	-	-35,000

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Ethiopia	**778,670**	**580,405**	**351,271**	**-229,134**
1 Peace and Security	**3,650**	**1,418**	**3,144**	**1,726**
1.3 Stabilization Operations and Security Sector Reform	650	1,418	500	-918

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.6 Conflict Mitigation and Reconciliation	3,000	-	2,644	2,644
2 Governing Justly and Democratically	**945**	**-**	**1,653**	**1,653**
2.1 Rule of Law and Human Rights	200	-	453	453
2.2 Good Governance	-	-	500	500
2.3 Political Competition and Consensus-Building	100	-	-	-
2.4 Civil Society	645	-	700	700
3 Investing in People	**439,170**	**423,987**	**192,579**	**-231,408**
3.1 Health	412,337	390,589	170,979	-219,610
3.2 Education	21,000	30,398	18,900	-11,498
3.3 Social and Economic Services and Protection for Vulnerable Populations	5,833	3,000	2,700	-300
4 Economic Growth	**127,002**	**120,000**	**153,395**	**33,395**
4.2 Trade and Investment	816	-	800	800
4.5 Agriculture	95,275	106,000	130,900	24,900
4.6 Private Sector Competitiveness	6,468	-	8,695	8,695
4.8 Environment	24,443	14,000	13,000	-1,000
5 Humanitarian Assistance	**207,903**	**35,000**	**500**	**-34,500**
5.1 Protection, Assistance and Solutions	207,450	35,000	-	-35,000
5.2 Disaster Readiness	453	-	500	500
of which: Objective 6	**24,169**	**13,827**	**13,909**	**82**
6.1 Program Design and Learning	13,019	6,447	5,961	-486
6.2 Administration and Oversight	11,150	7,380	7,948	568

Peace and Security

The highest U.S. priority in Ethiopia is to maintain peace and stability in that country and the rest of the Horn of Africa. With Somalia, Sudan, South Sudan and Eritrea as the country's neighbors, the region is volatile. U.S. and Ethiopian interests and objectives have produced a strong bilateral cooperation on regional security and stability issues. U.S. conflict management and mitigation programs continue to receive strong support from the GOE and local communities. Ethiopia enjoys a productive long-term peacekeeping partnership with the Africa Contingency Operations Training and Assistance (ACOTA) Program with key United Nations deployments to Sudan's Darfur and Abyei regions. The United States has also supported counterterrorism assistance to the Ethiopian military as a member of the Partnership for Regional East Africa Counterterrorism (PREACT).

Development Assistance (DA): FY 2013 DA funds will improve conflict management policies and practices by supporting joint GOE and community efforts to build sustainable institutional capacity and prevent local conflicts. U.S. assistance will continue to focus on establishing a nationwide conflict early warning and response system, as well as local-level, conflict-sensitive humanitarian, development, and livelihood activities. Students, faculty, and staff at selected universities will also receive support for inter-ethnic and inter-religious tolerance programs.

International Military Education and Training (IMET): Professional military officer education remains a high priority for the Ethiopian Military. IMET funds in FY 2013 will support Ethiopian military training at U.S. military institutions, which will enable the military to become a more professional defense force. IMET-funded courses serve as a key benchmark in the identification of future leadership in the Ethiopian National Defense Force, and are viewed by the GOE as necessary for building the skills needed for the Ethiopian Army to effectively undertake peacekeeping as well as strengthen its national defense capabilities.

Governing Justly and Democratically

Ethiopia's transition to a stable, multi-party democracy remains a long-term U.S. foreign policy objective and, therefore, the focus of diplomatic engagement by the U.S. Embassy in Addis Ababa. After the relatively free elections in 2005, legislation was passed limiting the space for political parties, civil society, and media. The 2009 Charities and Societies Proclamation limits non-governmental organization work in human rights, gender equality, rights of children and the disabled, and the justice sector, including limiting them from receiving more than 10 percent of their funding from international sources.

Development Assistance (DA): Traditional democracy and governance programming to promote democratic reform in Ethiopia is too constrained by political and legal roadblocks to achieve meaningful results. To achieve U.S. foreign policy objectives, programs in this sector have been realigned to focus on supporting sustainable economic growth through community-based decision-making that will help safeguard investments made by all U.S. funded programs and projects. Activities will be designed and implemented to promote greater community participation in Ethiopia's accountable governance processes working across all development sectors. In FY 2013, U.S. assistance will promote informed and inclusive policy and legislative development and increased civic participation in the planning and monitoring of service delivery. U.S. assistance will also promote the rule of law as it incorporates sustainable development practices, improves curricula in law schools, and strengthens legal aid services. The United States will continue to support political and civil society dialogue, and utilize services of human rights NGOs. The U.S. will continue its work in conflict management, mitigation and reconciliation issues in partnership with the GOE and should be able to build on this partnership to influence civil society issues with the GOE's new legally mandated oversight over non-governmental organizations.

Investing in People

Ethiopia has a large, predominantly rural, and impoverished population with poor access to safe water, housing, sanitation, food, and health services. These factors result in a high incidence of communicable diseases, including tuberculosis (TB), malaria, respiratory infections, diarrheal diseases, and nutritional deficiencies. Although there has been steady reduction, Ethiopia has one of the world's highest rates of maternal deaths in the world, and nearly half a million children under five die every year and, of this number, 120,000 die in the first month of life. Ethiopia's Global Health Initiative (GHI) strategy is an opportunity to improve health outcomes and strengthen health systems by building better coordination among U.S. health-related programs and aligning U.S. health investments with GOE priorities to maximize impacts. U.S. assistance, provided as part of GHI, will focus on reducing the high rates of HIV/AIDS, child mortality, malaria, and TB.

Ethiopia's education sector has achieved remarkable growth in primary school enrollment, reaching up to a 95 percent national gross enrollment ratio. However, with the increased enrollment came lower quality of education, confirmed by low and declining scores on national learning assessments. FY 2013 resources will provide basic services to the most vulnerable populations. Other U.S. assistance will aim to graduate poorer and marginalized households from the GOE's Productive Safety Net Program by helping chronically vulnerable populations build resiliency through improved risk management and building up household assets, including by working with women smallholder farmers.

Development Assistance:

- Education: In FY 2013, U.S. assistance will build upon the investments the United States has made in the education sector in Ethiopia over the past 14 years. The new U.S. education strategy for Ethiopia is committed to improving learning outcomes of students as its primary objective, and will concentrate on education quality by focusing on early grade reading and writing, the foundation for staying in school and for better overall achievements throughout primary education and beyond. Other U.S. assistance areas include: continuing investments in English language development; addressing the non-formal education needs of the unreached and the marginalized – pastoralists, out-of school youth, girls and women, people with disabilities and illiterate adults – through innovative approaches; and supporting workforce development in line with other U.S. assistance development programs through community-based programs in literacy, numeracy, basic accounting and saving, and life skills programs to raise the overall skill base. The United States will also look to expand support to build capacity in sectors that will directly impact FTF and GHI.

- Water and Sanitation: The vast majority of Ethiopia's population lacks adequate access to safe water and proper sanitation facilities. The U.S. Government supports the GOE's goal to increase access to improved water supplies in rural communities to 98 percent by 2015. The United States Agency for International Development (USAID) will continue to improve access to potable water and sanitation, protect safe water sources, promote sanitation facility construction and good hygiene practices, strengthen Water, Sanitation and Hygiene committees and community ownership, and develop linkages with other U.S. development programs. U.S. assistance will bring water and sanitation facilities to basic education centers in the most remote areas of Ethiopia, impacting 90,000 children and 45,000 adults.

Food for Peace Title II:

- Nutrition: Funding provides for basic needs, including the provision of nutritious meals for the most vulnerable populations.

- Social Assistance: Resources will continue to provide basic services to the most vulnerable populations through the support and development of the Productive Safety Net Program (PSNP) The United States has developed a leading role through support to the GOE with innovative design and implementation strategies, such as improved targeting and graduation approaches.

Global Health Programs (GHP): Assistance provided through the GHP accounts will support the goals and principles of the GHI to achieve major improvements in health outcomes through sustainable approaches and increased country ownership. As a GHI Plus recipient, the Mission's strategy coincides perfectly with the launch of the GOE's new 2011-2015 Health Sector Development Plan, and will build upon a solid foundation of nationwide healthcare service access and quality. In FY 2013, U.S. assistance will directly support the GOE's priorities of reducing the very high maternal, neonatal and child death rates in Ethiopia. GHI will support the GOE's health system to improve child survival, increase prevention and control of infectious diseases (HIV/AIDS, malaria, and tuberculosis).

- Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR) - GHP State and USAID: Ethiopia will receive significant support to build partnerships to provide integrated prevention, care and treatment programs throughout the country and support orphans and vulnerable children. The substantial decrease in GHP-State funding requested for Ethiopia reflects efficiencies and country-specific factors that will allow PEPFAR programs to continue to expand even with reduced budgets.

- Family Planning: FY 2013 resources will continue to support the GOE in expanding access to high-quality voluntary family planning services and information and reproductive health care on a sustainable basis. Such programs enhance the ability of couples to decide the number and spacing of births. They also make substantial contributions to reducing abortion, maternal and child mortality, and morbidity. U.S. assistance will help to improve and expand access to family planning and reproductive health services to underserved communities by integrating family planning and reproductive health with services for maternal, newborn, and child health; and HIV/AIDS, malaria, and neglected tropical diseases.

- Malaria: U.S. assistance under PMI will expand efforts to scale-up proven preventive and treatment interventions toward achievement of 85 percent coverage among vulnerable groups to support the PMI goal of reducing malaria-related morbidity by 50 percent. The FY 2013 request level for Ethiopia does not include the total projected funding for the PMI. Decisions on allocations of centrally-managed funds will be made at the time that the FY 2013 operating year budget is set.

- Maternal and Child Health: In FY 2013, U.S. assistance for maternal and child health focuses on the elements most critical for achieving expected results, including: clean and safe births, skilled birth attendance, essential newborn care and treatment, immunization, treatment of acute malnutrition, and improved water and sanitation. U.S. assistance supports integrated packages of high quality evidence-based interventions delivered across a continuum of care at family, community and facility levels. Efforts will be strengthened to address the high dropout rate of mothers and infants who test HIV positive. The new GHI strategy will provide more integrated assistance programs for the GOE in maternal, newborn and child health.

- Nutrition: Ethiopia is dedicated to improving the nutritional status of its population. U.S. assistance will continue to implement integrated, comprehensive nutrition programs which are fully integrated with FTF and GHI Initiatives. Through both FTF and GHI, pre-service and in-service training will be offered to health and agriculture workers on food security and nutrition, to build and strengthen the linkages necessary to ensure a comprehensive response to malnutrition. The newly designed integrated nutrition program will build upon and expand efforts undertaken through PEPFAR to improve university nutrition curricula. Furthermore, U.S. FY 2013 funds will procure Plumpy'nut and explore public-private partnerships with General Mills to produce fortified foods in country.

- Tuberculosis: According to the recent World Health Organization 2011 report, Ethiopia is currently ranked eighth among the high-burden tuberculosis (TB) countries in the world, of which 20 percent are HIV co-infected. U.S. assistance will engage the private sector as well as care providers to enhance and sustain case detection and treatment success. More technical and financial capacity to address the growing burden of multi-drug resistant TB is also required. In addition, support to human resources for health development, operational research capacity development and health care financing projects that incorporate TB prevention will continue.

Economic Growth

The GOE expects the country's impressive agricultural growth in recent years to provide a foundation for its future overall growth. The GOE has already placed tremendous focus on agriculture, having allocated 17 percent of its budget over the past several years to this sector. These efforts are aimed at moving the country to middle income status by 2025 and halving extreme poverty and hunger by 2015. Achieving these goals, however, will not be an easy task. The agricultural sector is constrained by low productivity, fragmented market linkages, low value added to products and services, among other impediments. U.S. assistance will focus on resiliency in rural Ethiopia by building the means to promote economic independence and limit the potential for shocks that could return Ethiopia to a state of famine and chronic

poverty. These efforts will help improve the performance of the agriculture sector, increase the ability of the vulnerable and poor to improve their livelihoods, and improve private sector competitiveness.

Development Assistance (DA):

- Agriculture: As part of the President's Feed the Future initiative, U.S. assistance will support the efforts of the GOE to reduce hunger and increase economic growth through market-led agricultural development and increased resiliency in crisis-prone areas to help prevent future crises such as occurred in FY 2011 in the Horn of Africa. Resources in FY 2013 will continue to focus on improving agriculture productivity and marketing for key crops and livestock products, as well as providing economic opportunities and links for the rural poor, and improving overall nutrition. U.S. assistance will target programs to develop full growth potential in the productive areas of Ethiopia; link vulnerable populations in safety net and pastoral areas with new growth opportunities; increase resiliency of vulnerable populations to economic and climatic disasters; improve access to science and analysis for better decision-making, and improve governance systems to identify and disseminate actions that reduce long-term vulnerability to climate change; increase nutritional status among Ethiopians; ensure civic participation in accountability mechanisms for agricultural inputs and programs; and improve the economic enabling environment to support increased private sector investment and growth.

- Environment: U.S. assistance programs will also link GCC initiative activities to FTF in order to help Ethiopian farmers adapt and mitigate against the effects of the country's changing climate. U.S. interventions will build upon ongoing natural resource management and conservation agriculture approaches. They will also support innovative climate change adaptation activities, such as utilization of more drought-resistant seed varieties, improved water harvesting technology and weather-based crop and livestock insurance for smallholder farmers, as well as institutional capacity building activities.

- Private Sector Competitiveness: U.S. FY 2013 private sector assistance will center on establishing the required "enabling environment" to promote FTF as well as to promote the broader private sector. Programs will support policy changes and reforms and capacity building efforts for private sector actors.

- Trade and Investment: U.S. assistance programs will also aim to improve the trade environment in Ethiopia, resulting in expanded exports, a more competitive private sector, and reduced poverty in Ethiopia. This will be accomplished by assisting the GOE in completing the process of acceding to the World Trade Organization (WTO), reducing the cost and time of exporting/importing goods, and creating outreach programs that advocate for the WTO accession to the private and public sectors.

Food for Peace Title II: Through U.S. assistance in FY 2013, vulnerable farmers and pastoralists will be provided with cash or food in exchange for labor to build market roads, water supplies, schools, clinics, and soil and water conserving terracing. These activities protect livelihoods against a downward spiral into poverty; many of these beneficiaries will be linked with the FTF activities that promote diversification and agricultural growth. Acknowledging Ethiopia's persistent food insecurity and related environmental fragility, the United States will continue to support sustainable development efforts by building the resiliency of vulnerable populations and scaling up efforts to adapt to the increasing effects of climate change.

Humanitarian Assistance

Ethiopia's economy continues to greatly depend on seasonal rains, leaving the country vulnerable to famine conditions when these rains fail. Rapid population growth, rising inflation, and limited government

capacity are some of the challenges the GOE seeks to address in order to combat chronic food insecurity in the country.

Development Assistance (DA): To help the GOE improve its capacity to anticipate, prepare, and respond to its regularly occurring floods, droughts, and other disasters, U.S. assistance will continue to support national and regional early warning analysis and response, and improve multi-sector disaster management reforms, including improved tracking and delivery of food aid. In FY 2013, U.S. assistance will help to develop integrated Disaster Risk Reduction and climate-smart approaches into its programming. The United States will partner with other donors to research climate change impacts, ways to augment/offset those impacts, and develop a climate change and disaster risk management-driven approach to continue building resiliency and adaptive capacity. Other support activities will include the provision of meals and shelter, psychosocial counseling, education, clinical care, medical refunds, and economic skills trainings in villages, homes and hospices.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: USAID utilized the performance data and information obtained from evaluations to inform budget and programmatic decisions and to manage for results. For example, the finding from the Human Rights Program Evaluation refocused programming to work within legal and political limitations to support an independent human rights monitoring and reporting function, and to target support for the Ethiopian Human Rights Commission and support for legal aid clinics.

The Community School Partnership Program mid-term evaluation identified the need for all basic education programs moving forward to provide accommodations for children with disabilities. A democracy and governance assessment recognized that traditional programming to promote democratic reform is too constrained by political and legal roadblocks to achieve meaningful results. Programming in FY 2013 will a focus on efforts to improve and make governance more accountable, to ensure that policies and development projects are planned to minimize the disruption of affected populations, and to reduce the chances that violence and insecurity will hamper economic growth. A conflict mitigation and reconciliation assessment examined ways to ensure that conflict sensitivity is incorporated into USAID's Country Development Cooperation Strategy. FY 2013 programming will include a conflict-sensitivity "champion" from each Technical Office, and all new USAID programs will appropriately integrate conflict sensitivity principles into their design. The PSNP Plus (Linking Poor Rural Households to Microfinance and Markets) impact assessment looked at the effectiveness of the PSNP Plus program, designed to build household resilience and household assets through market linkages and access to microfinance and demonstrated that the sale of value chain commodities had a direct and positive impact on household income. Such an approach will be featured in FTF programs that work to improve several Ethiopian value chains, such as maize, wheat, coffee, honey, livestock and dairy.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: U.S. foreign assistance programming will utilize cross-sectoral synergies and a whole-of-government approach wherever possible to capitalize on best-practices. By maintaining effective monitoring and evaluation, programs in Ethiopia will continue to adjust based on program performance. For example, the Conflict Resolution and Social Accountability programs were realigned based on the performance of previous programs. USAID will set up indicators based on attitudes and behavior changes measured against a baseline and regular surveys that will be examined on a periodic basis. The programs will ensure learning, so that lessons can be incorporated and an iterative planning approach used.

Relating Past Performance to FY 2013 Plans: Building on lessons learned from monitoring and evaluation activities described above, the following outlines the Mission's expected achievements with the FY 2013 funding request.

The Economic Growth and Food for Peace portfolios in Ethiopia were historically focused on interventions specific to their "area of interest/need" with limited overlap between geographies and target populations. Various efforts within the Economic Growth Office targeting private sector development had limited interconnection. Going forward, and in support of FTF and GHI, U.S. assistance programs in Ethiopia will be more streamlined, and operations will be characterized by increased interoffice coordination and concentrated focus. FY 2013 will feature linkages of Economic Growth and Food for Peace beneficiaries via the institutionalization of the market/labor link between the productive and less productive areas of Ethiopia which will align the value chains. Nutrition programs will integrate more predominately with FTF programs in Ethiopia. Finally, FY 2013 funding will help support a set of private sector projects to create an enabling environment to support FTF interventions and broaden economic growth.

In FY 2013, USAID health programs will work closely with CDC and prioritize the reduction of maternal, neonatal, and child mortality and apply the following key principles to deliver evidence-based assistance more efficiently and effectively: a) "smart" integration and coordination, b) a woman- and girl-centered approach, c) health systems strengthening, d) greater focus on monitoring and evaluation to find more efficient and effective ways of delivering evidence-based assistance and, e) a strong country-led approach. The PEPFAR portion of the portfolio will place greater emphasis on strengthening health systems, moving from being an emergency response to a sustainable development program.

The new USAID education programs will focus entirely on the elements of the teaching and learning process that directly yield improved learning outcomes for students. The new program will measure achievement and outcomes at the student level in order to determine the impact of the development inputs. This includes teacher training and curriculum and materials development. Ultimately, the impact of education programs aimed at improving quality of education will be measured by the actual achievements of the students.

Gabon

Foreign Assistance Program Overview

Through diplomatic engagement, Gabon is a key player in conflict resolution efforts in the Central African region. Gabon provides 200 peacekeepers to the Economic Community of Central African States (ECCAS) Peacekeeping Mission to Stabilize the Central African Republic. Gabon also hosts and acts as a driving force behind ECCAS, which is establishing a regional standby peacekeeping brigade under the auspices of the African Union's African Standby Force. U.S. assistance to Gabon seeks to improve the professionalism of the country's military officers and senior enlisted personnel by providing training that will help prepare the military to operate effectively in regional peacekeeping and security efforts. Gabon, a leader in maritime security efforts, is a participant in the Africa Partnership Station program supported through the Africa Maritime Security Initiative.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**448**	**200**	**170**	**-30**
Foreign Military Financing	200	-	-	-
International Military Education and Training	248	200	170	-30

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Gabon	**448**	**200**	**170**	**-30**
1 Peace and Security	**448**	**200**	**170**	**-30**
Foreign Military Financing	**200**	**-**	**-**	**-**
1.3 Stabilization Operations and Security Sector Reform	200	-	-	-
International Military Education and Training	**248**	**200**	**170**	**-30**
1.3 Stabilization Operations and Security Sector Reform	248	200	170	-30

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Gabon	**448**	**200**	**170**	**-30**
1 Peace and Security	**448**	**200**	**170**	**-30**
1.3 Stabilization Operations and Security Sector Reform	448	200	170	-30

Peace and Security

U.S. assistance focuses on training that bolsters the professionalism of the Gabonese military and enhances its ability to contribute to peacekeeping operations and other regional security initiatives, including Gulf of Guinea maritime security efforts.

International Military Education and Training (IMET): Funds will support the professionalization of the Gabonese military. Training will continue to focus on leadership development, English language ability, equipment maintenance, effective logistics tracking, and maintenance systems. Increased professionalization of the Gabonese military will enhance their ability to strengthen their maritime and border security efforts, a key U.S. priority in the resource-rich Gulf of Guinea.

Ghana

Foreign Assistance Program Overview

The United States Government is committed to supporting the Government of Ghana's (GOG) efforts to improve on and sustain middle-income status, and to solidify its position as a regional leader in an area better known for civil strife and economic stagnation. The USG is also committed to helping Ghana achieve the Millennium Development Goals by 2015. U.S. assistance will focus on consolidating democratic gains and sustaining investments under the President's Feed the Future initiative (FTF), Global Health Initiative, and Global Climate Change Initiative, as well as with the development of the second Millennium Challenge Corporation (MCC) Compact. To this end, U.S. assistance will support activities that increase citizen participation in local government; improve Ghanaians' health status through strengthened health systems and quality services to control infectious diseases and decrease maternal and child mortality; and improve quality of and access to primary education. U.S. assistance will also promote Ghana's economic growth and improve regional food security by increasing agricultural productivity and reducing trade barriers. To maintain stability in Ghana and the broader West African region, U.S. assistance will support the GOG's efforts both to decrease the use of Ghana as a narcotics trafficking corridor and to maintain a strong international peacekeeping force.

Ghana is also one of four countries selected for the Partnerships for Growth (PfG), a White House-led whole-of-government effort to transform the character of our bilateral relationships with a set of top-performing developing partner countries and to accelerate and sustain broad-based economic growth in these countries based on the commitments of both governments. The FY 2013 Request reflects Ghana's progress for this effort based on its policy performance, potential for further growth, and track record of partnering with the United States.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**165,885**	**172,183**	**179,304**	**7,121**
Development Assistance	92,568	95,568	109,154	13,586
Foreign Military Financing	449	350	350	-
Global Health Programs - State	9,000	9,000	8,700	-300
Global Health Programs - USAID	62,543	66,500	60,300	-6,200
International Military Education and Training	825	765	700	-65
International Narcotics Control and Law Enforcement	500	-	-	-
Nonproliferation, Antiterrorism, Demining and Related Programs	-	-	100	100

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Ghana	**165,885**	**172,183**	**179,304**	**7,121**
1 Peace and Security	**1,274**	**1,115**	**1,150**	**35**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Foreign Military Financing	**449**	**350**	**350**	**-**
1.3 Stabilization Operations and Security Sector Reform	449	350	350	-
International Military Education and Training	**825**	**765**	**700**	**-65**
1.3 Stabilization Operations and Security Sector Reform	825	765	700	-65
Nonproliferation, Antiterrorism, Demining and Related Programs	**-**	**-**	**100**	**100**
1.2 Combating Weapons of Mass Destruction (WMD)	-	-	100	100
2 Governing Justly and Democratically	**7,112**	**9,108**	**9,500**	**392**
Development Assistance	**6,612**	**9,108**	**9,500**	**392**
2.1 Rule of Law and Human Rights	-	-	2,500	2,500
2.2 Good Governance	4,900	5,108	6,000	892
2.3 Political Competition and Consensus-Building	712	1,000	-	-1,000
2.4 Civil Society	1,000	3,000	1,000	-2,000
International Narcotics Control and Law Enforcement	**500**	**-**	**-**	**-**
2.1 Rule of Law and Human Rights	500	-	-	-
3 Investing in People	**103,963**	**109,420**	**100,054**	**-9,366**
Development Assistance	**32,420**	**33,920**	**31,054**	**-2,866**
3.1 Health	3,570	5,070	4,570	-500
3.2 Education	28,850	28,850	26,484	-2,366
Global Health Programs - State	**9,000**	**9,000**	**8,700**	**-300**
3.1 Health	9,000	9,000	8,700	-300
Global Health Programs - USAID	**62,543**	**66,500**	**60,300**	**-6,200**
3.1 Health	62,543	66,500	60,300	-6,200
4 Economic Growth	**53,536**	**52,540**	**68,600**	**16,060**
Development Assistance	**53,536**	**52,540**	**68,600**	**16,060**
4.3 Financial Sector	-	-	2,300	2,300
4.4 Infrastructure	2,536	-	1,500	1,500
4.5 Agriculture	45,000	45,000	60,000	15,000
4.7 Economic Opportunity	-	2,500	1,800	-700
4.8 Environment	6,000	5,040	3,000	-2,040

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Ghana	**165,885**	**172,183**	**179,304**	**7,121**
1 Peace and Security	**1,274**	**1,115**	**1,150**	**35**
1.2 Combating Weapons of Mass Destruction (WMD)	-	-	100	100

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.3 Stabilization Operations and Security Sector Reform	1,274	1,115	1,050	-65
2 Governing Justly and Democratically	**7,112**	**9,108**	**9,500**	**392**
2.1 Rule of Law and Human Rights	500	-	2,500	2,500
2.2 Good Governance	4,900	5,108	6,000	892
2.3 Political Competition and Consensus-Building	712	1,000	-	-1,000
2.4 Civil Society	1,000	3,000	1,000	-2,000
3 Investing in People	**103,963**	**109,420**	**100,054**	**-9,366**
3.1 Health	75,113	80,570	73,570	-7,000
3.2 Education	28,850	28,850	26,484	-2,366
4 Economic Growth	**53,536**	**52,540**	**68,600**	**16,060**
4.3 Financial Sector	-	-	2,300	2,300
4.4 Infrastructure	2,536	-	1,500	1,500
4.5 Agriculture	45,000	45,000	60,000	15,000
4.7 Economic Opportunity	-	2,500	1,800	-700
4.8 Environment	6,000	5,040	3,000	-2,040
of which: Objective 6	**14,200**	**14,100**	**14,125**	**25**
6.1 Program Design and Learning	7,253	6,957	6,765	-192
6.2 Administration and Oversight	6,947	7,143	7,360	217

Peace and Security

U.S. assistance builds on past achievements and demonstrated commitment by the GOG. The Ghana Armed Forces remains a strong supporter of United Nations peacekeeping efforts, with approximately 3,000 soldiers currently deployed on four worldwide missions; these commitments include deployment of Ghana's Level II hospital to to Côte d'Ivoire, with medical equipment provided by the U.S.-supported African Contingency Operations Training and Assistance Program. Moreover, Ghana also demonstrates ongoing support for peacekeeping missions of the Economic Community of West African States Standby Force, to which it has pledged engineering assets.

United States military assistance seeks to address Ghana's internal and regional security challenges, while supporting the nation's efforts to maintain a professional and apolitical military that contributes to security in Ghana and the West African Region.

Foreign Military Financing (FMF): In FY 2013, FMF will continue to support Ghana's efforts to enhance regional stability and expand peacekeeping and maritime security capacity. To this end, the FMF program seeks to provide the GOG with equipment, services, and training that will provide greater indigenous capacity to maintain its territorial integrity and secure uncontrolled waters and to participate in peacekeeping operations.

International Military Education and Training (IMET): Funds will continue to enhance the professional, technical, and tactical proficiency of the Ghanaian Armed Forces (GAF) through U.S. professional military education courses. IMET funds will also support the continued development of efficient defense resource management and enhance Ghanaian professionalization in maritime security and peacekeeping operations. Through these capacity-building courses, IMET students gain a solid grasp of U.S. policy and priorities, the

decision-making cycle, and U.S. organizational structures, further strengthening the U.S.-Ghana military relationship. Over the course of the program, many past IMET graduates have returned to fill positions of prominence within the GAF.

Non-Proliferation, Anti-Terrorism, Demining, and Related Programs (NADR-EXBS): NADR funding will support the GOG's Export Control and Related Border Security program. The combination of underdeveloped government controls and established criminal smuggling routes renders West African ports vulnerable to illicit weapons of mass destruction trafficking. FY 2013 assistance will enable the U.S. Government to engage the GOG to mitigate this threat. Funding will support efforts to augment the GOG's targeting capabilities and improve regulation of transited and transshipped goods. With Ghana serving as a regional leader, this may encourage other West African countries to follow suit.

Governing Justly and Democratically

Ghana benefits from a stable democracy, an active civil society, an apolitical military, and a good human rights record. U.S. foreign assistance funding will help consolidate democracy and improve governance for programs under rule of law, good governance, and civil society in order to protect and sustain the democratic gains made with prior U.S. assistance.

Development Assistance (DA): U.S. assistance will advance the decentralization process and reinforce the principles of accountability, transparency, and good governance in Ghana by strengthening social service delivery at the local government level, combating corruption through fiscal decentralization, and building the capacity of civil society organizations and parliamentary committees in oversight functions, particularly with respect to extractive industries. The United States Agency for International Development (USAID) will initiate an anti-corruption program to reduce the prevalence of corrupt practices among key public governance and financial institutions to promote transparent management within these institutions, and to encourage civil society to demand accountable services and stewardship from their government. To maximize the impact and avoid duplication of development assistance efforts, the U.S. Government is working closely with other bilateral donors (British, French, and Canadian), civil society, local government, and relevant GOG institutions.

Investing in People

U.S. assistance will help Ghana tackle key challenges that may impede growth and slow improvements in people's lives, including endemic malaria, poor maternal and child health, malnutrition, HIV/AIDS, and low levels of literacy.

Global Health Program: Assistance will support the goals and principles of the Global Health Initiative to achieve major improvements in health outcomes through sustainable approaches and increased country ownership.

- Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR): Ghana will receive significant support to build partnerships to provide integrated prevention, care, and treatment programs throughout the country, and to support orphans and vulnerable children.

- Malaria: U.S. assistance under the President's Malaria Initiative (PMI) will scale-up proven preventive and treatment interventions toward achievement of 85 percent coverage among vulnerable groups to support the PMI goal of reducing malaria-related morbidity by 50 percent. The FY 2013 request level for Ghana does not include the total projected funding for the PMI. Decisions on allocations of centrally managed funds will be made at the time that the FY 2013 operating year budget is set.

- Maternal and Child Health (MCH): Building on the FY 2011 achievements of ensuring that 188,000 women delivered with a well-trained and supervised birth attendant, USAID will continue to provide training and supportive supervision to health care providers, while building local management capacity and accountability among health authorities. USAID will provide direct funding to districts and regional health directorates to improve management systems and implement quality improvement programs. In FY 2013, target populations will be informed and mobilized to proactively address their own health needs; messages communicated in a variety of media will particularly focus on increasing utilization of preventative health measures, home management of common illnesses, and demanding quality health services. USAID will provide technical assistance to the Ministry of Health to improve its procurement and supply chain management system. Civil society will be supported to monitor and advocate for access to high-quality maternal health services.

- Family Planning and Reproductive Health: To expand access to high-quality voluntary family planning services and information and reproductive health care on a sustainable basis, USAID's ongoing assistance will support the GOG to improve the quality and reliability of family planning services in densely populated urban areas and in rural, underserved areas. USAID will build upon the unprecedented 70 percent growth in Couple Years of Protection provided by its social marketing program in 2011, and continue to improve Ghanaians' access to a variety of contraceptive methods at affordable prices through this effective model. In addition, USAID will continue to support Ghana to improve its commodity and financial management systems, to prevent future stock-outs of contraceptives in the public sector and decrease reliance on donor support for contraceptives.

- Nutrition: USAID will support families, communities, and local government bodies in the northern region to plan for and prevent food insecurity, and to prioritize actions that positively affect child nutrition. On a national scale, USAID's ongoing behavior change activity will educate parents on beneficial feeding practices and provide basic messages on child nutrition. In FY 2013, USAID will coordinate with UNICEF to ensure that community based management of acute malnutrition services are available in every district of Ghana, scaling-up from 403 health facilities in 31 districts in FY 2011. This program will strengthen the capacity of health staff through pre-service and in-service training and supportive supervision; provide equipment, supplies, support for improved counseling; and support to communities, mothers, and fathers to assure adequate nutrition of their children. USAID will directly support local research institutions to conduct operational research on the most effective interventions to combat child anemia.

- Tuberculosis (TB): One third of Ghana's estimated 21,000 TB cases remain undetected each year. Building on the success of previous years' technical support to secure a $31 million Global Fund TB grant, USAID will provide technical leadership for implementation of the grant. This will be accomplished by embedding a Technical Advisor in the National TB Program (NTP) and assisting the NTP to improve case detection and quality of care; build routine information systems; and implement infection prevention practice at international standards.

<u>Development Assistance (DA):</u>

- Basic Education: In partnership with the GOG and in close collaboration with other development partners working in Ghana, USAID will maintain and expand the USG's education efforts in support of USAID's global education strategy with particular attention to improving children's reading proficiency in primary schools. Results from an assessment of reading proficiency in FY 2011 showed that only 35 percent of children are able to read with proficiency at the end of primary school. The results further indicate a huge gap between the current performance and the

GOG's goal of a 60 percent proficiency rate in reading by 2012. With over three million children graduating from primary schools annually, the economic and social implication of having more than half of them lacking proficiency in reading is enormous. Sustainable gains in literacy cannot be achieved without: intensified attention to improved instruction; strengthened education management and oversight; adequate quantities of quality learning materials; enhanced accountability; and community support. These critical elements continue to pose major challenges in the Ghanaian education system, and directly affect student-learning outcomes. The United States is partnering with the GOG to meet these challenges through continued expansion of innovative reading programs on a national level while strengthening system management and accountability. Targeted interventions will be implemented using GOG institutions and local organizations as preferred partners to build their capacity to sustain and expand educational programs beyond the period of U.S. assistance. Employing enhanced monitoring and evaluation systems, the USG will: contribute to improving instructional quality for Ghana's national literacy acceleration program; increase the capacity of the GOG to provide effective educational oversight; assess student performance; and create accountable systems at the central, regional, district, and school levels through improving communication, information sharing processes, and reporting systems. U.S. assistance will also continue support for Ghana's education decentralization processes by building the capacity of district offices to implement targeted literacy programs, and strengthening accountability among parents, schools, and local government.

- Water and Sanitation: USAID will improve access to safe and adequate water supply and basic sanitation facilities for schools, clinics, and households, and promote complementary hygiene practices to maximize the health impact of improved infrastructure in five regions of Ghana. The program has five components: infrastructure for water supply, sanitation, and hand washing; capacity building; behavior change activities; a small grants facility; and partnerships to leverage resources for water, sanitation, and hygiene. The program addresses challenges to long-term sustainability by using effective behavior change strategies, promoting community ownership and local capacity to manage infrastructure, and improving coordination between public and private stakeholders.

Economic Growth

Enhancing food security is the primary objective of the USG's economic growth assistance to Ghana. By signing the Comprehensive African Agricultural Development Program Compact in FY 2010, Ghana became one of the first countries in West Africa to commit to this formal set of goals and principles for achieving poverty reduction via accelerated agricultural investment and growth. Implementation of this Compact was initiated by Ghana's development of a country-led Country Investment Plan – the 2011-2015 Medium-Term Agriculture Sector Investment Plan (METASIP) – which provides an improved basis for coordinating public and private investment in the sector. USAID has played a leading role in building consensus around agricultural development and food security in Ghana, and has provided substantial assistance in strategy development, economic modeling, and agricultural sector analysis.

Challenges remain as Ghana seeks to fulfill its potential as a regional food provider while further reducing food insecurity within its borders. The GOG's policy statements recognize that notwithstanding two decades of sustained economic growth, nearly two million people remain vulnerable to food insecurity, with a high percentage in northern Ghana. Substantially increasing key staple food production and intra-regional staple food exports will require concentrating actions and resources to rapidly increase food supply and develop an enabling environment for intra-regional trade. U.S. assistance will integrate efforts across agencies and with other donors to advance Ghana's agricultural sector development, aligned with FTF principles.

Development Assistance (DA): As part of the President's Global Hunger and Food Security Initiative, Feed the Future, Ghana has been designated a Phase II country. Ghana scores well on country performance indicators and has a strong Country Investment Plan. To address high levels of chronic poverty and under-nutrition, particularly in Ghana's rural northern provinces, which have poverty rates nearly twice that of the south, FY 2013 resources will be used to improve rice, maize, and soybean commercial value chains and reduce pre- and post-harvest losses by small and medium-scale farmers. Leveraging Ghana's METASIP, FTF funding will continue to build the capacity of smallholder farmers by training them to increase efficiency with improved production practices, high yield seeds, other inputs, and basic mechanization, as well as building linkages between farmers and buyers. In addition, technical assistance will be provided to the GOG to support policy reform efforts regarding land tenure and marine fisheries.

Ghana's June 2007 discovery of oil in commercial quantities provides the country with a revenue stream that could rapidly accelerate growth and sustain Ghana's middle-income status. The government began receiving oil revenues from its oil fields in January 2011, and estimated that it will earn $390 million in oil revenues in 2011. If the revenue is managed wisely, Ghana will be able to make significant investments in its education and health systems and provide the infrastructure needed to fuel growth across the country's economy. U.S. assistance has contributed to the advancement of negotiations between the Ministry of Finance and Economic Planning and Independent Power Producers for two critically important power projects that, once completed, will add 450 megawatts of generation capacity to Ghana's power generation system. FY 2013 modern energy services and economic opportunity funds will continue to focus on GOG capacity-building and advisory services, along with assistance to small and medium enterprises to provide services to the growing oil and gas industry in the Western Region.

Over the next few years, Ghana is poised to take its economic development to a new level, and therefore, has an opportunity to choose a low emissions growth path. In FY 2013, USAID will continue investing Global Climate Change funds into programs that provide targeted technical assistance to the GOG to help develop a Low Emissions Development Strategy and to enhance the government's capacity to monitor, report, verify and inventory greenhouse gas emissions. Proposed activities will support a lower emissions development pathway for Ghana. In addition, these activities will enhance Ghana's access to emerging carbon markets and various climate change-funding mechanisms.

USAID collaborates closely with other donors to provide assistance. Agricultural and food security programs are coordinated through the Agricultural Sector Working Group, co-chaired by the Ministry of Food and Agriculture and with active participation from international governments and non-governmental organizations. In addition, the U.S. coordinates environment and natural resource management programs and policies with the UN Development Program, the European Union, and the Governments of the Netherlands, Canada, Germany, and the United Kingdom. In coordination with European and non-governmental donors, USAID supports private sector development, including the efforts of business associations to advocate more effectively. USAID and the State Department collaborate closely on oil and gas sector issues with the World Bank and the Governments of France, Norway, Japan, Netherlands, and the United Kingdom.

Linkages with the Millennium Challenge Corporation

Ghana's first five-year $547 million Compact with the MCC, signed on August 1, 2006, is scheduled to end in February 2012. Under this first Compact, USAID and MCC coordination on agricultural interventions have made great strides in increasing agricultural productivity in Ghana through the transfer of improved technology and management practices, and increased access to finance and other business services.

In FY 2011, with the announcement of Ghana's eligibility for a second Compact, the USG, under the Partnership for Growth framework, initiated a constraints analysis jointly implemented by economists from USAID, MCC, and the Government of Ghana. The constraints analysis identified unreliable power supply, limited access to credit, and inefficient land markets as key binding constraints to economic growth in Ghana. From this effort, the MCC and the GOG selected power as the focus for its second compact and projects under the second compact will likely focus on strengthening the power sector and improving the reliability, efficiency, and adequacy of the power supply. USAID will work with MCC and other U.S. Government entities to institute reforms that would ensure that new investments in the power sector are sustainable, and improve the governance, management, and regulation of the power sector. These efforts are expected to expand opportunities for active private sector participation in power generation, transmission, and distribution. The success of these projects will strengthen and broaden Ghana's economic growth by expanding private sector development and participation in the Ghanaian economy.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In FY 2011, USAID undertook several monitoring and evaluation activities and conducted three analytical assessments as a requirement for the preparation of the upcoming Mission Country Development Cooperation Strategy (2013-2017). The assessments included:

- Environmental Threats and Opportunities Assessment: Provided a comprehensive analysis of environmental issues faced by Ghana, and their adverse effects on citizens and productive resources, as well as recommendations for USAID support.
- Democracy and Governance Assessment: Provided a comprehensive analysis of the needs and realistic opportunities for assisting the consolidation of democratic rule in Ghana.
- Gender Assessment: Identified some of the key gender-based disparities and gaps in the health, economic growth, education, and democracy and governance sectors.

USAID has a Participating Agency Service Agreement with the U.S. Department of Agriculture to support FTF project design, and monitoring and evaluation activities as well as to provide technical assistance to the GOG's Ministry of Food and Agriculture to implement its METASIP. During FY 2011, USAID/Ghana's Monitoring, Evaluation, and Technical Support program completed the FTF monitoring framework for Ghana and identified the baseline data that will serve as the basis for impact evaluation. USAID Geographic Information Systems platform is up and running and complements monitoring and evaluation efforts by providing geospatial information for FTF targeting and tracking of projects working closely with the Geospatial Center in Washington. In FY 2011, USAID also supported implementation of the Multiple Indicator Cluster Survey, to measure progress on indicators related to malaria control, maternal and child health, and nutrition, against the 2008 Demographic and Health Survey baseline.

USAID's new evaluation policy focuses on rigorous evaluations with emphasis on opportunities for impact and performance evaluation. In FY 2011, two performance evaluations where conducted on the Community Teachers Program and the iREAD project under the education portfolio. Findings from the evaluation informed future programming in the areas of providing further support to local persons trained to teach in rural poor communities and in assessing the impact of e-readers on pupils and students ability to read.

In FY 2012, USAID plans to conduct an independent mid-term evaluation for two FTF-supported programs namely, Integrated Coastal Fisheries Governance Project and Ghana Strategic Support Project to align with the FTF strategy by identifying significant issues affecting project results, lessons learned, and best practices. USAID also plans to carry out mid-term evaluations of the integrated education projects,

including Partnership for Accountable Governance in Education, to determine which interventions are most effective, understand the impacts of the education decentralization process, and identify models that work best.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Program reviews and findings from evaluations and assessments influenced decisions taken to improve the approach and use of host country systems as other sectors learn from previous experiences. In FY 2011, USAID conducted capacity building and financial management assessments of local public institutions with the aim of working directly with them under the FTF initiative.

USAID has been supporting improvement to Ghana's health commodity management system by training mid-level managers and leading planning exercises for specific commodities. The extent of the reforms designed and the high-level commitment to these reforms achieved in FY 2011 through a combination of diplomatic pressure and technical inputs is unprecedented, and will positively impact the performance of USAID and GOG health programs in 2013 and beyond.

Relating Past Performance to FY 2013 Plans: FY 2013 funding will support comprehensive, agriculture-led economic growth strategies through the FTF initiative, improve access to quality healthcare, improve children's reading proficiency in primary schools, improve local government service delivery, and enhance Ghana's security environment.

Guinea

Foreign Assistance Program Overview

In December 2010, Guinea successfully completed its first democratic presidential transition since independence. The elections were viewed by the international community as a turning point in the country's political stability and development. They followed the ignominious 2009 rape of dozens of women and the massacre by the military of more than 150 Guineans peacefully demonstrating for democracy. Although the 2010 elections were an impressive step in advancing Guinea's democratic transition, this nascent democracy is still very fragile. The new Government faces a myriad of development challenges. The average Guinean is marginalized by extreme poverty, regional and ethnic rivalries, major deficiencies in public services, widespread corruption, a largely dysfunctional public administration, a historically repressive military, and economic mismanagement.

To support Guinea's new democratic status, U.S. assistance will target consensus building and political competition; good governance to strengthen democratic institutions and improve service delivery in health and other sectors; cross-cutting anti-corruption interventions; targeted civil society and media programming; and strategic security sector reform (SSR) and rule of law programs, which are critical to reshaping the country's institutions. The aim of U.S. assistance is to help Guinea become a democratic and stable U.S. ally and an anchor of stability in a region plagued by a history of political, religious and ethnic turmoil. Guinea has 40 percent of the world's bauxite reserves, an estimated 25 percent of the world's iron ore, as well as rich agriculture, forest and water endowments resulting in impressive future potential. In order to realize this potential, Guinea needs to succeed in consolidating its recent democratic gains.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**25,017**	**23,300**	**21,600**	**-1,700**
Development Assistance	7,000	5,700	5,700	-
Foreign Military Financing	-	-	200	200
Global Health Programs - USAID	17,469	17,500	15,500	-2,000
International Military Education and Training	48	100	200	100
International Narcotics Control and Law Enforcement	500	-	-	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Guinea	**25,017**	**23,300**	**21,600**	**-1,700**
1 Peace and Security	**548**	**100**	**400**	**300**
Foreign Military Financing	**-**	**-**	**200**	**200**
1.3 Stabilization Operations and Security Sector Reform	-	-	200	200
International Military Education and Training	**48**	**100**	**200**	**100**
1.3 Stabilization Operations and Security Sector Reform	48	100	200	100

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
International Narcotics Control and Law Enforcement	**500**	**-**	**-**	**-**
1.3 Stabilization Operations and Security Sector Reform	350	-	-	-
1.4 Counter-Narcotics	150	-	-	-
2 Governing Justly and Democratically	**6,000**	**5,700**	**5,700**	**-**
Development Assistance	**6,000**	**5,700**	**5,700**	**-**
2.1 Rule of Law and Human Rights	500	600	700	100
2.2 Good Governance	2,723	2,000	3,000	1,000
2.3 Political Competition and Consensus-Building	1,077	2,100	-	-2,100
2.4 Civil Society	1,700	1,000	2,000	1,000
3 Investing in People	**17,469**	**17,500**	**15,500**	**-2,000**
Global Health Programs - USAID	**17,469**	**17,500**	**15,500**	**-2,000**
3.1 Health	17,469	17,500	15,500	-2,000
4 Economic Growth	**1,000**	**-**	**-**	**-**
Development Assistance	**1,000**	**-**	**-**	**-**
4.3 Financial Sector	500	-	-	-
4.7 Economic Opportunity	500	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Guinea	**25,017**	**23,300**	**21,600**	**-1,700**
1 Peace and Security	**548**	**100**	**400**	**300**
1.3 Stabilization Operations and Security Sector Reform	398	100	400	300
1.4 Counter-Narcotics	150	-	-	-
2 Governing Justly and Democratically	**6,000**	**5,700**	**5,700**	**-**
2.1 Rule of Law and Human Rights	500	600	700	100
2.2 Good Governance	2,723	2,000	3,000	1,000
2.3 Political Competition and Consensus-Building	1,077	2,100	-	-2,100
2.4 Civil Society	1,700	1,000	2,000	1,000
3 Investing in People	**17,469**	**17,500**	**15,500**	**-2,000**
3.1 Health	17,469	17,500	15,500	-2,000
4 Economic Growth	**1,000**	**-**	**-**	**-**
4.3 Financial Sector	500	-	-	-
4.7 Economic Opportunity	500	-	-	-
of which: Objective 6	**2,169**	**3,988**	**-**	**-3,988**
6.1 Program Design and Learning	185	365	-	-365
6.2 Administration and Oversight	1,984	3,623	-	-3,623

Peace and Security

Security sector reform will continue to be a key focus of U.S. assistance. The Guinean Armed Forces (GAF) is attempting to fundamentally change the structure, procedures and professionalism of its component organizations. Since the transfer of power to an elected civilian president, the military has refrained from interfering in politics and has remained within its barracks during periods of civil protest. The United States intends to reinforce this approach with additional assistance to enable them to become more competent, professional, and apolitical.

International Military Education and Training (IMET): Funds will continue to professionalize the Guinean military. In particular, funds will support civil-military programs such as English language training, maritime security, and resource management. A key objective of IMET assistance is to transform the GAF into a non-political, professional force that is under civilian control and respects human rights.

Foreign Military Financing (FMF): Guinea last received FMF in FY 2008. FMF funding for Guinea is being requested in order to reinforce the significant security sector reform advances that have occurred since the transfer to civilian authority in 2011. This funding will be used to support the efforts of GAF to create more professionally competent, properly equipped and better-led units for future peacekeeping operations and maritime security missions. In particular, funds will support training, equipment, and advisory services to allow Guinea to better participate in maritime security and/or peacekeeping operations.

Governing Justly and Democratically

Governance and political processes in Guinea have historically been beset by endemic corruption and a lack of transparency, accountability, and management capacity. Recognizing that improving democratic governance is a major factor in reducing poverty in Guinea, U.S. assistance will continue to strengthen its flagship cross-cutting approach of supporting improved social sector performance. Bolstering transparent delivery systems, training, and local organizational capacity across sectors will accelerate development gains in Guinea.

Development Assistance (DA): U.S. assistance will build on the progress made in the successful 2010 elections and prepare for future elections to advance the nascent democracy in Guinea and secure peace and stability in the country. The U.S. Government (USG) will support inclusive consensus-building processes, around issues such as constitutional reform and security sector reform, which will continue to target women, youth, and other marginalized groups.

U.S. assistance will support the development of a rule of law culture in Guinea, and encourage citizens to understand and exercise their legal rights and responsibilities. The USG will support efforts to educate citizens in the areas of justice and human rights standards.

In governance, U.S. assistance will support the National Assembly, helping it to become an effective legislative body and helping national executive institutions enact governance reforms designed to increase transparency and accountability and reduce corruption. USAID will continue to support fiscal decentralization and improved local democratic governance. In 2007, USAID began assisting local governments and civil society to improve local governance and development planning, and to manage funds in a transparent and accountable manner. By addressing these governance bottlenecks in Guinea, results have been achieved across development sectors and the program has gained an excellent reputation throughout Guinea and with leading democracy and governance experts. USAID plans to expand its cross-sectoral approach in 2013 and decentralize it further with qualified local organizations assuming greater roles.

USAID, through its Mission Innovation Unit, will expand its support to civil society organizations by providing small grants to implement innovative activities in advancing democratic governance in Guinea. The USG will work with civil society organizations to continue to build their capacity and help them demand quality services from local and national governments and become better informed advocates on these key issues.

Investing in People

Guinea's health sector continues to suffer from poor governance and a low government budget to combat corruption. The result has been a scarcity of essential drugs and a decline in quality health services. Low staff salaries and inadequate staffing in rural areas have also caused deterioration in government health services and led to a burgeoning parallel informal health sector. However, through U.S. assistance this trend is being stabilized, and Guineans, who had largely stopped utilizing public health services, are now returning.

Global Health Programs (GHP):
Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative to achieve major improvements in health outcomes through sustainable approaches that include strengthened human and institutional capacity, and increased country ownership. Funding will be used for interventions to improve quality maternal, newborn, and child health services, as well as prevention, care, and treatment services to populations at high risk for HIV/AIDS, malaria, and other infectious diseases. The primary health care program provides technical and financial assistance to strengthen the fragile health care system, while improving access to integrated, quality care.

- Maternal Child Health (MCH): The requested MCH funds in 2013 will be used to reduce maternal and child mortality rates. Assistance programs will also support clinical care, health education, and human rights advocacy to help reduce the practice of female genital mutilation, which affects 96 percent of the female population, and of forced and early marriages, as well as the social marginalization caused by fistula and HIV/AIDS. In addition, U.S. assistance will continue to support fistula repair and the social reintegration of women stigmatized by fistula.

- Family Planning and Reproductive Health (FP/RH): The goal of U.S. assistance for family planning and reproductive health programs is to expand access to high-quality voluntary family planning services and information, and reproductive health care on a sustainable basis. Through technical assistance, the USG will promote the transparent management of health programs and resources, including U.S.-donated contraceptive commodities.

- Malaria: U.S. assistance under the President's Malaria Initiative (PMI) will expand efforts to scale-up proven preventive and treatment interventions toward achievement of 85 percent coverage among vulnerable groups to support the PMI goal of reducing malaria-related morbidity by 50 percent. The FY 2013 request level for Guinea does not include the total projected PMI funding. Decisions on allocations of centrally-managed funds will be made at the time that the FY 2013 operating year budget is set.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Several monitoring and evaluation efforts were undertaken during FY 2011 in Guinea, including:

- An evaluation of USAID's multi-sectoral program, "Working Together". The evaluation determined that the multi-sectoral approach has proven to be effective in producing intended governance and technical results at the local level. Based on the results of the evaluation, USAID Guinea extended the program.
- A Democracy and Governance (DG) assessment, which demonstrated that lack of competition and accountability, the absence of rule of law, and various forms of political exclusion are important factors that are hindering the expansion of a democratic culture in Guinea. The report highlighted problems and recommendations for activities, which will be considered under the new Country Development Cooperation Strategy (CDCS).
- An agricultural assessment, which resulted in the design of a five-year, youth-centered agriculture project with higher education links.
- Periodic pipeline reviews, which helped USAID evaluate financial performance and reprogram available funds.

USAID is developing its new CDCS strategy in FY 2012. As part of the strategy development process, a gender assessment, a Demographic Health Survey and an environmental assessment will be conducted.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: USAID used performance information to inform programmatic choices made during FY 2011, including:

- The evaluation of its multi-sectoral development program led USAID to expand its program nationwide and to include support to the central government for targeted sectors.
- The agricultural assessment indicated that improving agricultural technical support to sector value chains will build on past efforts to improve food security and enterprise development, and support efforts to expand economic opportunities. The one agriculture university in Guinea is functioning at a suboptimum level due to Guinea's long-standing political problems. As a result, USAID will pursue opportunities to assist the university to re-establish quality training and support to rural producers and targeted value chains.

Relating Past Performance to FY 2013 Plans: Program reviews and the DG assessment determined that the Guinean justice system is weak, and fails to protect the rights of disadvantaged and marginalized groups. Thus, in FY 2013, the USG will support Guinean civil society organizations to establish community human rights and legal clinics to provide legal services to the broader community and to women in particular, whose rights are often abused.

The evaluation of USAID's multi-sectoral program indicated that changes are not yet institutionalized and, therefore, have had little impact on national politics. The focus on civil society organizations (CSOs) with productive activities and extension of work to intermediate-level CSOs, combined with the work at the central level, has the potential to produce a more democratic and well-governed Guinea.

Guinea-Bissau

Foreign Assistance Program Overview

The U.S. Government's assistance priority in Guinea-Bissau is to facilitate the country's democratic transition by promoting peace and security through demining and proper weapons storage programs.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**10**	**65**	**250**	**185**
International Military Education and Training	10	65	-	-65
Nonproliferation, Antiterrorism, Demining and Related Programs	-	-	250	250

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Guinea-Bissau	**10**	**65**	**250**	**185**
1 Peace and Security	**10**	**65**	**250**	**185**
International Military Education and Training	**10**	**65**	**-**	**-65**
1.3 Stabilization Operations and Security Sector Reform	10	65	-	-65
Nonproliferation, Antiterrorism, Demining and Related Programs	**-**	**-**	**250**	**250**
1.3 Stabilization Operations and Security Sector Reform	-	-	250	250

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Guinea-Bissau	**10**	**65**	**250**	**185**
1 Peace and Security	**10**	**65**	**250**	**185**
1.3 Stabilization Operations and Security Sector Reform	10	65	250	185

Peace and Security

U.S. assistance seeks to protect civilians and/or military personnel by returning land to productive use and by assisting the Government of Guinea-Bissau (GoGB) with stockpile destruction in areas at risk for major loss of life in the event of an explosion.

Non-Proliferation, Anti-Terrorism, Demining and Related Programs – Conventional Weapons Destruction (NADR-CWD): Based on a 2011 assessment by the Defense Threat Reduction Agency, programs will focus on weapons storage, security, stockpile management, destruction/clean-up of small arms/light weapons and old and unstable unexploded ordnance, as well as humanitarian demining. The United States will coordinate closely with allies, the GoGB, and international organizations to maximize these efforts.

Kenya

Foreign Assistance Program Overview

U.S. assistance in FY 2013 will support Kenya's critical role in the Horn of Africa. Programs focus on health, education, economic growth, and advancing key political and governance reforms through implementation of the new constitution and fighting corruption and impunity, which is fundamental to Kenya's future stability and prosperity. Ongoing conflict and instability in neighboring Somalia continues to pose serious security and humanitarian challenges for Kenya and the region. With frequent drought conditions due to climate changes in the last three decades, Kenya is facing economic, health, and environmental challenges that threaten progress made in these sectors. U.S. foreign assistance will be critical for Kenya to establish conditions for long-term stability, improve economic and social opportunities for all Kenyans, and increase the country's capacity to provide basic services for its people. Presidential initiative funding in agriculture, climate change, and health will also directly address many of these issues.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**786,621**	**652,200**	**459,538**	**-192,662**
Overseas Contingency Operations	**-**	**7,750**	**-**	**-7,750**
Nonproliferation, Antiterrorism, Demining and Related Programs	-	7,750	-	-7,750
Enduring/Core Programs	**786,621**	**644,450**	**459,538**	**-184,912**
Development Assistance	75,813	92,000	92,940	940
Food for Peace Title II	124,776	-	-	-
Foreign Military Financing	998	1,500	1,096	-404
Global Health Programs - State	498,760	468,760	277,402	-191,358
Global Health Programs - USAID	75,345	78,150	79,400	1,250
International Military Education and Training	929	890	750	-140
International Narcotics Control and Law Enforcement	2,000	2,000	1,800	-200
Nonproliferation, Antiterrorism, Demining and Related Programs	8,000	1,150	6,150	5,000

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Kenya	**786,621**	**652,200**	**459,538**	**-192,662**
1 Peace and Security	**11,177**	**12,540**	**8,496**	**-4,044**
Foreign Military Financing	**998**	**1,500**	**1,096**	**-404**
1.3 Stabilization Operations and Security Sector Reform	998	1,500	1,096	-404
International Military Education and Training	**929**	**890**	**750**	**-140**
1.3 Stabilization Operations and Security Sector Reform	929	890	750	-140

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
International Narcotics Control and Law Enforcement	**1,250**	**1,250**	**500**	**-750**
1.3 Stabilization Operations and Security Sector Reform	1,250	1,250	500	-750
Nonproliferation, Antiterrorism, Demining and Related Programs	**8,000**	**8,900**	**6,150**	**-2,750**
1.1 Counter-Terrorism	8,000	8,600	5,850	-2,750
1.2 Combating Weapons of Mass Destruction (WMD)	-	300	300	-
2 Governing Justly and Democratically	**13,763**	**2,750**	**14,440**	**11,690**
Development Assistance	**13,013**	**2,000**	**13,140**	**11,140**
2.2 Good Governance	3,000	1,000	8,140	7,140
2.3 Political Competition and Consensus-Building	8,013	1,000	3,000	2,000
2.4 Civil Society	2,000	-	2,000	2,000
International Narcotics Control and Law Enforcement	**750**	**750**	**1,300**	**550**
2.1 Rule of Law and Human Rights	750	750	1,300	550
3 Investing in People	**591,405**	**574,910**	**374,102**	**-200,808**
Development Assistance	**17,300**	**28,000**	**17,300**	**-10,700**
3.1 Health	6,300	10,000	6,300	-3,700
3.2 Education	11,000	18,000	11,000	-7,000
Global Health Programs - State	**498,760**	**468,760**	**277,402**	**-191,358**
3.1 Health	498,760	468,760	277,402	-191,358
Global Health Programs - USAID	**75,345**	**78,150**	**79,400**	**1,250**
3.1 Health	75,345	78,150	79,400	1,250
4 Economic Growth	**45,500**	**62,000**	**62,500**	**500**
Development Assistance	**45,500**	**62,000**	**62,500**	**500**
4.5 Agriculture	33,000	45,000	50,000	5,000
4.6 Private Sector Competitiveness	-	1,000	-	-1,000
4.7 Economic Opportunity	-	4,000	-	-4,000
4.8 Environment	12,500	12,000	12,500	500
5 Humanitarian Assistance	**124,776**	**-**	**-**	**-**
Food for Peace Title II	**124,776**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	124,776	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Kenya	**786,621**	**652,200**	**459,538**	**-192,662**
1 Peace and Security	**11,177**	**12,540**	**8,496**	**-4,044**
1.1 Counter-Terrorism	8,000	8,600	5,850	-2,750

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.2 Combating Weapons of Mass Destruction (WMD)	-	300	300	-
1.3 Stabilization Operations and Security Sector Reform	3,177	3,640	2,346	-1,294
2 Governing Justly and Democratically	**13,763**	**2,750**	**14,440**	**11,690**
2.1 Rule of Law and Human Rights	750	750	1,300	550
2.2 Good Governance	3,000	1,000	8,140	7,140
2.3 Political Competition and Consensus-Building	8,013	1,000	3,000	2,000
2.4 Civil Society	2,000	-	2,000	2,000
3 Investing in People	**591,405**	**574,910**	**374,102**	**-200,808**
3.1 Health	580,405	556,910	363,102	-193,808
3.2 Education	11,000	18,000	11,000	-7,000
4 Economic Growth	**45,500**	**62,000**	**62,500**	**500**
4.5 Agriculture	33,000	45,000	50,000	5,000
4.6 Private Sector Competitiveness	-	1,000	-	-1,000
4.7 Economic Opportunity	-	4,000	-	-4,000
4.8 Environment	12,500	12,000	12,500	500
5 Humanitarian Assistance	**124,776**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	124,776	-	-	-
of which: Objective 6	**45,850**	**10,052**	**10,722**	**670**
6.1 Program Design and Learning	25,640	3,550	3,650	100
6.2 Administration and Oversight	20,210	6,502	7,072	570

Peace and Security

Kenya's role in regional stability and managing risks from volatility and conflict in Somalia and Sudan is critical for the United States' security interests. Kenya has limited capacity to secure its own border which makes it vulnerable to transnational crime and violent extremism. Kenya must continue major internal institutional reforms and implement the new constitution to avoid a reoccurrence of the 2007/2008 post-election violence that swept the country and underscored the need for fundamental reform to ensure Kenya's future stability and democracy. The International Criminal Court has issued summonses to six prominent Kenyans, including the Deputy Prime Minister and other current and former senior government officials, for their alleged roles in perpetrating the post-election violence. Proceedings for some or all of the individuals are expected to continue through 2013. It is critical that perpetrators of post-election violence be held accountable to end the culture of impunity and to contribute to long-term stability. At the same time, there is a risk that developments related to the proceedings could trigger ethnic/political friction or even violence. U.S. resources will strengthen regional, national, and community-based peace structures to respond more proactively, independently, and comprehensively to this and other potential triggers or drivers of conflict.

Foreign Military Financing (FMF): FMF programs will continue to improve the professionalism of the Kenyan military. In particular, FMF funding will provide training and equipment to strengthen military capability in controlling the border, and to counter terrorism and violent extremism, including the sustainment of prior investments in maritime and land border security. FMF resources will also support

Kenyan military participation in international peacekeeping operations, to which Kenya is a major contributor of troops, by procuring equipment and sustaining the use of prior-funded equipment.

International Military Education and Training (IMET): IMET training programs promote U.S.-Kenyan military-to-military relationships through courses in the United States and mobile training teams in Kenya. Training programs and other military cooperation will maintain and strengthen the strong U.S.-Kenyan security alliance necessary to meet U.S. security objectives in the region. IMET programs strengthen military professionalism and will continue to focus on Kenyan military officers who are emerging leaders, and who will provide positive influences and leadership in their services for years to come.

International Narcotics Control and Law Enforcement (INCLE): U.S. funds will support law enforcement and institutional capacity building in Kenya, with a focus on police reform and criminal justice sector reform. INCLE resources will enable the United States to provide assistance for criminal justice sector reform in areas such as maritime security, women's justice, and professionalism of the civilian police service.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): U.S. assistance will focus on counterterrorism in the larger context of Kenyan national security, to include land and maritime border security, and the prevention, investigation, and interdiction of terrorist acts. Ongoing chronic insecurity in several regions and significant refugee flows from Somalia place competing demands on Kenya's national security resources and its ability to focus on specific counterterrorism initiatives. By building capacity to enhance overall security, U.S. assistance will also contribute significantly to improving Kenya's ability to combat terrorism. U.S. programs will enable the United States to help Kenya address the need for security sector reform and conflict mitigation (small arms, natural resources, boundary disputes, and ethnic differences). U.S. programs will provide training and capacity building for: coastal, port, aviation, and border security; cybercrime prevention and detection; professionalization of law enforcement officials with counterterrorism responsibilities; improved immigration controls; and combating internal terrorism and violent crime. These issues will be addressed from a multiagency, integrated, and interrelated perspective. In the Kenyan context, training of law enforcement security forces will continue to incorporate vital sensitization on human rights, international humanitarian law, gender-based violence, police reform oversight, and civilian-police relations.

Governing Justly and Democratically

The weakness of Kenya's democratic institutions and impunity for corruption and political violence were major factors in the violence that swept Kenya following the disputed December 2007 elections and repercussions are still being felt. Full implementation of the political, institutional, and accountability reforms to align Kenyan institutions to the new constitution are essential to bring true democracy, prosperity, and stability to Kenya. FY 2013 presents important governance challenges in terms of building new institutions, deepening reforms and empowering citizens following national elections in late 2012 or early 2013. In many cases, the new institutions created through the constitution have been operational for less than a year and others still require drafting of enabling legislation, budgets, internal procedures and physical structures.

Development Assistance (DA): U.S. assistance will be used to support full implementation of the constitution as newly elected officials at the national and county levels assume newly created positions and responsibilities. Programs will be used to address policy reforms, institutional capacity building, local capacity development, and access to services including balancing national support with assistance to 47 counties. Capacity building programs in FY 2013 will focus on improving government accountability, reducing executive discretion and the culture of impunity, and consolidating justice and national peace and reconciliation within the new internal institutional government structures. Additionally, funding will

assist the media to serve as effective independent watchdogs. Programs will continue to support the development of more internally democratic political parties programs to consolidate electoral reform based on the results of the 2012 elections, and increase the organizational and technical capacity of civil society organizations, especially youth and women groups. Resources will also be used to strengthen national and county assemblies and provide support for the decentralization process through technical assistance, training, and material support.

International Narcotics Control and Law Enforcement (INCLE): U.S. assistance will support rule of law and human rights programs that support better governance and enhanced respect for human rights through the development and reform of the judicial sector. Strengthening of the institutional capacities of the judicial sector will also serve to combat endemic corruption, enhance gender equity, and diminish the prospects of communal violence. A stronger judicial sector will also enhance the prospects of overall political stability.

Investing in People

U.S. assistance, provided as part of the Global Health Initiative (GHI), will focus on reducing the high rates of HIV/AIDS, child mortality, malaria, and tuberculosis. Investments in voluntary family planning and maternal child health will help build a more balanced and integrated approach to sustainable health services. Resources in all health programs will be focused on improved, long-term planning and health system strengthening. U.S. assistance will also expand access to clean water and improved sanitation as well as improve the quality and accessibility of education through intensive teacher-training, curriculum development, the provision of educational materials, supporting early grade reading, and girls' scholarship programs.

Development Assistance (DA): DA assistance supports investments in basic education and water and sanitation activities for health-related programs.

- Basic Education: Approximately 1.5 million Kenyan children who should be in school are not in school, and of those in school, most do not receive an education that adequately prepares them to participate successfully in the 21st century workforce. Resources will be used to expand access to quality basic education through the delivery of quality basic education for more than one million young learners (approximately half will be female) nationwide. Additionally, in marginalized communities programs will increase access for the most disadvantaged populations, including girls, so they can take advantage of early-grade reading programs. FY 2013 Basic Education assistance will focus on teacher training, school management, relevant curriculum, strengthening community partnerships. In coordination with the President's Emergency Plan for AIDS Relief (PEPFAR), curricula and teaching materials will be developed HIV/AIDS and life skills education. In addition, programs will focus on equipping teachers, administrators, and community members with the knowledge and skills they need to help their students to be healthy and productive citizens of Kenya.

- Water Supply and Sanitation: Funding will support programs to reduce illness and death from water-borne disease through support for water sources and latrines. Activities will include support for increased availability of water treatment products in both rural and urban areas, and will incorporate communications activities to promote improved hygiene practices.

Global Heath Programs (GHP):

The Global Health Initiative (GHI) strategy in Kenya is an opportunity to improve health outcomes and strengthen health systems by building better coordination among U.S. health-related programs and aligning U.S. health investments with host country priorities to maximize impacts. FY 2013 funding will be used for interventions to improve quality maternal, newborn, and child health services, as well as prevention, care, and treatment services to populations at high risk for TB, HIV/AIDS, malaria, and other infectious

diseases. The primary health care program provides technical assistance to strengthen fragile health care systems while improving access to integrated, quality care, consistent with the goals and principles of the GHI.

- Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR)--GHP State and USAID: Accounts will support partnerships to provide integrated prevention, care, and treatment programs throughout the country, and support especially vulnerable children. The substantial decrease in GHP-State funding requested for Kenya reflects efficiencies and country-specific factors that will allow PEPFAR programs to continue to expand even with reduced budgets.

- Family Planning and Reproductive Health: U. S. assistance will be used to expand access to high-quality voluntary family planning services and information and reproductive health care on a sustainable basis. The programs will enhance the ability of couples to decide the number and spacing of births. They will also make substantial contributions to reducing abortion, maternal and child mortality, and morbidity; and to mitigating adverse effects of population dynamics on natural resources, economic growth, and state stability.

- Malaria: U.S. assistance under the President's Malaria Initiative (PMI) will expand efforts to scale up proven preventive and treatment interventions toward achievement of 85 percent coverage among vulnerable groups to support the PMI goal of reducing malaria-related morbidity by 50 percent. The FY 2013 request level for Kenya does not include the total projected funding for the PMI. Decisions on allocations of centrally managed funds will be made at the time that the FY 2013 operating year budget is set.

- Maternal and Child Health: Funds will be used to strengthen capacity and service delivery in birth preparedness and maternity services; treatment of obstetrics complications and disabilities; and newborn and child care and treatment, immunization, and nutrition.

- Nutrition: Funds will be used to expand and improve community level nutrition activities including breast-feeding promotion, improved household hygiene, and investigation of locally made child food supplements, while utilizing integrated programming linked to the Feed the Future initiative.

- Tuberculosis: Funds will be used to support TB prevention, detection, and treatment activities.

Economic Growth

Kenya is the economic powerhouse of East Africa and an important commercial transportation gateway. The Kenyan economy grew by 7 percent in 2007, the highest rate in 30 years. However, growth was only 2.1 percent in 2008 due to the impact of the post-election crisis. Furthermore, the impact of drought and the global financial crisis restrained growth to 2.3 percent in 2009. In 2010, the economy rebounded with a growth rate of about 5 percent, with 2011 and 2012 projected to be in the 5 to 6 percent range. Given that the population is growing at a rate of around 2.6 percent, even stronger, sustained economic growth rates are critical if Kenya is to achieve its development and poverty-reduction goals.

Development Assistance: To facilitate sustainable and equitable economic growth, U.S. assistance will support systemic regulatory, trade, agricultural, and land and water policy reform, as well as private sector engagement and investment, including through the use of mobile banking.

- Agriculture: Ensuring that Kenya and the Horn of Africa recover from the devastating drought crisis continues to be a high priority within the region. In FY 2013, as part of the President's Feed the Future (FTF) initiative in Kenya, programs will target pastoralist populations in the north to enhance productivity, market competitiveness, and efficiency in the livestock sector, while promoting

innovative natural resource management to transform pastoral livelihoods from one of constant vulnerability to greater resilience. The U.S. will continue to support the efforts of the Government of Kenya to implement the country-led comprehensive food security strategy. These strategies will help to reduce hunger and increase economic growth through market-led agricultural development. Key activities will include improving the competitiveness of value chains to increase incomes for poor families, expand access to financial services for rural entrepreneurs, and improve the capacity of the private sector to advocate for a more enabling environment to promote greater economic development.

- Environment: Kenya's water, forest, and wildlife resources are key foundation blocks of the nation's economy. Through the Global Climate Change (GCC) Initiative, resources will support the efforts of government, local communities, and the eco-tourism industry to manage the environment and natural resources sustainably to benefit rural households and protect biodiversity. U.S. assistance will contribute to the rehabilitation, restoration, and protection of these resources with investments that improve the management of critical natural ecosystems, conserving Kenya's rich biodiversity and establishing resource tenure and management rights for the poor communities. U.S. investments will assist rural households to adapt to the impacts of climate change. GCC initiative funding will include efforts through the Enhancing Capacity for Low Emission Development Strategies (LEDS) program to support the development and implementation of LEDS in Kenya.

Linkages with the Millennium Challenge Corporation

Kenya had a $12.7 million program Millennium Challenge Account Threshold Program which concluded in 2010. The program addressed public sector procurement reform, with a particular emphasis on the healthcare sector.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: USAID performed comprehensive portfolio reviews during FY 2010 and FY 2011 evaluating both programmatic and financial performance. Pipeline analyses were a component of these reviews, and it was acknowledged that most implementing partners are effective in utilizing funds in a timely manner. Several monitoring and evaluation efforts were undertaken during FY 2011, including a mid-term evaluation on natural resource management activities; an evaluation of the AIDS, Population, and Health Integrated Assistance Program; a multi-donor evaluation of value chain activities in Kenya; a sectoral assessment by USAID/Democracy and Governance Office; and a performance evaluation of the Office of U.S. Foreign Disaster Assistance (OFDA) Arid and Marginal Lands Recovery Consortium program.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: USAID Kenya was able to draw important conclusions and take targeted actions based on the evaluation efforts noted above. The mid-term evaluations completed on natural resource management programs concluded that the implementation was on the right track. The evaluation identified a number of best practices that will have a lasting impact on the natural resources governance in Kenya. The analysis as well as the best practices and the lessons generated through the evaluation will help the mission to develop a new multi-year strategy, and implementation plan, and design new interventions to scale-up the current program.

The evaluation of the AIDS, Population, and Health Integrated Assistance Program resulted in a recommendation that USAID should develop a plan for expansion of maternal child health and family planning programs, including championing a multi-donor and Government of Kenya plan for sustainable provision of HIV/AIDS treatment drugs.

The democracy and governance sectoral assessment informed programs that will now support critical constitutional and institutional reforms through 2015.

Relating Past Performance to FY 2013 Plans: USAID expects to see substantial programmatic impacts with FY 2013 funding in multiple sectors. For example, in the health sector, PMI will continue to support indoor residual spraying in more households and in a wider geographic area, positively influencing the PMI goal of reducing malaria-related morbidity. USAID is working with the Government of Kenya and development partners to improve the distribution system for family planning and reproductive health commodities, and forecasts a significant increase in the Couple-Years of Protection indicator as a result of FY 2013 funding.

In the education sector, Basic Education programs will continue in informal urban settlements in Kenya's two largest cities, Nairobi and Mombasa. FY 2013 funds will enable hundreds of thousands of marginalized children to benefit from U.S. education assistance aimed at increasing access to, and improving the quality and relevance of, their schooling, as well as mitigating potential conflict, extremism, and unrest.

With FY 2013 support for new Kenyan institutions outlined in the new constitution, USAID will achieve a significant impact on indicators that measure U.S. assistance for good governance enhancing civil society capacity to improve democracy. Additionally, through FTF, USAID, in collaboration with other U.S. agencies and other development partners, will help Kenya achieve the Millennium Development Goal of eradicating extreme hunger and poverty, including the target of halving the proportion of people who suffer from hunger.

Lesotho

Foreign Assistance Program Overview

U.S. foreign policy priorities in Lesotho focus on achieving the development of a stable, prosperous, and healthy country that continues to improve its record as a voice for positive change in international fora, both regionally and globally. U.S. assistance to Lesotho focuses on reversing the devastating HIV/AIDS pandemic.

Lesotho continues to be challenged by a severe HIV/AIDS epidemic. The Global Health Initiative, through the President's Emergency Plan for AIDS Relief (PEPFAR) program in Lesotho, complements a significant HIV/AIDS effort by the Millennium Challenge Corporation (MCC), the Government of Lesotho (GOL), and other donors, including U.S. nongovernmental organizations and universities. The GOL has demonstrated substantial political will to fight HIV/AIDS and has undertaken many efforts to address the pandemic. U.S. assistance will also provide the Lesotho Defense Force (LDF) to promote officer professionalism and capacities for its roles in border security and humanitarian response.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**33,236**	**28,150**	**27,714**	**-436**
Global Health Programs - State	26,650	21,650	21,224	-426
Global Health Programs - USAID	6,400	6,400	6,400	-
International Military Education and Training	186	100	90	-10

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Lesotho	**33,236**	**28,150**	**27,714**	**-436**
1 Peace and Security	**186**	**100**	**90**	**-10**
International Military Education and Training	**186**	**100**	**90**	**-10**
1.3 Stabilization Operations and Security Sector Reform	186	100	90	-10
3 Investing in People	**33,050**	**28,050**	**27,624**	**-426**
Global Health Programs - State	**26,650**	**21,650**	**21,224**	**-426**
3.1 Health	26,650	21,650	21,224	-426
Global Health Programs - USAID	**6,400**	**6,400**	**6,400**	**-**
3.1 Health	6,400	6,400	6,400	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Lesotho	**33,236**	**28,150**	**27,714**	**-436**
1 Peace and Security	**186**	**100**	**90**	**-10**
1.3 Stabilization Operations and Security Sector Reform	186	100	90	-10
3 Investing in People	**33,050**	**28,050**	**27,624**	**-426**
3.1 Health	33,050	28,050	27,624	-426
of which: Objective 6	**3,966**	**-**	**650**	**650**
6.1 Program Design and Learning	2,248	-	400	400
6.2 Administration and Oversight	1,718	-	250	250

Peace and Security

Lesotho is an increasingly productive partner for U.S. security policy on the continent. The LDF fully utilizes U.S.-provided training, and its students are notable for their competence and professionalism. The LDF is an integral part of Lesotho's democratic institutions and respects the principle of civilian rule.

International Military Education and Training (IMET): U.S. assistance supports developing the professionalism and capacity of the LDF. While the LDF prioritizes its role in border security and humanitarian disaster response, a key goal for the future is its participation in regional peacekeeping efforts. IMET funding supports LDF officers' participation in professional training courses, where they gain an understanding and appreciation of U.S. military culture, organization, and decision-making processes. U.S.-funded training also helps build networks of U.S. and international military associates and colleagues, creating opportunities for future collaboration.

Investing in People

Lesotho's 23.2 percent adult HIV prevalence rate is the third highest in the world. Recent data shows an increased trend in early childhood mortality. Approximately 11 children out of every 100 do not reach the age of five. The 2009 Demographic and Health Survey (DHS) for Lesotho data estimates that 28 percent of children are orphans, and the Joint United Nations Programme on HIV/AIDS (UNAIDS) estimates that about two-thirds of these are due to AIDS. Food security is also a critical issue; 39 percent of Basotho children under the age of five are stunted due to malnutrition. Lesotho also suffers from one of the highest tuberculosis rates in the world and multiple-drug-resistant strains are present.

Global Health Programs: Assistance provided through the Global Health Programs accounts will support the goals and principles of the Global Health Initiative to achieve major improvements in health outcomes through sustainable approaches and increased country ownership.

Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR) – GHP State and USAID: Lesotho will receive significant support to build partnerships to provide integrated prevention, care and treatment programs throughout the country, and support orphans and vulnerable children.

Linkages with the Millennium Challenge Corporation

The $362.6 million MCC Compact went into effect in September 2008. The MCC Compact concentrates on improving the provision of water supplies for industrial and domestic use, improving health outcomes, and removing barriers to foreign and local private sector investment. The MCC Compact's largest focus

on increasing water supply contributes to overall improvements in health, while the private sector development component aims at increasing participation of women and improving access to credit. While the MCC health programs seek to rehabilitate the health center infrastructure, PEPFAR programs focus on recruitment, retention, and training of the staff working in the health centers. MCC Compact efforts directly complement the work conducted by USAID, the Centers for Disease Control and Prevention, and the Department of Defense to address the HIV/AIDS epidemic in Lesotho.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Lesotho's Country Operational Plan (COP) development process and related budgetary allocations respond to the in-country PEPFAR interagency portfolio review, which draws heavily from partners' quarterly progress reports. The portfolio review team consists of program managers, technical advisors from the Regional HIV/AIDS Program, and the Strategic Information Team. This team provides key qualitative and quantitative data, as well as an analysis of the accomplishments of all partners against targets, remaining pipeline, status of current work plans, absorptive capacity, and, where possible, the quality of the results being achieved. Data quality assessments have also been conducted and inform data-strengthening activities, including tool revisions. Partner evaluations have also been planned as part of each agreement, pending final approvals.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: An assessment of the prevention of mother-to-child transmission (PMTCT) and other HIV services in Lesotho health facilities will inform activity scale-up and improve the quality of PMTCT services supported with PEPFAR's PMTCT Acceleration Plan funds. Additionally, data on poor partner performance regarding the development of supply chain management tools was used to discontinue one partner's activities and redirect the funding and activity to a new mechanism. An evaluation of mineworker health needs is being planned, in order to help inform care and treatment interventions for this vulnerable population. Finally, 2009 DHS data showing an increase in risky sexual behavior from 2004 helped inform the selection of a recipient for Lesotho's new HIV prevention award, which will focus on behavioral interventions.

The GOL is fully engaged in planning and implementing programs in Lesotho. In 2009, the GOL and the U.S. Government signed a PEPFAR Partnership Framework. The interagency team allocates funds for the upcoming year by program sector and partner by assessing progress toward the goals and targets laid out in the strategic plan (as captured in the National Strategic Framework and PEPFAR Partnership Framework) and adjusting allocations based on quantitative and qualitative indicators. The resulting allocations are documented in the annual COP and submitted to the Office of the U.S. Global AIDS Coordinator for final approval.

Determinations of IMET funding levels are made based on performance against the goals stated in the Commander's Intent and country-level projections for resources needed to further U.S. objectives.

Relating Past Performance to FY 2013 Plans: FY 2013 targets and partner budgets were based on FY 2011 results of performance. Annual work plans with targets are constructed and reviewed based on performance against the previous year's work plan. New activities are based on gaps identified in previous years.

Liberia

Foreign Assistance Program Overview

Sustained U.S. assistance and engagement remains critical to Liberia's short-term stability and long-term development. National elections in late 2011 were free and fair with broad participation among the electorate, and paved the way for a peaceful transition to President Ellen Johnson-Sirleaf's second administration. However, continued opposition and unrest surrounding the elections demonstrated that security, political, and social conditions remain fragile, and that the Government of Liberia (GOL) must continue to make rapid progress in building and solidifying confidence in public governance, re-energizing critical reforms, and fostering tangible improvements in the lives of average Liberians.

In support of these efforts, U.S. assistance will focus on professionalizing Liberia's military and civilian security forces, consolidating and sustaining democratic progress, building the capacity, transparency, and accountability of governance institutions, promoting broad-based and environmentally-sustainable economic growth, improving access to high quality educational and health services, and responding to the emerging problem of narcotics trafficking in West Africa. In each sector, assistance will concentrate on helping Liberia build local capacity to plan, implement, and sustain its own development efforts.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**215,814**	**199,766**	**169,207**	**-30,559**
Economic Support Fund	124,532	124,276	105,200	-19,076
Food for Peace Title II	27,447	15,000	8,000	-7,000
Foreign Military Financing	7,173	6,500	6,500	-
Global Health Programs - State	2,800	800	695	-105
Global Health Programs - USAID	32,340	30,700	30,700	-
International Military Education and Training	522	490	450	-40
International Narcotics Control and Law Enforcement	16,000	17,000	15,662	-1,338
Peacekeeping Operations	5,000	5,000	2,000	-3,000

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Liberia	**215,814**	**199,766**	**169,207**	**-30,559**
1 Peace and Security	**22,845**	**22,690**	**19,382**	**-3,308**
Foreign Military Financing	**7,173**	**6,500**	**6,500**	**-**
1.3 Stabilization Operations and Security Sector Reform	7,173	6,500	6,500	-
International Military Education and Training	**522**	**490**	**450**	**-40**
1.3 Stabilization Operations and Security Sector Reform	522	490	450	-40

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
International Narcotics Control and Law Enforcement	**10,150**	**10,700**	**10,432**	**-268**
1.3 Stabilization Operations and Security Sector Reform	9,100	9,650	9,382	-268
1.4 Counter-Narcotics	1,050	1,050	1,050	-
Peacekeeping Operations	**5,000**	**5,000**	**2,000**	**-3,000**
1.3 Stabilization Operations and Security Sector Reform	5,000	5,000	2,000	-3,000
2 Governing Justly and Democratically	**43,650**	**45,100**	**40,430**	**-4,670**
Economic Support Fund	**37,800**	**38,800**	**35,200**	**-3,600**
2.1 Rule of Law and Human Rights	10,800	10,800	9,900	-900
2.2 Good Governance	18,000	19,000	17,600	-1,400
2.3 Political Competition and Consensus-Building	5,000	5,000	4,500	-500
2.4 Civil Society	4,000	4,000	3,200	-800
International Narcotics Control and Law Enforcement	**5,850**	**6,300**	**5,230**	**-1,070**
2.1 Rule of Law and Human Rights	5,850	6,300	5,230	-1,070
3 Investing in People	**83,050**	**91,440**	**70,545**	**-20,895**
Economic Support Fund	**39,000**	**51,440**	**35,000**	**-16,440**
3.1 Health	7,000	18,000	6,000	-12,000
3.2 Education	32,000	33,440	29,000	-4,440
Food for Peace Title II	**8,910**	**8,500**	**4,150**	**-4,350**
3.1 Health	6,814	6,500	3,260	-3,240
3.2 Education	2,096	2,000	890	-1,110
Global Health Programs - State	**2,800**	**800**	**695**	**-105**
3.1 Health	2,800	800	695	-105
Global Health Programs - USAID	**32,340**	**30,700**	**30,700**	**-**
3.1 Health	32,340	30,700	30,700	-
4 Economic Growth	**54,545**	**40,536**	**38,850**	**-1,686**
Economic Support Fund	**47,732**	**34,036**	**35,000**	**964**
4.4 Infrastructure	17,032	19,000	18,000	-1,000
4.5 Agriculture	25,000	8,000	10,000	2,000
4.6 Private Sector Competitiveness	2,200	3,036	2,200	-836
4.8 Environment	3,500	4,000	4,800	800
Food for Peace Title II	**6,813**	**6,500**	**3,850**	**-2,650**
4.5 Agriculture	6,813	6,500	3,850	-2,650
5 Humanitarian Assistance	**11,724**	**-**	**-**	**-**
Food for Peace Title II	**11,724**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	11,724	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Liberia	**215,814**	**199,766**	**169,207**	**-30,559**
1 Peace and Security	**22,845**	**22,690**	**19,382**	**-3,308**
1.3 Stabilization Operations and Security Sector Reform	21,795	21,640	18,332	-3,308
1.4 Counter-Narcotics	1,050	1,050	1,050	-
2 Governing Justly and Democratically	**43,650**	**45,100**	**40,430**	**-4,670**
2.1 Rule of Law and Human Rights	16,650	17,100	15,130	-1,970
2.2 Good Governance	18,000	19,000	17,600	-1,400
2.3 Political Competition and Consensus-Building	5,000	5,000	4,500	-500
2.4 Civil Society	4,000	4,000	3,200	-800
3 Investing in People	**83,050**	**91,440**	**70,545**	**-20,895**
3.1 Health	48,954	56,000	40,655	-15,345
3.2 Education	34,096	35,440	29,890	-5,550
4 Economic Growth	**54,545**	**40,536**	**38,850**	**-1,686**
4.4 Infrastructure	17,032	19,000	18,000	-1,000
4.5 Agriculture	31,813	14,500	13,850	-650
4.6 Private Sector Competitiveness	2,200	3,036	2,200	-836
4.8 Environment	3,500	4,000	4,800	800
5 Humanitarian Assistance	**11,724**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	11,724	-	-	-
of which: Objective 6	**10,480**	**8,260**	**7,441**	**-819**
6.1 Program Design and Learning	2,916	2,468	1,656	-812
6.2 Administration and Oversight	7,564	5,792	5,785	-7

Peace and Security

The United States will continue to play a leading role in supporting critical military and civilian security sector reform efforts in Liberia. The United Nations Mission in Liberia (UNMIL) is expected to enter a new drawdown phase in early FY 2013, requiring Liberian security services to take increasing responsibility for maintaining internal law and order, as well as the protection of Liberia's territory and borders. Assistance in FY 2013 will reflect ongoing efforts to assist in the development of professional, apolitical, and self-sustaining Liberian defense sector institutions, while strengthening the capacity of the civilian police and justice sector. Crime is a main security concern of Liberian citizens and funding will help build police capacity to sustain the credibility of a democratically elected government that respects and enforces the rule of law.

Foreign Military Financing (FMF): Funds will continue to support the development of the Armed Forces of Liberia (AFL), including its maritime component, the Liberian Coast Guard, by providing training, equipment, and advisory support. This effort includes support for approximately 50 U.S. advisors, who facilitate individual and unit training, staff planning, and advise leadership of the AFL.

International Military Education and Training (IMET): Funding will continue to professionalize the Liberian military by providing additional education and training to officers and noncommissioned officers in the army and coast guard as they advance in rank. This will increase the military's ability to protect Liberia's territorial integrity, fight terrorism, and counter illegal activity, while acting as a professional force that is respectful of civilian authority and human rights. Training will consist of courses in basic and intermediate operational skills, and leadership training.

International Narcotics Control and Law Enforcement (INCLE): To ensure Liberia's stability during and after the drawdown of UNMIL, the Liberia National Police (LNP) must have the necessary skills and equipment to fulfill its role in ensuring Liberia's long-term peace and security. Despite several years of UN-led assistance, the police remain inadequately led and equipped, and, as a result, perform poorly. The United States will start increasing its bilateral support for civilian law enforcement entities, while continuing to assign U.S. civilian police officers to UNMIL in order to protect past investments in Liberia's security-sector reform process and support the development of effective, civilian-led police to maintain the rule of law. The Civilian Police program will continue to develop the LNP, including the Emergency Response Unit and Police Support Unit, focusing particularly on building nationwide capability to respond to threats, strengthening personnel capacity, developing infrastructure, and providing equipment. Funds will support police advisors who provide ongoing mentoring and technical assistance for the LNP and its leadership. Efforts will complement international donor programming and form part of a broader strategy to assist the GOL in extending its writ nationwide.

To address transnational crime, INCLE funds will continue to strengthen the capacity of civilian law enforcement entities to respond to the growing threat posed by narcotics trafficking in West Africa, as well as to provide assistance to those responsible for decreasing drug demand and providing addiction treatment in Liberia. The program will respond to the specific recommendations regarding drug use and counter-narcotics assessments undertaken in Liberia in recent years, and will work through a range of institutions to support drug education campaigns and establish Liberia's first drug treatment centers.

Peacekeeping Operations (PKO): Funding will continue to support the Defense Sector Reform program for the Armed Forces of Liberia (AFL), including a senior advisor and limited assistance to the operations and maintenance of the AFL bases.

Governing Justly and Democratically

U.S. assistance in this sector will help the GOL build its capacity to effectively manage public finances, implement political and economic reforms, build the capacity of the criminal justice system, and perform other critical public functions in a manner that demonstrates to the Liberian people that the Government is accountable and responsive to their needs and aspirations.

Economic Support Fund (ESF): In support of the GOL's efforts to demonstrate good public governance, U.S. assistance will help build, strengthen, and maintain critical public administration functions, including systems for improved management of: policy-making; budget and financial accounting; development and efficient use of human resources; expanded use of information and communications technology; transparent and responsible natural resources concessions; and performance monitoring, evaluation, accountability, and responsiveness.

Building on the successful conduct of the 2011 national elections, the United States will continue to support the National Elections Commission, strengthening and deepening its capacity to manage free and fair elections for national, county, and local government offices. The United States will support GOL efforts to address corruption, and will help civil society and the media build the capacity they need to effectively exercise their advocacy and oversight roles.

U.S. assistance will also focus on strengthening the rule of law and protection of human rights in Liberia, helping to mitigate social and economic conflicts, prevent gender-based violence, improve access to justice, and provide a more predictable investment climate. Support for Liberia's judicial training institutions and civic education programs will help to broaden people's understanding of their legal rights and expand their access to reliable and responsible judicial services. The United States will apply innovative approaches, including Alternative Dispute Resolution that engages traditional leaders in resolving land disputes, to seek to harmonize formal legal systems with recognized informal systems and to further expand access to justice in under-served parts of the country that may be more susceptible to potential conflict and violence.

International Narcotics and Law Enforcement (INCLE): Through the Justice Sector Support Liberia (JSSL) program, U.S. assistance will provide training, advising, mentorship, and equipment to criminal justice institutions. Advisors will work with judicial, justice, and corrections institutions and training facilities to build GOL capacity, encourage a more consistent and effective justice process, and foster institutional reform. JSSL program activities will expand nationwide as regional service hubs come on line, with emphasis on increasing the capabilities of these institutions throughout Liberia, furthering the capacity of personnel and infrastructure development. JSSL will support the Solicitor General's office work to build the effectiveness of its prosecutors by providing training and support for small materials and books. JSSL will conduct basic training for new prosecutors in areas such as legal writing, and build capacity to address more complex crimes such as money laundering and corruption. In addition, emphasis will be placed on further strengthening police-prosecutor cooperation. JSSL will also support the Bureau of Corrections and Rehabilitation within the Ministry of Justice with training, mentorship, and modest amounts of equipment for employees in its prison and detention facilities.

Investing in People

In the health sector, U.S. assistance will increase utilization of quality healthcare and improve nutrition for mothers and children. Through a Fixed Amount Reimbursement Agreement with the Government of Liberia, the United States will finance provision of basic services and emergency obstetric and neonatal care in rural and urban health facilities and community volunteers who provide home-based care for common conditions. This support will be complemented with technical assistance to institute quality improvement systems, train health professionals, and strengthen management and monitoring systems to produce and track results.

In education, assistance will concentrate on expanding access to quality education at all levels. U.S. investments will help to expand elementary school enrollment and attendance, especially for girls; improve the quality of education through teacher training; improve literacy for adults; and improve tertiary education. Family life and reproductive health education in schools will be a crosscutting activity of both education and health.

Global Health Program: Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative to achieve major improvements in health outcomes through sustainable approaches and increased country ownership. U.S. assistance will help to control infectious diseases, with a focus on malaria, decrease maternal and child mortality, and help Liberian families to live healthier lives.

Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR): Liberia will receive funding to support the national HIV/AIDS strategy and the goals of PEPFAR. Programs include systems strengthening as well as prevention, care, and treatment activities to leverage Global Fund resources. Specifically, funding will support clinical services in USG-assisted health facilities, dissemination of prevention messages, interventions to address the situation of orphans and other youth at high risk of

HIV/AIDS or gender-based violence, and support for local nongovernmental organizations working with government authorities to provide vital services, such as patient tracking or social services, and improved monitoring.

Malaria: U.S. assistance under the President's Malaria Initiative (PMI) will expand efforts to scale-up proven preventive and treatment interventions toward achievement of 85 percent coverage among vulnerable groups to support the PMI goal of reducing malaria-related morbidity by 50 percent. The FY 2013 request level for Liberia does not include the total projected funding for the PMI. Decisions on allocations of centrally-managed funds will be made at the time that the FY 2012 operating year budget is set.

Maternal and Child Health: U.S. assistance will be used to reduce maternal and child mortality by increasing access to and utilization of antenatal care, safe delivery, post-natal care, and emergency obstetric and neonatal services; as well as improving provider skills, supporting routine immunization and integrated management of childhood illness, and scaling-up community case management of malaria, diarrhea, and pneumonia.

Family Planning and Reproductive Health: Family planning programs will expand access to high-quality voluntary family planning services and information. Such programs will allow couples to make informed decisions on the number and spacing of births, including timing of first birth. They will also make substantial contributions to reducing abortion, decreasing teenage pregnancies, and mitigating maternal and infant mortality and morbidity, which are enormous challenges in Liberia.

Economic Support Fund (ESF):

Basic Education: U.S. assistance in support of improved primary education will focus on addressing the key factors that directly influence the country's critical shortage of qualified teachers, while rebuilding delivery systems, policies, processes, curriculum, and materials needed to sustain a trained and qualified cadre of teachers. Efforts to target effective early grade reading and math approaches through pre-service and school-based teacher training directed to over 4,500 teachers will be essential for improved classroom instruction and student learning outcomes. Classroom reforms will be linked to the Millennium Challenge Corporation Threshold Program focused on increasing the recruitment, retention, and completion of approximately 3,500 girls at the primary school level. U.S. support for approximately 10,000 out-of-school youth will continue to build literacy, numeracy, life skills and livelihood pathways for the generation of Liberians who missed out on an adequate education due to the country's prolonged conflict.

U.S. assistance will also support core institutional capacity building with the Ministry of Education, creating opportunities for increasing the use of host country systems. Support to decentralization activities will work to improve education decision-making and accountability in the delivery of education services.

Higher Education: Assistance will enhance the quality and relevance of higher education programs in engineering, agriculture, health and life sciences, and teacher education so that Liberia is better equipped to meet its key development challenges. Academic resources will be updated and upgraded at local universities to create Centers of Excellence that can serve the interests of the country, as well as serve as regional models. Funds will also support increased access to education at the tertiary level, providing scholarships for targeted degree programs and internships, applied learning and exchange programs in coordination with host country partners. Efforts will be closely aligned with the country's strategic plan for higher education elaborated collaboratively with the World Bank and will require strategic cooperation across all USAID programs in Liberia and coordination among donors, university authorities and other public and private sector actors.

Water and Sanitation: U.S. assistance will help to improve water supply and sanitation in communities, health facilities, and schools. Target areas are the same counties where U.S. assistance is working to improve health care services, and in three of Liberia's largest secondary cities. Improvements in water supply include repair of boreholes and hand pumps, and support for point-of-use water treatment and hygiene education.

Food for Peace Title II: U.S. assistance will continue to help reduce chronic malnutrition among children under five through the Multi-Year Assistance Program (MYAP), which began in FY 2010, and uses interventions that target pregnant and lactating women and children under the age of two in high-risk areas. The program will improve infant and young child feeding practices, teach prevention and treatment for childhood illness, introduce effective referral systems for illness and severe acute malnutrition, and enhance access to water, sanitation, and improved hygiene practices. The MYAP will also continue to promote school attendance by providing food assistance to targeted primary and preschool children. The program will be integrated with ESF-funded education programming.

Economic Growth

Liberia's stability and sustained development is contingent upon revitalizing key economic sectors, diversifying the economy to establish the foundations for broad-based growth, developing human and institutional capacity in both the public and private sectors, rebuilding critical infrastructure, creating stable job and income opportunities for both skilled and unskilled labor, raising productivity and incomes, and conserving the natural resource base. The United States will continue to play a leading role with the GOL and other donor partners in helping Liberia meet its poverty reduction and economic revitalization goals.

Economic Support Fund (ESF): As part of the President's Global Hunger and Food Security Initiative, Feed the Future (FTF), USAID will support the efforts of the GOL to refine and implement a country-led comprehensive food security strategy, the Liberia Agriculture Sector Investment Program, to reduce hunger and increase economic growth through market-led agricultural development. Closely aligned with the GOL's strategy, core FTF assistance will help increase agricultural productivity and promote increased private investment by expanding farmers' and agricultural enterprises' access to market information services, value-added technologies, and high quality public and private sector agricultural inputs and extension services, and by improving pre- and post-harvest crop management and storage. Complementary activities will help to improve and sustainably maintain road infrastructure needed to move farm products to markets at reasonable cost, expand access to reliable and competitively-priced energy supplies, increase the supply of affordable bank credit and other financial services to farming, processing, storage and other agriculture sector enterprises, and improve the overall private sector investment climate.

U.S. assistance will help expand access to renewable energy systems for rural electrification and support the Liberia Electricity Corporation investment program to strengthen staff technical, business support and management capacity and to expand the customer base in Monrovia. Through innovative, national, local, and community-based partnerships, the U.S. Government also will help conserve and sustainably manage Liberia's unique and extensive forest resources, protect biodiversity, strengthen oversight and governance of extractive industries, and identify markets for important ecosystem services, such as carbon sequestration and watershed protection.

Food for Peace Title II: Coordinated closely with the FTF initiative and the GOL's strategy, U.S. assistance will help to increase agricultural productivity by promoting cash crop integration and increased access to credit through microfinance. Funds will be used to train farmers to reduce post-harvest loss, improve farmer-to-farmer extension services, strengthen market linkages for vulnerable farmer households, improve access to markets through rehabilitated farm-to-market rural roads, and apply a value

chain approach to farmer planning and management. In addition, U.S. assistance will help improve household nutrition through education, outreach, and targeted promotion of products, processes and technologies that increase the nutritional content of locally-accessible food supplies.

Linkages with the Millennium Challenge Corporation

The Millennium Challenge Corporation (MCC) three-year threshold program (signed July 2010) focuses on three components: girls' education, trade policy, and land rights and access in Liberia. The girls' education component will complement and reinforce other U.S. assistance in the education sector by helping to increase the recruitment, retention, and completion of approximately 3,500 girls in school at the primary level in targeted counties.

The MCC land rights and access component is linked to Liberia's Section 1207 Program of the National Defense Authorization Act, which focuses on resolving conflicts related to land tenure. The experiences and results of the MCC program will also inform and be linked to U.S. support for the use of Alternative Dispute Resolution procedures related to land, funded under the ESF account. In FY 2013, assistance provided through the MCC threshold program will include the establishment of a customer service center at the Deeds Registry and a pilot program to inventory Tribal Certificates that will identify Liberian citizens' claims to land in high-risk areas and determine the validity of land claims.

The work under the trade policy and customs components supports U.S. efforts under the FTF initiative. The key activities in trade policy include work on tariff simplification, harmonization, implementation, and reduction of non-tariff barriers, as well as assistance to Liberia's ongoing World Trade Organization accession process. Key support on customs involves building institutional capacity in key functions of cargo inspection, tariff classification and customs valuation, helping to modernize the customs legal framework and to simplify and harmonize customs procedures and controls in line with international best practices in support of Economic Community of West African States regional integration and World Trade Organization membership requirements. The MCC trade policy and customs component will improve key aspects of the business enabling environment that affect a range of sectors, including those of the FTF value chains in rice, cassava, vegetable horticulture, and goats.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In FY 2011, Liberia conducted semi-annual portfolio reviews, regular monitoring through quarterly reports, site visits, and field monitoring of program activities. Across the sectors, there were three assessments and one evaluation conducted during FY 2011 in Liberia. An assessment of USAID's Focus on Results: Enhancing Capacity across Sectors in Transition (FORECAST) program concluded that improvements in technical and managerial skills strengthened the capacities of high performing mid-level professionals and key ministries and institutions in Liberia. An assessment of the Land Rights and Community Forestry Program (LRCFP) revealed the program had a substantial impact by improving the legal and policy environment for community forest management and built the capacity of the Forestry Development Authority. An assessment of the Public Financial Management Risk Assessment Framework (PFMRAF) was conducted, which resulted in a fixed amount reimbursement agreement (FARA) with the Ministries of Health and Social Welfare and Finance that was signed in FY 2011. This was the first major step in the U.S. Government's commitment to use host county procurement and finance systems in Liberia. An evaluation of the Sustainable Tree Crop Program focused on the project's management and implementation, achievements and challenges in the cocoa and palm oil subsectors and the environmental sustainability of tree crop farms in Liberia.

In FY 2012, USAID will conduct baseline studies and assessments for the Food and Enterprise Development program, which will help to define a starting point on how to measure the program's progress

and the potential to expand the agricultural knowledge base. In addition, USAID will conduct final evaluations of the Core Education Skills for Liberia Youth and American Bar Association Rule of Law program, and a mid-term evaluation of the Liberia Energy Sector Support Program to identify lessons learned and best practices for future programming.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Findings from the FORECAST program assessment indicate that commendable effort was made to address the country's deficiencies in capacity--especially at the mid-level-- but needs still abound. The assessment supports continuing human and institutional capacity development programs across all sectors for more substantive impact needed to fill capacity gaps in the public and private sector.

The new People, Rules and Organizations Supporting the Protection of Ecosystem Resources (PROSPER) program will build directly on the work from the LRCFP. The comprehensive independent evaluation of LRCFP demonstrated the need to bolster the capacity of government entities and community-based organizations to properly manage forest resources. The new activity is built on these findings and will collaborate with other U.S. Government programs to increase management, governance, and economic impacts.

In the health sector, the findings from the rapid appraisal under the PFMRAF supported moving forward with the use of host country systems through a FARA with the Ministry of Health and Social Welfare in Liberia. The key activities under the FARA include provision of clinical and preventive services; distribution of insecticide-treated nets to reach the universal coverage goal of 100 percent and future procurement of essential medicines for one-third of the public health facilities in the country. Further PFMRAF assessments, to be conducted in FY 2012, will help to determine whether the financial management systems of other Liberian public agencies are sufficiently reliable to support broader use of host country systems for the delivery of U.S. assistance.

Relating Past Performance to FY 2013 Plans: Based on assessments of previous and ongoing activities, U.S. assistance under the Governing Justly and Democratically program objective will shift focus from assistance to the legislature to support for broad-based political participation and civil society strengthening. Based on the evaluations of the performance of youth programs, U.S. assistance will increase its focus on assisting youth to find practical work-based learning and skills training and employment opportunities.

Madagascar

Foreign Assistance Program Overview

Following the political crisis stemming from a military coup in early 2009, Madagascar has experienced negative economic growth and diminished government revenues, undermining the political, social, and economic stability of the country. The United States suspended direct assistance to or through Madagascar's governmental authorities as well as all non-humanitarian activities following the 2009 coup d'état. Madagascar is ranked as "Tier 3"-- the lowest -- in the latest trafficking in persons (TIP) report, which also places additional funding restrictions on Madagascar.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**77,579**	**67,600**	**66,000**	**-1,600**
Development Assistance	1,350	-	-	-
Food for Peace Title II	22,932	17,000	17,000	-
Global Health Programs - State	500	500	-	-500
Global Health Programs - USAID	52,797	50,100	49,000	-1,100

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Madagascar	**77,579**	**67,600**	**66,000**	**-1,600**
3 Investing in People	**61,047**	**55,972**	**53,835**	**-2,137**
Development Assistance	**1,350**	**-**	**-**	**-**
3.1 Health	1,350	-	-	-
Food for Peace Title II	**6,400**	**5,372**	**4,835**	**-537**
3.1 Health	5,249	4,406	3,966	-440
3.3 Social and Economic Services and Protection for Vulnerable Populations	1,151	966	869	-97
Global Health Programs - State	**500**	**500**	**-**	**-500**
3.1 Health	500	500	-	-500
Global Health Programs - USAID	**52,797**	**50,100**	**49,000**	**-1,100**
3.1 Health	52,797	50,100	49,000	-1,100
4 Economic Growth	**9,122**	**7,655**	**8,589**	**934**
Food for Peace Title II	**9,122**	**7,655**	**8,589**	**934**
4.4 Infrastructure	2,617	2,196	1,976	-220
4.5 Agriculture	6,505	5,459	6,613	1,154
5 Humanitarian Assistance	**7,410**	**3,973**	**3,576**	**-397**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Food for Peace Title II	**7,410**	**3,973**	**3,576**	**-397**
5.1 Protection, Assistance and Solutions	2,676	-	-	-
5.2 Disaster Readiness	4,734	3,973	3,576	-397

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Madagascar	**77,579**	**67,600**	**66,000**	**-1,600**
3 Investing in People	**61,047**	**55,972**	**53,835**	**-2,137**
3.1 Health	59,896	55,006	52,966	-2,040
3.3 Social and Economic Services and Protection for Vulnerable Populations	1,151	966	869	-97
4 Economic Growth	**9,122**	**7,655**	**8,589**	**934**
4.4 Infrastructure	2,617	2,196	1,976	-220
4.5 Agriculture	6,505	5,459	6,613	1,154
5 Humanitarian Assistance	**7,410**	**3,973**	**3,576**	**-397**
5.1 Protection, Assistance and Solutions	2,676	-	-	-
5.2 Disaster Readiness	4,734	3,973	3,576	-397
of which: Objective 6	**3,230**	**4,733**	**3,788**	**-945**
6.1 Program Design and Learning	1,575	1,503	2,160	657
6.2 Administration and Oversight	1,655	3,230	1,628	-1,602

Investing in People

The political and economic situation has severely affected Madagascar's already fragile public health system. Inadequate and diminishing public sector health financing has exacerbated the already insufficient access to health services and has contributed to the shortage and uneven distribution of health personnel, the unavailability of drug and medical supplies in health facilities, and the poor internal administration of the health system. Madagascar's Ministry of Health has reported alarming increases in maternal mortality at the facility level as well as a precipitous drop in the number of women giving birth at facilities. Food insecurity has deepened, not only in the predominantly rural south and southeast but also in urban areas.

Food for Peace Title II: Health program interventions will focus on infant and child feeding, management of childhood illness, and reducing incidence of diseases arising from malnutrition and lack of access to safe drinking water or adequate sanitation. Activities will also strengthen resiliency and response to natural disasters in targeted populations. The program will also improve food security for urban households, provide additional resources to social protection centers, and promote building strong support networks among beneficiary families. U.S. assistance will also improve access to multi-use water supplies in the rural areas.

Global Health Programs (GHP): Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership. The United States Agency for International Development (USAID) will continue its humanitarian focus through life-saving prevention and treatment services to hard-to-reach rural populations, especially mothers, and children under five who live far from public health centers. U.S. assistance will increase the quality, availability, and demand for health services to reduce malaria morbidity and mortality; infant, child, and maternal mortality rates; and malnutrition, consistent with the goals and principles of the GHI.

- Family Planning/Reproductive Health: Funding will expand access to high quality voluntary family planning and other reproductive health information and services on a sustainable basis.

- Malaria: U.S. assistance under the President's Malaria Initiative (PMI) will expand efforts to scale up proven preventive and treatment interventions toward achievement of 85 percent coverage among vulnerable groups to support the PMI goal of reducing malaria-related morbidity by 50 percent. The FY 2013 request for Madagascar does not include the total projected funding for PMI. Decisions on allocations of centrally managed funds will be made at the time that the FY 2013 operating year budget is set.

- Maternal and Child Health: Funds will support an integrated maternal health package of information and services that includes community-based birth planning, pregnancy screening, early detection of obstetric and neonatal complications, and medical referrals, as well as distribution of iron, folic acid, and vitamin A. Clinical ante-natal care services will be provided through a network of social franchise private clinics. At the community level, funds will support integrated management of childhood illness through community case management for diarrhea, pneumonia, and malaria for children less than five years of age.

Economic Growth

A large portion of Madagascar's population survives on less than one dollar a day and two-thirds depend on agriculture, specifically small market agriculture, to meet basic needs. Therefore, technologically sound and dynamic rural development is essential to meeting primary food security needs.

Food for Peace Title II: Resources will be used to rehabilitate supportive infrastructure affected by recent natural disasters, such as irrigation canals and secondary roads. Additionally, agriculture programs will increase productivity and expand training in disaster-prone regions where agricultural production is low.

Humanitarian Assistance

Natural disasters occur frequently in Madagascar. Over the past 35 years, more than 60 natural disasters including cyclones, droughts, epidemics, floods, famines and locust infestations, have affected over half the population, causing significant damage. Building local capacity for disaster readiness and response is an important aspect of U.S. assistance. When equipped with relevant action plans and skills, communities are better prepared for disasters and are able to cope more effectively with threats to their health and well-being.

Food for Peace Title II: Funds for disaster preparedness will support planning preparedness and capacity building training in disaster readiness and response in communities at risk from cyclones, floods, or drought.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In FY 2011, USAID in Madagascar conducted several evaluations and continued to improve monitoring practices. Evaluations focused on: identifying priorities for designing new water and sanitation activities, reviewing the effectiveness of the community health worker model, and assessing the general performance of monitoring and evaluation systems in Food for Peace projects.

In addition, as part of the performance management plan for each technical office in USAID, monitoring visits and pipeline analyses are completed quarterly and data quality assessments are conducted at least once every three years for all indicators. Portfolio reviews are conducted annually. USAID's monitoring and evaluation policies and procedures were modified in FY 2011 to align with new agency policy and to improve overall performance management. In FY 2012 and FY 2013, USAID plans to continue improving its monitoring and evaluation practices. As part of the USAID Forward reform initiative, a contract will be awarded to a local organization to provide impact evaluation planning and support for the health program. USAID will also lay the ground work for the completion of a Country Development Cooperation Strategy. As part of this strategic planning process, USAID will conduct assessments for democracy and governance, agriculture, education, environment and gender in FY 2012.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: USAID was able to draw important conclusions and take actions based on its monitoring and evaluation efforts. Preliminary findings from the community health worker assessment will be used to improve the implementation and monitoring of local capacity building within integrated community health projects, and will guide strategic planning for future community health activities. The findings from the review of the water and sanitation activity changed the focus of the follow-on activities by prioritizing consolidation, graduation, and sustainability under the current activities' interventions.

More frequent monitoring site visits undertaken in FY 2011 resulted in USAID making informed improvements in community supply chain systems for family planning, maternal and child health, and malaria commodities. Also, recommendations from monitoring site visits led to tighter monitoring by USAID personnel and better warehouse management of food commodities by implementing partners.

Relating Past Performance to FY 2013 Plans: USAID will continue to make its largest investments in the health sector. With FY 2013 resources, the community health worker model will be maintained in scope with community health workers providing valuable health services to over 46 percent of the population. PMI activities will aim to reach a stage of malaria pre-elimination in-country within the next several years, and FY 2013 funding will be the key to achieving this critical milestone. The Food for Peace project will continue to expand its reach to more food insecure populations, with interventions to improve nutrition and agricultural production and mitigate the effects of natural disasters.

Malawi

Foreign Assistance Program Overview

U.S. assistance in Malawi will promote food security and agriculture-based economic growth and poverty reduction; preserve Malawi's unique biodiversity and its ability to mitigate climate change; strengthen public and private institutions for better delivery of social services; empower the private sector and civil society; and advance democracy, human rights and good governance. The United States will continue its partnership with the Government of Malawi (GOM), civil society, and other donors to address weaknesses and gaps that constrain the GOM's efforts to meet the basic needs of its citizens, support regional stability, and help the GOM remain a responsible actor on the international stage.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**172,571**	**161,233**	**145,768**	**-15,465**
Development Assistance	37,000	26,500	19,000	-7,500
Food for Peace Title II	20,728	18,000	11,000	-7,000
Global Health Programs - State	46,448	46,448	45,098	-1,350
Global Health Programs - USAID	67,995	70,000	70,400	400
International Military Education and Training	400	285	270	-15

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Malawi	**172,571**	**161,233**	**145,768**	**-15,465**
1 Peace and Security	**400**	**285**	**270**	**-15**
International Military Education and Training	**400**	**285**	**270**	**-15**
1.3 Stabilization Operations and Security Sector Reform	400	285	270	-15
2 Governing Justly and Democratically	**1,000**	**-**	**1,500**	**1,500**
Development Assistance	**1,000**	**-**	**1,500**	**1,500**
2.1 Rule of Law and Human Rights	300	-	500	500
2.3 Political Competition and Consensus-Building	200	-	500	500
2.4 Civil Society	500	-	500	500
3 Investing in People	**135,843**	**136,348**	**126,109**	**-10,239**
Development Assistance	**10,000**	**10,000**	**4,500**	**-5,500**
3.2 Education	10,000	10,000	4,500	-5,500
Food for Peace Title II	**11,400**	**9,900**	**6,111**	**-3,789**
3.1 Health	6,218	5,400	3,395	-2,005

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
3.3 Social and Economic Services and Protection for Vulnerable Populations	5,182	4,500	2,716	-1,784
Global Health Programs - State	**46,448**	**46,448**	**45,098**	**-1,350**
3.1 Health	46,448	46,448	45,098	-1,350
Global Health Programs - USAID	**67,995**	**70,000**	**70,400**	**400**
3.1 Health	67,995	70,000	70,400	400
4 Economic Growth	**35,328**	**24,600**	**17,889**	**-6,711**
Development Assistance	**26,000**	**16,500**	**13,000**	**-3,500**
4.5 Agriculture	15,000	8,000	8,000	-
4.6 Private Sector Competitiveness	1,000	-	-	-
4.8 Environment	10,000	8,500	5,000	-3,500
Food for Peace Title II	**9,328**	**8,100**	**4,889**	**-3,211**
4.5 Agriculture	9,328	8,100	4,889	-3,211

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Malawi	**172,571**	**161,233**	**145,768**	**-15,465**
1 Peace and Security	**400**	**285**	**270**	**-15**
1.3 Stabilization Operations and Security Sector Reform	400	285	270	-15
2 Governing Justly and Democratically	**1,000**	**-**	**1,500**	**1,500**
2.1 Rule of Law and Human Rights	300	-	500	500
2.3 Political Competition and Consensus-Building	200	-	500	500
2.4 Civil Society	500	-	500	500
3 Investing in People	**135,843**	**136,348**	**126,109**	**-10,239**
3.1 Health	120,661	121,848	118,893	-2,955
3.2 Education	10,000	10,000	4,500	-5,500
3.3 Social and Economic Services and Protection for Vulnerable Populations	5,182	4,500	2,716	-1,784
4 Economic Growth	**35,328**	**24,600**	**17,889**	**-6,711**
4.5 Agriculture	24,328	16,100	12,889	-3,211
4.6 Private Sector Competitiveness	1,000	-	-	-
4.8 Environment	10,000	8,500	5,000	-3,500
of which: Objective 6	**16,447**	**11,021**	**13,652**	**2,631**
6.1 Program Design and Learning	7,464	3,899	5,869	1,970
6.2 Administration and Oversight	8,983	7,122	7,783	661

Peace and Security

Regional instability represents a threat to Malawi's security and growth. U.S. assistance for stabilization operations and security sector reform contributes to enhance Malawi's capacity to conduct itself responsibly in the international system, and increases its ability to play a stabilizing role in regional affairs.

International Military Education and Training (IMET): U.S. assistance will continue a long relationship between the U.S. and Malawian militaries by professionalizing the Malawi Defense Forces (MDF) through training that reinforces civilian control of the military and fosters greater involvement in international peacekeeping. Funding will focus on defense, military, border security, disaster response and humanitarian assistance capacity building through training programs for senior and mid-level MDF officers.

Governing Justly and Democratically

While democracy in Malawi has improved since the establishment of a multi-party system in 1994, government policies, decisions, and management are conducted with minimal transparency and openness, and citizens are not sufficiently empowered to seek accountability from government. Local elections have not been held since 2000 and are not scheduled to occur until 2014. A number of controversial bills have become law: amendments to the Police Act granted new powers to search without a warrant; the ability to obtain injunctions against the government was restricted; and the Penal Code was amended, allowing the government to close down any media outlets publishing material against the public interest, and further criminalizing homosexual conduct. In 2011, the GOM and Malawi Police Service took a heavy handed response to demonstrations and 20 people who were not demonstrators died in the ensuing riots and chaos; the police have admitted to using live bullets. International concern over the downward democracy trend led to major donors, including the United Kingdom, Norway, the European Union, the World Bank, and Germany, suspending direct budget support in 2011. Despite these challenges, opportunities for progress still exist; there has been persistent push-back against restrictions on civil and political rights by civil society leaders, a small but vocal media, and foreign embassies.

Development Assistance: Assistance will strengthen Civil Society Organizations and independent media, building the capacity of local organizations to engage government, and ensuring development activities are transparent and accountable. A new project will seek to strengthen and expand the reach of the media. Assistance will also promote respect for human rights in Malawi, focusing particularly on freedom of assembly and speech, and protection of minority and disadvantaged groups including women, people with disabilities, and people who are lesbian, gay, bisexual, or transgender. U.S. assistance will include critical civic and voter education efforts in preparation for the 2014 Presidential, Parliamentary, and local elections. U.S. assistance programmed across sectors will include a democracy and governance focus to ensure that GOM partners are accountable, that systems are transparent, and that citizens are knowledgeable about their rights and how to ensure their government upholds them.

Investing in People

Malawi's impressive gains in health – the 2010 Demographic and Health Survey shows modern contraceptive use among married women rose from 7 to 42 percent, and fertility dropped from 6.7 to 5.7 births per woman since 1992 – are seriously challenged by a largely rural population and pervasive poverty. High rates of HIV/AIDS prevalence (10.6 percent), fertility (5.7 children per woman), infant mortality (66 per 1,000 live births), child under-five mortality (112 per 1,000 live births), and maternal mortality (675 per 100,000 live births), are exacerbated and compounded by a severe shortage of human resources for health, limited adoption of healthy behaviors, chronic malnutrition, frequent communicable disease outbreaks, and limited access to quality health services, especially for the most vulnerable groups. In education, increases in primary school enrollments have overcrowded the majority of primary schools, with pupil teacher ratios of 184:1 in the first year of school; and with insufficient pre- and in-service training or support for teachers.

Though access to education has improved, quality has suffered: 25 percent of students will drop out after the first year and an additional 20 percent will repeat first grade; only 38 percent of students will complete all eight years of primary school; and only 26 percent of sixth grade students can read and comprehend at their grade level. The low number of girls completing primary school remains the strongest barrier to further improved health outcomes.

Global Health Programs (GHP):
Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership. GHI resources support crosscutting priorities, including expanding access through technical assistance and service delivery; strengthening supply chain management; ensuring quality assurance, supervision, systems strengthening, and improving management information systems.

- Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR) – GHP-State and USAID: Malawi will receive significant support to build partnerships to provide integrated prevention, care, and treatment programs throughout the country and support orphans and vulnerable children.

- Tuberculosis (TB): Assistance will continue to support Malawi's five-year TB strategic plan to strengthen Directly Observed Treatment Short-Course programs by increasing case detection and the treatment of multi-drug resistance TB and TB/HIV co-infected individuals to reduce morbidity, mortality, and transmission. Enhancing TB/HIV programmatic integration at all levels and leveraging TB control interventions to strengthen overall health systems are also important elements of this strategy.

- Malaria: U.S. assistance under the Presidential Malaria Initiative (PMI) will expand efforts to scale up proven preventive and treatment interventions toward achievement of 85 percent coverage among vulnerable groups to support the PMI goal of reducing malaria-related morbidity by 50 percent. The FY 2013 request level for Malawi does not include the total projected funding for the PMI. Decisions on allocations of centrally-managed funds will be made at the time that the FY 2013 operating year budget is set.

- Maternal and Child Health: Assistance will continue to focus on quality of care in the provision of maternal health activities, increasing access and utilization of services by testing and scaling-up innovative and sustainable delivery approaches. Community-based child health services will be strengthened with a focus on village clinics and community health volunteers to deliver a package of high impact child health interventions aimed at prevention and management of childhood diarrhea, pneumonia, malaria, and malnutrition. Clinical mentoring, performance-based incentives, and supportive supervision of service providers at district and community levels will be incorporated into programming. Other activities will increase point-of-use water treatment products and safe water supply points, increase immunization for vaccine-preventable childhood diseases, and support polio eradication. The United States Agency for International Development (USAID) will work closely with the GOM to improve national capacity to train skilled providers in basic emergency obstetric and neonatal care.

- Family Planning/Reproductive Health (FP/RH): U.S. assistance will promote awareness of the importance of family planning and impact of rapid population growth on development through advocacy and social behavior change and communication. Other efforts will expand voluntary, quality family planning services within health facilities and through outreach and community-based distribution, including the provision of Depo-Provera at the community level. Family planning services will be improved through public information campaigns and enhanced provider skills. Other activities will promote an enabling environment for FP/RH and strengthen health commodity

logistics management, to ensure the availability of contraceptives and essential drugs at service delivery points.

- Nutrition: U.S. assistance will support community-based interventions focused on identification, treatment, referral and support, as well as food security and livelihoods initiatives. Where possible, nutrition activities will take advantage of the existing platforms in health and agriculture. New efforts will look at expanding nutrition surveillance and treatment into pre-existing pediatric HIV and TB sites. Although its focus will be on preventing childhood under-nutrition, assistance will continue to support community-based management of acute malnutrition (CMAM) and support the integration of CMAM into existing health care services. Resources will also develop the GOM's technical capacity to improve coordination and management of nutrition programs, including monitoring and evaluation such as developing indicators and data collection/reporting. Nutrition funds will support Feed the Future value chain activities through community-based interventions to help households improve their nutritional status.

Development Assistance:

- Basic Education: Assistance is focused on priority areas articulated in the Malawi National Education Sector Plan, the Malawi Education Sector Implementation Plan and the new Malawi Growth and Development Strategy II, and fully aligned with USAID's new Education Strategy. U.S. assistance will address issues of access, quality, and efficiency of primary education and capacity building at higher education levels, with an emphasis on disadvantaged children, including girls and orphans. Support will improve student learning outcomes, build and reinforce continuous teacher professional development, improve pre- and in-service training to incorporate teaching literacy as a skill to primary school teachers, strengthen Education Management Information Systems, support the decentralization process, and promote greater involvement of communities in education. Programs will also incorporate innovation and technology to extend benefits at lower costs and thus target a larger population. In support of USAID Forward, USAID will work directly with local partners that have been mentored as sub-recipients of U.S.-funded awards and have been identified as having sufficient capacity to manage funding directly.

Food for Peace Title II:

- Maternal and Child Health: Funds will contribute to the five-year Food for Peace (FFP) Multi-Year Assistance Program (MYAP) and target children less than five years of age, pregnant and lactating mothers, and health workers. This MYAP will improve nutrition and health behavior in vulnerable groups via the Care Group Model, which trains village mothers to provide basic healthcare to their peers. Activities include capacity building of health workers and mothers; improved nutrition through better food preparation, utilization, and preservation; rehabilitation of moderately malnourished children; community management of childhood illnesses; and support for kitchen gardens.

- Social Services and Protection for Especially Vulnerable People: Assistance will provide a basic level of food security to the most vulnerable to alleviate the widespread misery and suffering associated with economic, political and/or social shock. In collaboration with the GOM, other bilateral and multilateral institutions, and civil society, the United States will improve the nutritional status of households caring for orphans and vulnerable children and/or the chronically ill. A monthly food distribution program will include demonstrations on how to prepare the food and educational messages on HIV/AIDS and other health and nutrition topics. Program staff and home-based-care volunteers will provide the chronically ill with individual care at their homes, and support irrigation, kitchen gardening, and village savings and loan and care groups. PEPFAR funds

support the capacity building of care volunteers, project staff, and general mainstreaming of HIV/AIDS activities into the FFP Program.

Economic Growth

Despite the success of the GOM's Farm Input Subsidy Program, several factors continue to threaten Malawi's food security, such as erratic rainfall, small plot sizes, declining soil fertility, and the lack of livestock and credit to purchase inputs, coupled with a rapidly growing population. Agriculture remains the largest sector of the economy, employing 80 percent of the workforce and contributing 30 percent to GDP and 90 percent of foreign exchange earnings. However, poorly functioning input and output markets and inadequate infrastructure constrain the economic development of an overwhelming majority of the population. Many of Malawi's economic problems have their origins in the country's policy environment, where severe restrictions on the private sector and unfavorable monetary policies limit the expansion of the agriculture sector and possibilities for economic diversification. Increased host government and donor focus on coordination of agricultural development and food security activities, through the GOM's Agricultural Sector Wide Approach (ASWA) that is compliant with the African Union's Comprehensive Africa Agriculture Development Programme, is promising, yet slow to materialize. Climate change stands to greatly affect the country's development, as Malawi is the most densely populated country in Africa that relies upon one rainy season per year. Approximately 90 percent of arable land is rainfall-dependent, where the vast majority of the country's over 11 million smallholder farmers reside. The forest cover has reduced from 44 percent in the 1970s to 28 percent in the 1990s.

Development Assistance: Assistance will address the structural imbalance in supply and demand of food, increase the production and marketing of food staples, reduce food prices, and increase the incomes and revenue needed to buy food. Resources will also support biodiversity and climate change programs.

- Agriculture: As part of the President's Global Hunger and Food Security Initiative, Feed the Future (FTF), USAID will support the GOM's efforts to refine and implement a country-led comprehensive food security strategy to reduce hunger and increase economic growth through market-led agricultural development. Further discussion of FTF activities in Malawi is included in the FTF chapter.

- Environment: Biodiversity resources will protect the natural environment via alternative livelihoods for rural populations whose current livelihood strategies threaten Malawi's biodiversity. These funds will also promote conservation agriculture and sustainable tree planting to improve food security and reduce the pressure to overexploit neighboring forests. New Global Climate Change Adaptation and Sustainable Landscapes activities will promote better policies and practices for forestry and other natural resources management. This support will also pilot demonstration activities for REDD+ (Reducing Emissions from Deforestation and Forest Degradation), including carbon credits for applicable communities.

Food for Peace Title II: The Food for Peace program aims to move beneficiaries from subsistence toward commercial agricultural production, while improving their nutritional and health practices, in order to achieve food security and sustainable livelihoods. Activities include small-scale capacity building through training and extension services in agriculture production, marketing, natural resource management, irrigation technology, and village savings and loans. These activities will be implemented through, or in close cooperation with, farmer groups, community-based organizations and/or GOM extension agents and other staff.

Linkages with the Millennium Challenge Corporation

Malawi completed a Millennium Challenge Corporation (MCC) Threshold program in 2008. A five-year Compact for $350 million was signed in April 2011 but was placed on operational hold in July 2011 due to concerns over poor governance and lack of respect for human rights. The Compact has the potential to greatly enhance the impact of the United States' entire assistance portfolio, as it is designed to reduce energy costs to enterprises and households; increase productivity in the agriculture, manufacturing and services sectors; and support the preservation and creation of employment opportunities.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: USAID conducted a number of external program evaluations, studies, and assessments in FY 2011, to inform its new Country Development and Cooperation Strategy (CDCS): 2012-2016. These included: a dairy sector assessment, midterm evaluations of the integrated Basic Support to Institutionalizing Child Survival (BASICS) and Education Decentralization Support Activity (EDSA) projects, a global evaluation of the Tuberculosis Control Assistance Program (TBCAP), an Environmental Threats and Opportunities Analysis, a Sustainable Landscapes Assessment, and a Malawi and Public Financial Management Risk Assessment Stage 1.

In addition, USAID conducted substantial evaluative work in close collaboration with the U.S. Embassy, Peace Corps, and the Centers for Disease Control and Prevention to inform the United States' new Global Health Initiative plus (GHI+) strategy. This work was instrumental in setting programming priorities for FY 2011 and FY 2012 budget cycles.

In support of its CDCS and overall program management, USAID is currently undertaking or planning several other assessments in FY 2012, including: Integrating Nutrition into Value Chains (INVC) baseline survey and mid-term evaluation, midterm evaluations for Wellness Agriculture for Life Advancement (WALA), Malawi Strategic Analysis and Knowledge Support System project, and Malawi Teacher Professional Development Support (MTPDS) projects, and a final evaluation of the Support to Community-Based Therapeutic Care Project. For Feed the Future, USAID will conduct impact evaluations to answer specific development questions, such as whether nutritional outcomes are improved when agriculture and nutrition activities are integrated.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: While the BASICS evaluation demonstrated success and cost-effective interventions, it also found that the mother and father support group model in the nutrition sector was not cost-effective and was difficult to scale-up. As a result, USAID modified the program, substituting other essential nutrition actions such as a community therapeutic care approach, which is more cost effective, sustainable and broader in reach. The TBCAP evaluation found that there was poor data quality, which resulted in low case detection and notification rates. In response, USAID increased supervisory visits to districts to address shortfalls in capacity and knowledge of district officers, and is modifying the scope of work of the next TB program that will start in FY 2012.

The mid-term evaluation of EDSA found that the project achieved expected results in most major programmatic areas. These results include finalization and sensitization on national level education policies both at the district and sub-district levels; training of 1,084 school communities (5,420 individuals), all of which have developed School Improvement Plans (SIPs); and support for a total of 8,584 primary and secondary school boys and girls (Orphans and Vulnerable Children). The findings and recommendations from the mid-term evaluation will guide and inform resource allocation and implementation during the remainder of the EDSA project.

To aid strategic programming in the democracy and governance (DG) sector, a DG assessment was conducted in FY 2011, to serve as a key reference for USAID/Malawi's CDCS, DG-specific strategy, and new DG activities. The centrally-funded Legal Enabling Environment Project assessment of the legal situation in which NGOs operate (begun October 2011, to be completed early 2012) will also inform civil society work of the DG team in particular and the CDCS in general.

Relating Past Performance to FY 2013 Plans: USAID's health team contracted several key external evaluations in FY 2011: Malawi's Community Case Management program; Maternal and Child Health Improvement Program (M-CHIP), a global evaluation of which Malawi was one of the countries selected; PMI global evaluation that also selected Malawi; and the Community REACH (Rapid and Effective Action Combating HIV/AIDS) program, currently being finalized. These evaluations are providing lessons learned for USAID's portion of the Malawi GHI+ strategy and its attendant future or follow-on programs.

The Early Grade Reading Assessment (EGRA) of Standard 2 and 4 pupils was carried out in November, 2010. EGRA is an assessment of a child's reading skills and not tied to the Malawian National Education Curriculum. This baseline study shows alarmingly low trends in reading skills: 72.8 percent of Grade 2 students and 41.9 percent of Grade 4 students could not read a single word of the test story they were given, and only 3 percent of all students correctly answered four out of five reading comprehension questions. These results are helping to shape USAID Malawi's new Education strategy that is focused almost exclusively on improving reading skills of primary students in Malawi.

Mali

Foreign Assistance Program Overview

Mali's stable democratic government has been in place for almost two decades and has significantly reduced poverty and improved the quality of life for Malians. However, Mali, compared to other countries, remains near the bottom of the Human Development Index, notably in health and education. Despite its strong tradition of ethnic and religious tolerance and harmony, it faces growing security challenges in the north. In FY 2013, U.S. foreign assistance to Mali focuses on: strengthening and consolidating Mali's democratic institutions; promoting inclusive and sustainable agricultural growth; supporting literacy and educational development; improving key health indicators within the health sector as a whole, including malaria; and ensuring Mali's continued ability to manage threats in the North through participation in the Trans-Sahara Counterterrorism Partnership (TSCTP).

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**137,906**	**143,843**	**129,243**	**-14,600**
Development Assistance	71,143	72,143	66,143	-6,000
Food for Peace Title II	10,069	10,000	-	-10,000
Foreign Military Financing	200	200	-	-200
Global Health Programs - State	1,500	1,500	1,500	-
Global Health Programs - USAID	54,597	59,650	61,250	1,600
International Military Education and Training	397	350	350	-

Request by Program by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Mali	**137,906**	**143,843**	**129,243**	**-14,600**
Trans Sahara Counter-Terrorism Partnership (TSCTP)	**4,000**	**2,500**	**2,500**	**-**
Development Assistance	4,000	2,500	2,500	-
Other	**133,906**	**141,343**	**126,743**	**-14,600**
Development Assistance	67,143	69,643	63,643	-6,000
Food for Peace Title II	10,069	10,000	-	-10,000
Foreign Military Financing	200	200	-	-200
Global Health Programs - State	1,500	1,500	1,500	-
Global Health Programs - USAID	54,597	59,650	61,250	1,600
International Military Education and Training	397	350	350	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Mali	**137,906**	**143,843**	**129,243**	**-14,600**
1 Peace and Security	**4,597**	**3,050**	**2,850**	**-200**
Development Assistance	**4,000**	**2,500**	**2,500**	**-**
1.1 Counter-Terrorism	4,000	2,500	2,500	-
Foreign Military Financing	**200**	**200**	**-**	**-200**
1.3 Stabilization Operations and Security Sector Reform	200	200	-	-200
International Military Education and Training	**397**	**350**	**350**	**-**
1.3 Stabilization Operations and Security Sector Reform	397	350	350	-
2 Governing Justly and Democratically	**6,508**	**7,000**	**6,000**	**-1,000**
Development Assistance	**6,508**	**7,000**	**6,000**	**-1,000**
2.2 Good Governance	4,800	5,500	5,000	-500
2.4 Civil Society	1,708	1,500	1,000	-500
3 Investing in People	**80,760**	**90,150**	**82,750**	**-7,400**
Development Assistance	**20,635**	**25,000**	**20,000**	**-5,000**
3.1 Health	2,000	5,000	2,000	-3,000
3.2 Education	18,635	20,000	18,000	-2,000
Food for Peace Title II	**4,028**	**4,000**	**-**	**-4,000**
3.1 Health	4,028	4,000	-	-4,000
Global Health Programs - State	**1,500**	**1,500**	**1,500**	**-**
3.1 Health	1,500	1,500	1,500	-
Global Health Programs - USAID	**54,597**	**59,650**	**61,250**	**1,600**
3.1 Health	54,597	59,650	61,250	1,600
4 Economic Growth	**46,041**	**43,643**	**37,643**	**-6,000**
Development Assistance	**40,000**	**37,643**	**37,643**	**-**
4.2 Trade and Investment	2,000	1,000	1,000	-
4.3 Financial Sector	2,000	643	1,000	357
4.5 Agriculture	32,000	32,000	32,000	-
4.6 Private Sector Competitiveness	1,000	1,000	-	-1,000
4.7 Economic Opportunity	-	-	643	643
4.8 Environment	3,000	3,000	3,000	-
Food for Peace Title II	**6,041**	**6,000**	**-**	**-6,000**
4.5 Agriculture	6,041	6,000	-	-6,000

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Mali	**137,906**	**143,843**	**129,243**	**-14,600**
1 Peace and Security	**4,597**	**3,050**	**2,850**	**-200**
1.1 Counter-Terrorism	4,000	2,500	2,500	-
1.3 Stabilization Operations and Security Sector Reform	597	550	350	-200
2 Governing Justly and Democratically	**6,508**	**7,000**	**6,000**	**-1,000**
2.2 Good Governance	4,800	5,500	5,000	-500
2.4 Civil Society	1,708	1,500	1,000	-500
3 Investing in People	**80,760**	**90,150**	**82,750**	**-7,400**
3.1 Health	62,125	70,150	64,750	-5,400
3.2 Education	18,635	20,000	18,000	-2,000
4 Economic Growth	**46,041**	**43,643**	**37,643**	**-6,000**
4.2 Trade and Investment	2,000	1,000	1,000	-
4.3 Financial Sector	2,000	643	1,000	357
4.5 Agriculture	38,041	38,000	32,000	-6,000
4.6 Private Sector Competitiveness	1,000	1,000	-	-1,000
4.7 Economic Opportunity	-	-	643	643
4.8 Environment	3,000	3,000	3,000	-
of which: Objective 6	**12,972**	**14,920**	**15,670**	**750**
6.1 Program Design and Learning	3,944	5,930	5,435	-495
6.2 Administration and Oversight	9,028	8,990	10,235	1,245

Peace and Security

The Peace and Security program will promote military professionalism, advance respect for human rights, and strengthen the capacity of the Government of Mali (GOM) to counter terrorist and criminal threats and to participate in peacekeeping operations.

Development Assistance: U.S. funding will reduce acute poverty and weak institutional capacity that can be exploited by extremist groups. In FY 2013, funds will continue to provide education and entrepreneurial skills training to out-of-school youth and engage youth through community service. These activities will decrease the likelihood that at-risk youth will engage in illicit activities or adopt extremist ideology. The U.S. Government will also continue to support radio stations in vulnerable communities in the north. This program will produce development-related content that incorporates conflict resolution programming; provide technical training to community management committees to improve their technical and management skills; and disseminate revenue-generating technologies to ensure the sustainability of the radio stations.

International Military Education and Training (IMET): Since 1985, the IMET program has sponsored attendance at U.S. professional military schools for approximately 156 Malian military officers and non-commissioned officers. Such assistance has resulted in stronger military-to-military relations and enhanced Malian appreciation for democratic values. IMET training focuses on professionalizing the

military forces, thereby helping Mali to counter extremist threats. Graduates of IMET-funded courses have been key actors during the planning and execution of bilateral and regional security cooperation activities in Mali.

Governing Justly and Democratically

In 1999, the newly-adopted constitution devolved considerable authority to autonomous sub-national governments. The Ministry of Education has begun to devolve significant resources to local governments, but the process has been slow and uneven in other government sectors, due in part to some of the lowest literacy rates in the world and an acute lack of administrative capacity. In 2007 and 2009, Mali carried out national and local elections peacefully and transparently; however, voter turnout was low and election observers noted poor management of voting procedures at polling stations. USAID and a small group of other donors are providing assistance to the presidential and legislative elections, scheduled for the spring of 2012. USAID governance programming is focused primarily at the commune (i.e., county government) level, which complements the contributions of other donors that target capacity-building activities primarily toward central and regional governments.

Development Assistance: USAID programs will provide training to mayors, communal council members, and civil society organizations. The training will enable these entities to design and manage the delivery of health, education, agricultural outreach, water, and other services to constituents.

- FY 2013 funding will provide technical support to 154 local governments to develop their five-year development plans and annual budgets, to implement the planned activities, and to report results to the electorate in a transparent manner.
- USAID will provide new targeted support to reinforce the democratic culture of civil society organizations (CSOs) at both the local and national level. This program will enhance civic participation by training CSOs in policy analysis, advocacy, and coalition building, as well as by disseminating information on important policy issues and legislation.
- Funds will be used to energize the network of community radio stations, which presently reaches 90 percent of Mali's population, or approximately 12 million people. USAID programs will provide equipment and program content, as well as training to Malian journalists in news reporting. The program will enhance professionalism of the media, ensuring access to more accurate, politically neutral, and relevant news.

Investing in People

Mali continues to face serious challenges in both the health and education sectors. Health indicators in Mali are close to the bottom, even in sub-Saharan Africa. Malaria is the single biggest health problem, and the maternal mortality rate is high at 464 per 100,000. HIV prevalence, at 1.3 percent, is low compared with other countries in sub-Saharan Africa; however, the rate among female sex workers is 24 percent. USAID is a technical leader in the health sector in Mali and provides national-level technical guidance, as well as assisting to bring new programs to scale in the country's most under-served areas.

Thanks to GOM leadership and coordinated donor support, primary school enrollment increased significantly in the last five years. However, gross enrollment is still only 81.5 percent. Girls lag behind in both attendance and performance. Only half of all girls who enroll in primary school finish the sixth grade, and literacy rates for both boys and girls remain lower than nearly all countries with similar socio-economic indicators. USAID differentiates itself from other donors by working with each level of the GOM's education sector, from the national level, providing direct budgetary assistance, to the local level, strengthening school systems and promoting decentralization.

Development Assistance (DA):
Basic Education: U.S. funding will be used to improve the quality of education inside the classroom, as well as surrounding support systems. Continued emphasis will improve the quality of teacher training, increase the quantity of appropriate learning materials in Malian schools, monitor and evaluate changes in teacher behavior and student performance, and help the GOM implement its reformed national curriculum. Requested FY 2013 funding is aligned to the Ministry of Education's (MOE) priorities under the Global Partnership for Education.

- A continued national program of radio instruction will increase access to quality primary education by reinforcing students' literacy skills and helping teachers ensure that students acquire reading competencies prior to primary school graduation.
- USAID continues to work with the GOM in decentralizing the educational system, empowering local communities to identify their needs and allocate their resources accordingly. In 75 target communes and approximately 800 target primary schools, programs will reinforce linkages among school communities, local governance organizations at the commune level, and the MOE to improve education planning and monitoring.
- The out-of-school youth program (developed in partnership with USAID's economic growth and governance programs) will equip 12,000 children and youth who have dropped out of school with literacy, life skills, and vocational competencies, helping them integrate into their socio-economic communities. Over 5,000 children and youth will complete the program this year.
- A U.S.-funded program implemented in FY 2011 supports key GOM education priorities. It will increase access to quality upper primary education, improve relevancy of curricula, and provide quality pre-service and in-service teacher training. This program has a particular emphasis on creating safe schools for girls and promoting gender awareness in the classroom.
- New direct assistance to the GOM in education will help the MOE continue its curriculum reform plans and evaluate the efficiency of its activities.

U.S. funds will reduce acute poverty and weak institutional capacity that can be exploited by extremist groups. In FY 2013, DA will continue to provide education and entrepreneurial skills training to out-of-school youth, and engage youth through community service. These activities will decrease the likelihood that at-risk youth will engage in illicit activities or adopt extremist ideology. The U.S. Government will also continue to support radio stations in vulnerable communities in the north. This program will produce development-related content that incorporates conflict resolution programming; provide technical training to community management committees to improve their technical and management skills; and disseminate revenue-generating technologies to ensure the sustainability of the radio stations.

Water Supply and Sanitation: U.S. funds will be used to address potable water supply and sanitation at the household-level using proven, evidence-based approaches.

- Funds will expand at the national level a point-of-use water treatment product launched via social marketing, as well as behavior change communication to promote safe drinking water.
- USAID will invest in low-cost, community-led approaches to increase access to household latrines, to promote hand washing with soap, and to improve community-level sanitation.

Global Health Programs:
U.S. assistance provided through the Global Health Programs accounts will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership. USAID will continue to help the Ministry of

Health and local communities fight malaria and promote maternal and child health. USAID's health program balances capacity building and system strengthening for the GOM at the central, regional, and district levels and provides technical assistance to improve service delivery at the community and health facility level. Under the GHI, USAID programs will assist the Ministry of Health to develop its next ten-year health strategy, which aims to improve service delivery and overall health outcomes. USAID will work to strengthen key health systems, including the national health commodity management and distribution system and the health information system. This will ensure more consistent availability at the service delivery level and more accurate data for better decision-making.

Linkages with the President's Emergency Plan for AIDS Relief: Mali will receive significant U.S. support to build partnerships to provide integrated prevention, care, and treatment programs throughout the country, and support orphans and vulnerable children.

Malaria: U.S. assistance under PMI will expand efforts to scale up proven preventive and treatment interventions toward achievement of 85 percent coverage among vulnerable groups to support the PMI goal of reducing malaria-related morbidity by 50 percent. The FY 2013 request level for Mali does not include the total projected funding for PMI. Decisions on allocations of centrally-managed funds will be made at the time that the FY 2013 operating year budget is set.

Maternal and Child Health: U.S. assistance will continue to improve the overall quality and accessibility of key interventions. These include essential newborn care, immunization, nutrition programs, antenatal care, birth preparedness, and prevention of postpartum hemorrhage. Under GHI, innovative activities such as improving service delivery through private sector providers working at public sector delivery points and using community health workers to make health services more available at the community level will be expanded to cover the entire country.

Family Planning and Reproductive Health: U.S. assistance in family planning and reproductive health will increase access to high-quality, voluntary family planning services. It will have a significant emphasis on the needs of post-partum women, 70 percent of whom currently report unmet family planning needs. Programs geared toward men will enhance the ability of couples to make family-planning decisions, particularly with regard to the timing and spacing of births.

Nutrition: U.S. funds will scale-up evidence-based, high-impact nutrition interventions to reduce mortality and morbidity of women and children. Activities will focus on infant and young child feeding, improved screening efforts, home-based gardens, and micronutrient supplements.

Economic Growth

An underdeveloped agricultural sector and immature market systems hinder Mali's ability to become food secure and achieve more broad-based economic growth. Only seven percent of Mali's 43.7 million arable hectares of land is currently cultivated; only 14 percent of 2.2 million hectares of potentially irrigable lands is currently irrigated; much production provides for only bare subsistence; and 29 percent of the population is malnourished. The GOM, in partnership with members of the private sector and civil society, have demonstrated commitment to addressing these shortcomings. It has formulated a five-year National Agricultural Plan that coordinates investment in a sector-wide strategy to increase agricultural productivity and growth. Through the President's Global Hunger and Food Security Initiative, Feed the Future (FTF), the United States will work with the GOM to increase agricultural productivity, trade, and nutrition. Investments in small-scale irrigation and storage infrastructure, in expanding access to good seeds and fertilizer, and in applied research and technology disseminated through extension services will increase production, yields and productivity, and trade revenues in essential cereal grains and livestock.

U.S. funding through Feed the Future will support the efforts of the Government of Mali to implement the country-led comprehensive food security strategy it has designed. These strategies aim to reduce hunger and increase economic growth through market-led agricultural development. Potential Accelerated Investment Countries will be reviewed annually to evaluate their eligibility for becoming Phase II countries and thus, potentially higher investment levels.

The U.S. Government coordinates with other donors to ensure program complementarities in technical and geographic areas. For example, USAID's focused work in animal productivity and health contributes to an overall increase in livestock trade by complementing other donors' downstream value chain activities.

Development Assistance: Economic growth initiatives will increase agricultural productivity, expand trade, contribute to improved nutrition, and enhance Malian resiliency to climate change. USAID will gradually increase its use of GOM and other local systems to implement projects; it will also increase private sector engagement through more Public-Private Partnerships and Development Credit Authority partnerships.

- U.S. funding emphasizing a value chain approach will help farmers increase production at the lowest possible cost, and improve storage, processing, and marketing of agricultural commodities. Sorghum and millet, rice, and livestock will be the priority value chains. Infrastructure investments in small irrigation systems, storage facilities, and water access points will allow smallholders, pastoralists, and agricultural cooperatives to increase their yields and quality in order to garner better prices.
- U.S. funding will enhance agricultural trade by promoting strong private sector engagement, reinforcing norms and standards, strengthening farmer links to markets, improving the policy and regulatory environment, and improving market information and technology. Expanding access to credit, to improved inputs, and to affordable business development services, including financial and risk management, will strengthen production and return for producers, processors, and traders, thus contributing to economic growth while raising Mali's capacity to be sustainably food secure.
- Mali relies heavily on rain-fed agriculture to meet its foods security needs, and is projected to be one of the countries most affected by increasingly variable temperatures and rainfall. U.S. funding will improve Mali's adaptation and resilience to climate change effects. It will expand climate change science and analysis, enabling the government, private sector and civil society to make better decisions in responding to climate change effects; and support the implementation of adaptation solutions in agricultural and natural resources management. Examples of such solutions include the construction and rehabilitation of small irrigation systems, water access points, and the research and dissemination of improved soil and water management technologies.
- U.S. funding will support improved government policies that enhance agricultural production, trade, food security, and climate change. It will also develop the capacity of key GOM institutions to plan, implement, monitor, and evaluate policies and programs in these areas. Examples include analysis and advocacy for reduced non-tariff barriers, the harmonization of GOM laws with regional trade policies, and expanding the capacity of the lead planning unit within the Ministry of Agriculture to better collect, analyze, and use data.

Linkages with the Millennium Challenge Corporation

The Millennium Challenge Corporation (MCC) and its Malian counterpart entered into a five-year, $461 million Compact on September 17, 2007. The Compact is aimed at increasing agricultural production and productivity by about 5,000 hectares of irrigated fields in the Altoona zone of northern Mali, and by expanding Mali's access to markets by re-building the airport runway and construction of a new terminal and related infrastructure in Bamako. MCC investments will improve market access for local producers, strengthen value-added production, and increase primary sector productivity. U.S.-funded activities will

continue to reinforce the governance capacity and policy/regulatory framework key to sustaining the benefits of this major investment beyond the expiration of the Compact in September 2012, including support to education, health, and governance. USAID is working with the MCC to complete a model of decentralized and integrated development engaging smallholder farmers. With the Feed the Future initiative, USAID and MCC will work in complementary ways to strengthen local membership-based organizations for adoption of agricultural best practices and appropriate water management that will help transform the agricultural sector in Mali. Both MCC and USAID continue to monitor progress of the Compact, Mali's performance on the MCC indicators, and USAID's activities to determine additional synergies.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The U.S. Government evaluates program performance and uses the results to inform the budget and planning process. For example, USAID conducts semi-annual performance reviews and quarterly financial reviews; the Office of Security Cooperation and the Defense Attaché Office conduct periodic performance reviews. Given the importance of Performance Management Plans (PMPs) in providing data to inform decision making, USAID revised its health PMP in 2011 and will revise its FTF PMP in 2012.

In FY 2011, the U.S. Government conducted many evaluations and strategic planning exercises that inform both current and future programming. USAID evaluated its TSCTP strategy through a process that included extensive interviews with stakeholders involved in implementation, as well as other donors. USAID commissioned an evaluation of its last ten years of social marketing activities in Mali to inform new project design. USAID also coordinated with other development partners to assist the GOM evaluate its health programs over the last ten years so that results can inform future health programming for both the GOM and the United States. In education, USAID conducted the second Early Grade Reading Assessment (EGRA); results identified best practices for adapting curriculum to students' native languages. In 2012, USAID will evaluate its direct assistance to the GOM for curriculum reform. In FY 2011, USAID consulted extensively with the GOM, U.S. agencies, and other partners to develop the Feed the Future strategy for Mali. As part of the strategic planning process, USAID conducted a comprehensive Agricultural Sector Assessment to inform programming and strategy development.

In FY 2011, the Office of Security Cooperation and the Defense Attaché Office conducted periodic performance evaluations of both the IMET and FMF programs in order to determine the effectiveness and applicability of their respective activities.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Evaluation findings will guide strategic programming and new project design in FY 2012 and FY 2013. The TSCTP evaluation recommended a new programming approach for 2012 that positions the U.S. government to visibly contribute to the GOM's efforts in the North that establish a greater presence in ungoverned areas across a range of program areas (e.g., health, education, economic, governance). The social marketing evaluation results are shaping USAID's new project that combines social marketing and behavior change communication activities for all health technical areas into one integrated project, with a focus on sustainability and scaling-up proven interventions. EGRA results influenced USAID education programming through its conclusions on the specific instruction areas that improve literacy rates. The 2012 evaluation of U.S. direct assistance to the GOM will inform decision-making on the U.S. Government's level of direct support to the GOM for curriculum reform efforts.

USAID's consultative FTF strategic planning process produced a strategy that aligns closely with GOM development goals and refocuses investments on more targeted technical and geographic areas. As a

result, programming assists Mali improve food security, raise rural incomes, and increase its agricultural growth rate by working in close partnership with the GOM and with a wider range of development partners.

The Office of Security Cooperation and the Defense Attaché Office engaged regularly with the Malian military. This direct observation combined with the feedback provided by after-action reports from training teams determined which IMET courses and FMF purchases are providing the most effective return on investment.

Relating Past Performance to FY 2013 Plans: The U.S. Government anticipates particular programmatic impacts in health, education, and Feed the Future. USAID will fund the 2012 Mali Demographic and Health Survey. This national survey will provide current information on the maternal and child health status of Malians, and will help measure the impact of USAID and other public health programs. Additionally in 2012, USAID will undertake a comprehensive portfolio assessment of its health investments. Surveys and assessments of health status and programming in Mali will be used as the basis for designing new USAID health procurements in 2013. The new 2013 health portfolio will use evidence-based interventions to reduce maternal and child mortality, unmet need for family planning, and the prevalence of HIV. USAID will build on lessons learned from the monitoring and evaluation of its current FTF activities to program FY 2013 funds to results-oriented FTF activities.

USAID expects to see modest-to-large dividends from its direct assistance to the GOM's education sector, related to its ongoing curriculum reform efforts. While curriculum reform is beginning modestly (only the first grade, affecting approximately 200,000 students), USAID expects the new curriculum to have an immediate impact on student literacy outcomes. If the evaluation of direct assistance shows positive results, USAID's education team expects to increase funding to the GOM so that it can continue to scale up curriculum reform activities. In FY 2013, USAID anticipates improvement in the basic service delivery in the North through citizen engagement in small-scale development activities that target instability in local communities and establish a positive presence by the GOM in the region.

Mauritania

Foreign Assistance Program Overview

U.S. foreign assistance supports the Mauritanian Government's ongoing and substantial counterterrorism and counter-radicalization efforts through the professionalization of its military.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**5,442**	**5,350**	**150**	**-5,200**
Food for Peace Title II	5,058	5,000	-	-5,000
Foreign Military Financing	200	200	-	-200
International Military Education and Training	184	150	150	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Mauritania	**5,442**	**5,350**	**150**	**-5,200**
1 Peace and Security	**384**	**350**	**150**	**-200**
Foreign Military Financing	**200**	**200**	**-**	**-200**
1.3 Stabilization Operations and Security Sector Reform	200	200	-	-200
International Military Education and Training	**184**	**150**	**150**	**-**
1.3 Stabilization Operations and Security Sector Reform	184	150	150	-
3 Investing in People	**3,272**	**2,890**	**-**	**-2,890**
Food for Peace Title II	**3,272**	**2,890**	**-**	**-2,890**
3.1 Health	2,326	2,000	-	-2,000
3.3 Social and Economic Services and Protection for Vulnerable Populations	946	890	-	-890
4 Economic Growth	**1,786**	**2,110**	**-**	**-2,110**
Food for Peace Title II	**1,786**	**2,110**	**-**	**-2,110**
4.7 Economic Opportunity	1,786	2,110	-	-2,110

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Mauritania	**5,442**	**5,350**	**150**	**-5,200**
1 Peace and Security	**384**	**350**	**150**	**-200**
1.3 Stabilization Operations and Security Sector Reform	384	350	150	-200
3 Investing in People	**3,272**	**2,890**	**-**	**-2,890**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
3.1 Health	2,326	2,000	-	-2,000
3.3 Social and Economic Services and Protection for Vulnerable Populations	946	890	-	-890
4 Economic Growth	**1,786**	**2,110**	**-**	**-2,110**
4.7 Economic Opportunity	1,786	2,110	-	-2,110

Peace and Security

The attacks and recruitment efforts by al-Qaeda in the Islamic Maghreb (AQIM) in Mauritania throughout 2011, as well as recent AQIM activity across the Sahel, have caused the Government of the Islamic Republic of Mauritania (GIRM) to bolster its counterterrorism and counter-radicalization efforts. These efforts include collaborating regionally in the Sahel and with Maghreb nations, as well as making security their top domestic concern. U.S.-funded assistance programs address the issues of border security, counterterrorism, and military professionalization by providing training.

International Military Education and Training (IMET): Funds support professionalization of the Mauritanian military with technical and English language training. U.S. assistance will address the lack of English-speaking military officers, which remains an impediment to ongoing interoperability with other military forces and to participation in international peacekeeping operations.

Mauritius

Foreign Assistance Program Overview

Mauritius is a strong partner with the United States in combating maritime piracy in the Indian Ocean. U.S. foreign assistance to Mauritius focuses on strengthening the Government of Mauritius' coastal and maritime security capabilities.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**155**	**120**	**90**	**-30**
International Military Education and Training	155	120	90	-30

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Mauritius	**155**	**120**	**90**	**-30**
1 Peace and Security	**155**	**120**	**90**	**-30**
International Military Education and Training	**155**	**120**	**90**	**-30**
1.3 Stabilization Operations and Security Sector Reform	155	120	90	-30

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Mauritius	**155**	**120**	**90**	**-30**
1 Peace and Security	**155**	**120**	**90**	**-30**
1.3 Stabilization Operations and Security Sector Reform	155	120	90	-30

Peace and Security

As one of few countries with the legal capacity to accept and prosecute piracy cases, Mauritius plays a key role in U.S. counter-piracy efforts in the region. Mauritius recently executed an agreement with the European Union (EU) to accept and try piracy cases. The U.S. Government is working to establish a similar memorandum of understanding with the Government of Mauritius. Foreign assistance efforts will focus on building the maritime security capabilities of the country and training mid-level Mauritian government officers on counter-piracy issues.

International Military Education and Training (IMET): IMET programs seek to enhance leadership and professionalize the Mauritian security forces, which will enhance their ability to contribute to coastal security, including curbing smuggling and illegal fishing. IMET funds will provide military training in a variety of areas, including anti-trafficking, peacekeeping, civil-military interaction, maritime security, and military leadership. This U.S. assistance will continue to enhance the capability and professionalism of the Mauritian security forces.

Mozambique

Foreign Assistance Program Overview

U.S. assistance to Mozambique promotes an integrated approach that addresses long- and short-term social, economic, and health constraints. Strengthening political participation, ensuring transparency, and developing capacity in the security sectors are major challenges for democratic governance. The U.S. assistance program seeks to stimulate private sector growth, improve agricultural productivity and food security, strengthen civil society participation in political processes, reduce corruption, improve capacity to respond to immediate health needs, expand opportunities for quality education, and build Mozambican capacity to address national and regional security issues. U.S. assistance will support USAID Forward and Quadrennial Diplomacy and Development Review (QDDR) priorities. Specifically, U.S. assistance efforts will build capacity through more direct partnerships with non-governmental organizations (NGOs) and the Government of Mozambique (GRM) across the Mission portfolio, with a careful focus on risk management and organizations' adequate capacity to manage funds.

The United States Government (USG) and the GRM share a vision for Mozambique as a model of post-conflict transition with a transparent, accountable government that responds to the needs of the population. The civil unrest in 2010 sparked by price increases in staple foods, fuel, and public utilities reflect the continuing potential for volatility, and led the government to put greater priority on agriculture and job creation in the country's recently approved Poverty Reduction Strategy. While civil society typically plays a critical role in strengthening democratic local governance, Mozambican civil society still lacks capacity to educate citizens, advocate on their behalf, and serve as a government watchdog. Economic growth rates have been consistently high, but half the population survives on less than one dollar a day; 11.5 percent of the adult population is infected with HIV/AIDS; an estimated 44 percent of children are chronically malnourished; and millions are vulnerable to malaria and other deadly diseases.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**387,143**	**380,489**	**316,211**	**-64,278**
Development Assistance	39,165	37,165	37,477	312
Food for Peace Title II	20,449	20,000	-	-20,000
Global Health Programs - State	261,953	255,239	209,739	-45,500
Global Health Programs - USAID	62,674	65,200	66,600	1,400
International Military Education and Training	402	385	370	-15
International Narcotics Control and Law Enforcement	500	500	500	-
Nonproliferation, Antiterrorism, Demining and Related Programs	2,000	2,000	1,525	-475

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Mozambique	**387,143**	**380,489**	**316,211**	**-64,278**
1 Peace and Security	**2,902**	**2,885**	**2,395**	**-490**
International Military Education and Training	**402**	**385**	**370**	**-15**
1.3 Stabilization Operations and Security Sector Reform	402	385	370	-15
International Narcotics Control and Law Enforcement	**500**	**500**	**500**	**-**
1.3 Stabilization Operations and Security Sector Reform	200	300	275	-25
1.5 Transnational Crime	300	200	225	25
Nonproliferation, Antiterrorism, Demining and Related Programs	**2,000**	**2,000**	**1,525**	**-475**
1.3 Stabilization Operations and Security Sector Reform	2,000	2,000	1,525	-475
2 Governing Justly and Democratically	**5,205**	**3,480**	**5,000**	**1,520**
Development Assistance	**5,205**	**3,480**	**5,000**	**1,520**
2.2 Good Governance	1,890	-	1,000	1,000
2.3 Political Competition and Consensus-Building	-	530	600	70
2.4 Civil Society	3,315	2,950	3,400	450
3 Investing in People	**343,311**	**337,874**	**284,799**	**-53,075**
Development Assistance	**8,460**	**7,435**	**8,460**	**1,025**
3.1 Health	2,460	1,230	2,460	1,230
3.2 Education	6,000	6,205	6,000	-205
Food for Peace Title II	**10,224**	**10,000**	**-**	**-10,000**
3.1 Health	10,224	10,000	-	-10,000
Global Health Programs - State	**261,953**	**255,239**	**209,739**	**-45,500**
3.1 Health	261,953	255,239	209,739	-45,500
Global Health Programs - USAID	**62,674**	**65,200**	**66,600**	**1,400**
3.1 Health	62,674	65,200	66,600	1,400
4 Economic Growth	**35,725**	**36,250**	**24,017**	**-12,233**
Development Assistance	**25,500**	**26,250**	**24,017**	**-2,233**
4.5 Agriculture	18,000	18,000	18,000	-
4.6 Private Sector Competitiveness	-	250	-	-250
4.8 Environment	7,500	8,000	6,017	-1,983
Food for Peace Title II	**10,225**	**10,000**	**-**	**-10,000**
4.5 Agriculture	10,225	10,000	-	-10,000

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Mozambique	**387,143**	**380,489**	**316,211**	**-64,278**
1 Peace and Security	**2,902**	**2,885**	**2,395**	**-490**
1.3 Stabilization Operations and Security Sector Reform	2,602	2,685	2,170	-515
1.5 Transnational Crime	300	200	225	25
2 Governing Justly and Democratically	**5,205**	**3,480**	**5,000**	**1,520**
2.2 Good Governance	1,890	-	1,000	1,000
2.3 Political Competition and Consensus-Building	-	530	600	70
2.4 Civil Society	3,315	2,950	3,400	450
3 Investing in People	**343,311**	**337,874**	**284,799**	**-53,075**
3.1 Health	337,311	331,669	278,799	-52,870
3.2 Education	6,000	6,205	6,000	-205
4 Economic Growth	**35,725**	**36,250**	**24,017**	**-12,233**
4.5 Agriculture	28,225	28,000	18,000	-10,000
4.6 Private Sector Competitiveness	-	250	-	-250
4.8 Environment	7,500	8,000	6,017	-1,983
of which: Objective 6	**32,755**	**25,851**	**14,885**	**-10,966**
6.1 Program Design and Learning	13,618	14,052	9,057	-4,995
6.2 Administration and Oversight	19,137	11,799	5,828	-5,971

Peace and Security

Mozambique, with 1,534 miles of coastline and land borders with six countries, is vulnerable to transit by terrorists, smugglers, and human traffickers. Assistance programs will continue to address counterterrorism and counter-narcotics concerns and will provide equipment and training, with an emphasis on maritime and border security efforts.

International Military Education and Training (IMET): Assistance will enhance regional security efforts by improving the Mozambican military's control of ungoverned spaces, particularly maritime spaces, and support the GRM's efforts to participate in regional peacekeeping operations. Counter-terrorism training with a focus on maritime domain awareness to prevent the transit of terrorists and trafficking of arms, drugs, and people through a porous coastline will remain a priority in light of continuing activity in the region.

International Narcotics Control and Law Enforcement (INCLE): Funds will strengthen the effectiveness of law enforcement in Mozambique. Trainings of and institutional support to Mozambican border enforcement agents will increase their knowledge and border management effectiveness. Assistance will also help build the GRM's capacity to investigate corruption and financial crimes, along with other transnational crimes.

Nonproliferation, Antiterrorism, Demining and Related Programs (NADR): U.S. assistance will continue to support Mozambique in reaching its objective of being mine-impact free by 2015, particularly in

agricultural areas and population centers. This demining effort will include advocacy and safety awareness.

Governing Justly and Democratically

Systemic corruption and a lack of capacity continue to undermine the GRM's accountability and effectiveness. Political competition is weak and electoral competition and checks and balances within government are highly limited. The political system is dominated by one political party.

Development Assistance (DA): U.S. programming will increase transparency and empower Mozambican organizations fighting against corruption, strengthen the media sector, invest in improving the electoral system, improve local governance, and encourage greater citizen participation in governance processes. Democracy and governance programs will combat backsliding and increase the sustainability of the United States' sizable investment across sectors in the country. Programs will improve the policy reform and formulation processes, which are too often crafted with insufficient input from politically impartial experts and the citizens most affected by the policies. Assistance will strengthen the capabilities of civil society advocacy organizations, the independent media, and government agencies committed to combating corruption, such as the Attorney General's Office. With a sizable portion of the country's Gross Domestic Product gained from mining, U.S. programs will also support the Extractive Industries Transparency Initiative. Additionally, all U.S. assistance will seek to improve governance by including anti-corruption and civil society components through training and technical assistance.

Investing in People

Life expectancy in Mozambique is 50 years primarily due to the impact of major preventable and treatable diseases as malaria, HIV/AIDS, water-borne disease, and tuberculosis. Approximately 95 out of every 1,000 Mozambican children will die before their first birthday. Mozambique has only three doctors and 21 nurses per 100,000 people, reflecting one of the most dire health personnel shortages in the world. Currently, more than half of Mozambicans walk over one hour to reach the nearest health facility. Approximately half of existing health centers lack water and/or electricity. The World Health Organization estimates that only 31 percent of Mozambicans have access to improved sanitation, and at an average of less than 10 liters per day of water, Mozambique has one of the lowest levels of per capita water consumption in the world. U.S. support for the health sector is a high priority for the GRM, and the focus of the United States' health portfolio is on systems strengthening, treatment for HIV and the integration of related services, human capacity development, and infrastructure.

Between 2003 and 2010, the number of children in Mozambique's primary schools (grades 1-7) nearly doubled from 3.3 million to 5.3 million, with an average growth rate of 8 percent per year. However, the Government's capacity to enhance school quality has not kept up with its ability to expand access. The rapid expansion of access has placed intense pressure on school management, teaching personnel, and the overall quantity and quality of effective classroom instruction, resulting in a large number of overcrowded multi-shift schools, growing student/teacher ratios, and plummeting reading and math test scores. The Ministry of Education reports that less than half of the population finishes primary school, and of those who do finish, only eight percent transition to secondary school. Mozambique's overall literacy rate is 47 percent; female literacy (28 percent) lags behind that of males (60 percent).

Access to clean water and basic sanitation services remains a serious development concern in Mozambique. Despite significant investment by donors over the past ten years, improvements in water supply have been modest.

Global Health Programs (GHP): Assistance provided through the GHP accounts is tightly integrated and will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership.

- Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR) – GHP-State and USAID: Mozambique will receive significant support to build partnerships to provide integrated prevention, care, and treatment programs throughout the country and support orphans and vulnerable children.

- Tuberculosis: Mozambique has a high tuberculosis (TB) burden and is ranked third in estimated TB mortality rates among the 22 highest TB-burden countries in the world. U.S. assistance seeks to reduce the TB prevalence rate in-country and to increase overall case detection. Ongoing programs will continue to support the Ministry of Health's National Tuberculosis Strategy to increase TB case detection and treatment success rates by strengthening the Directly Observed Therapy Short-course (DOTS), improving access to quality laboratory diagnosis, training health facility staff, and improving monitoring and quality assurance systems. Funds will be used to expand the community-based-DOTS programs through training of community health workers in the provision of DOTS, increasing access of rural Mozambicans to these services. Programs will continue to increase the number of health personnel trained in case detection, referrals for treatment, and DOTS. Additionally, resources will continue to strengthen TB laboratory capacity and increased access to quality TB laboratory diagnosis.

- Malaria: U.S. assistance under the Presidential Malaria Initiative (PMI) will expand efforts to scale up proven preventive and treatment interventions toward achievement of 85 percent coverage among vulnerable groups to support the PMI goal of reducing malaria-related morbidity by 50 percent. The FY 2013 request level for Mozambique does not include the total projected funding for the PMI. Decisions on allocations of centrally-managed funds will be made at the time that the FY 2013 operating year budget is set.

- Maternal and Child Health: Maternal and child health remains one of the GRM's top priorities as Mozambique strives to reduce under-five child mortality from 124 to 67 per 1,000 by 2015 and to reduce maternal mortality from 408 to 250 per 100,000 by 2015. U.S. assistance will increase access to key interventions aimed primarily at reducing child and maternal mortality; continue to improve maternal and child health through the expansion of immunization coverage and child survival services at the community level; and focus on reducing maternal mortality by implementing proven, evidence-based interventions. Specifically, efforts will include improving the quality and increasing the number of antenatal care visits, strengthening essential and emergency newborn care to address neonatal mortality, improving emergency obstetric care, increasing transportation options, and improving and enlarging maternity wards. U.S. assistance will also improve the capacity of communities to protect their own health, train health providers, produce health education materials, and help harness the media to deliver key health messages. Programs also will help Mozambicans become more effective participants in community health and development projects.

- Family Planning and Reproductive Health: An estimated 84 percent of women between the ages of 15 and 49 do not use any method of contraception in Mozambique. Increased use of voluntary family planning would reduce maternal and infant mortality and reduce transmission of HIV/AIDS. This ongoing program will assist the GRM and private sector to expand access to high-quality voluntary family planning services and information and reproductive health care on a sustainable basis. U.S. assistance will support expanded reproductive health services and access to voluntary family planning counseling and contraceptives at the health facility and community level, while at the same time building capacity for quality service delivery. Specific activities will focus on integrating

family planning services into PEPFAR clinical services, addressing gender-based violence, engaging men in reproductive health, training reproductive health agents at the community level, establishing a community-based distribution system for commodities, strengthening contraceptive logistics, and supporting the increased use of long-acting and permanent family planning methods through commodity procurement and policy development at the national level.

- Nutrition: Chronic food insecurity remains high at 35 percent and in rural areas, where about 70 percent of children live. Malnutrition levels are reaching 46 percent stunting and 27 percent underweight. Interventions will include nutrition education to improve maternal diets, infant and young child feeding practices, fortified or bio-fortified staple foods, and community management of acute malnutrition. These activities are directed in coordination and agreement with the GRM's needs and priorities to strengthen host country capacity by advancing supportive nutrition and food security policies and improving nutrition information systems. U.S. assistance will also continue to support activities that improve the nutritional status of pregnant and lactating women as well as children under five with special attention for children under two years old.

Development Assistance (DA):
Basic Education: A newly designed program will focus on improving early grade reading outcomes (grades two and three). U.S. assistance will improve the quality and increase the quantity of reading instruction in the early grades through teacher and school administrator training and coaching, an increased availability of effective reading materials, greater parent participation in the education process, and increased transparency and accountability to parents, students, and communities. These efforts align with the new United States Agency for International Development (USAID) Education Strategy and support the GRM's national education strategy by addressing key priorities related to enhancing instructional quality, improving institutional capacity to deliver education services, and promoting inclusiveness and access to education for girls, orphans and other vulnerable children. The Basic Education program also demonstrates a commitment to building partner country capacity by directly training and supporting local education institutions and civil society partners, and strengthening local capacity to manage for and achieve significant and meaningful results in the education sector.

Water and Sanitation: U.S. assistance will ensure the integration of water, sanitation, and hygiene into all relevant PEPFAR, health, and nutrition programs. In 2012, the largest component in the Millennium Challenge Corporation (MCC) Compact with Mozambique will be underway, providing access to safe, reliable water supplies and sanitation services in cities in three provinces. This will complement ongoing integrated programming that ensures that P.L. 480 Food for Peace Title II food security and nutrition activities are well-integrated into other economic and health programs to address the root causes of chronic malnutrition for nearly eight million Mozambicans.

Economic Growth

Mozambique's GDP grew at 6.8 percent in 2010, and is projected at 7.2 percent in 2011. Mozambique began the first exports of coal in 2011, a harbinger of a major resource boom that will transform the economy and state budget over the next decade or so, with the potential to undermine or underpin competitiveness in other sectors of the economy.

Agriculture is the largest sector of the economy and is growing faster than most sectors, though productivity for smallholders appears stagnant and poverty reduction appears to have faltered between 2003 and 2008 (55 percent to 54 percent) and child malnutrition continues to be high (44 percent in 2009). Key economic sectors in which Mozambique demonstrates strong potential are neither well-developed nor sufficiently competitive in the global economy.

Mozambique has the potential to develop high-quality "destination" natural resource-based tourism due to its exceptional marine ecology, pristine beaches, and other unique terrestrial and lake ecosystems.

Development Assistance (DA): Poverty alleviation through broad-based economic growth remains a stated priority of the GRM. U.S. programs are currently underway to further promote commercialization of agriculture, promote key policy reforms, and build human capacity. Assistance will continue to address constraints to smallholder agriculture and rural enterprise development, create job opportunities, improve Mozambique's investment climate and conserve key ecosystems. Activities will increase agricultural productivity, stimulate market opportunities with access to agribusiness development services and financial services, and support smallholder farmers to respond to economic opportunities - primarily in transport corridors that will have maximum impact and access to regional and international markets. Large commercial farmers, smallholder producers, agro-processors, transporters, financial service providers, wholesalers, and exporters will join forces to modernize Mozambican agriculture through a value chain, business cluster competitiveness approach. Assistance will continue to address constraints to smallholder agriculture and rural enterprise development, create job opportunities, improve Mozambique's investment climate and conserve key ecosystems. Global Climate Change programs, through the Adaptation pillar funding, will build the resilience of coastal cities to the impact of climate change. Programs will promote high-impact value chains, such as support for the expansion of "green growth" investments, including tourism.

- Feed the Future: As part of the President's Global Hunger and Food Security Initiative, Feed the Future, USAID will support the efforts of the GRM to refine and implement a country-led comprehensive food security strategy to reduce hunger and increase economic growth through market-led agricultural development. Planned interventions include activities to promote productivity-enhancing technologies, deepen rural marketing networks, and address the root causes of chronic undernutrition in Mozambique. Assistance will improve the trade and investment climate and agricultural sector productivity to help vulnerable families mitigate environmental risks and increase marketable production.

- Global Climate Change Initiative: Funding will be used for development of income-generation activities on the border of ecologically-sensitive zones, business development services to small and medium enterprises in agriculture and tourism, provision of potable water, and loan guarantees for lending to small and medium enterprises in agriculture and tourism. Tourism sector planning, related policy reforms, and strategic investments in destination tourism will build an economic constituency for sustainable natural resource management while promoting investment in labor-intensive sectors. The United States will support the conservation of key natural areas, promote investment in renewable energy with a particular focus on contributing to energy needs of the agriculture and tourism sectors, and promote private investments in seed distribution, and high potential agricultural value chains – oilseeds, fruit, cashew and pulses.

Linkages with the Millennium Challenge Corporation

The GRM and MCC signed a five-year compact in July 2007, which entered into force in October 2008. The goal of this five-year program is to reduce poverty by targeting assistance in water and sanitation, transportation, land tenure, and farmer income activities. Interventions are closely coordinated with other U.S. Government agencies and are designed to foster investment and stimulate economic opportunities in four northern provinces of the country.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: This effort covers a wide spectrum of actions from increased focus on results-centered portfolio reviews and in-depth data quality assessments to high quality evaluations and a state-of-the-art, web-based project management system that will improve data quality and better integrate monitoring and evaluation with program management. Mozambique's focus on programmatic results comprehensively covers the entire program cycle from design and budgeting to implementation and evaluation.

Mozambique developed detailed plans for over a dozen impact and performance evaluations that will improve program management, test innovative interventions and determine the most cost-effective solutions for broader scale-up. Impact evaluations that follow rigorous methods and yield statistically sound findings are underway in three out of the four technical programs in Mozambique, while more than six performance evaluations (both mid-term and end-of-project) are also underway. One such example is the Agriculture Sector Mid-term Performance Evaluation that, when complete, will provide the Mission with important findings to guide agriculture activities.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: As a result of programmatic under- and over-performance and certain budgetary pipelines in Health programs, nearly two dozen of its programs' budgets and interventions were fine-tuned. In addition to some budgetary adjustments, economic growth programs conducted analysis on the role of gender in an extremely detailed manner to better understand how programmatic interventions can better achieve the desired parity.

Relating Past Performance to FY 2013 Plans: Mozambique's strengthened monitoring and evaluation system is already providing important lessons and evidence to inform programmatic investments for FY 2013. In health programs, U.S. agencies together with the Ministry of Health and other donor stakeholders have been engaged in supporting sustainable programs across the continuum of care. Further advances in primary health care services, health systems, community participation, and commodity logistics will be achieved from lessons learned, and technical adjustments. These advances will result in increased utilization of effective, client-oriented health services and more Mozambicans adopting healthy behaviors. Monitoring and evaluation evidence has also resulted in programmatic adjustments, that should improve interventions in market access, agribusiness, technology access, policy reform and tourism, leading to improved higher-level results of increased agriculture productivity, an improved enabling environment, and a stronger tourism sector.

Namibia

Foreign Assistance Program Overview

Twenty years after independence, Namibia remains one of the most stable, peaceful and economically viable countries in Africa. U.S. assistance to Namibia will improve the prevention, care, and treatment of HIV/AIDS, and enhance the Namibian Defense Force's (NDF) capacity to participate in international peacekeeping operations and meet Namibia and Southern Africa regional security and stability requirements.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**103,272**	**90,934**	**73,600**	**-17,334**
Global Health Programs - State	101,122	88,809	73,500	-15,309
Global Health Programs - USAID	1,946	2,000	-	-2,000
International Military Education and Training	204	125	100	-25

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Namibia	**103,272**	**90,934**	**73,600**	**-17,334**
1 Peace and Security	**204**	**125**	**100**	**-25**
International Military Education and Training	**204**	**125**	**100**	**-25**
1.3 Stabilization Operations and Security Sector Reform	204	125	100	-25
3 Investing in People	**103,068**	**90,809**	**73,500**	**-17,309**
Global Health Programs - State	**101,122**	**88,809**	**73,500**	**-15,309**
3.1 Health	101,122	88,809	73,500	-15,309
Global Health Programs - USAID	**1,946**	**2,000**	**-**	**-2,000**
3.1 Health	1,946	2,000	-	-2,000

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Namibia	**103,272**	**90,934**	**73,600**	**-17,334**
1 Peace and Security	**204**	**125**	**100**	**-25**
1.3 Stabilization Operations and Security Sector Reform	204	125	100	-25
3 Investing in People	**103,068**	**90,809**	**73,500**	**-17,309**
3.1 Health	103,068	90,809	73,500	-17,309

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
of which: Objective 6	**12,465**	**-**	**-**	**-**
6.1 Program Design and Learning	3,447	-	-	-
6.2 Administration and Oversight	9,018	-	-	-

Peace and Security

The NDF is committed to working within the context of the Southern African Development Community (SADC) to ensure the collective security of the region and is prepared to play its part in supporting UN peacekeeping activities. The United States will provide U.S.-based leadership training that includes sound leadership principles for NDF warrant officers and non-commissioned officers to improve Namibia's ability to conduct military and humanitarian operations, protect the country from potential threats, and participate in international peacekeeping operations.

International Military Education and Training (IMET): IMET funds will continue to focus on military professionalization, specifically at the non-commissioned officer leadership level.

Investing in People

U.S. assistance will support the prevention, care, and treatment of HIV/AIDS in Namibia with an emphasis on improving access to quality health care services and increasing the capacity of the Government of Namibia, civil society and the private sector capacity to manage, coordinate and finance the health sector.

Global Health Programs (GHP):
Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership.

- Linkages with the President's Emergency Plan for AIDS Relief – GHP-State and USAID: Namibia will receive significant support to build partnerships to provide integrated prevention, care and treatment programs throughout the country and support orphans and vulnerable children.

Linkages with the Millennium Challenge Corporation

A five-year, $304.5 million Millennium Challenge Corporation (MCC) Compact, signed in July 2008, aims to reduce poverty and income distribution disparities in Namibia through economic growth in the tourism and agriculture sectors, as well as through improved educational outcomes. Although USAID and MCC are working in different sectors, the organizations collaborate where possible to ensure maximum impact of U.S. assistance funds.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In preparation for drafting the GHI strategy, a U.S. Government five-year (2011-2015/2016) health strategy for Namibia, health data indicators were updated and consultations were held with stakeholders.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: IMET program reviews determined that the military-to-military relationship and capacity building activities are successfully achieving impact. This foundation will yield increasing results in FY 2012, with the second

train-the-trainer focused Warrior Leadership Course (WLC) held in Namibia. The creation of a Namibian led WLC in the next few years is the intended result of the current IMET focus.

Relating Past Performance to FY 2013 Plans: FY 2013 plans take into consideration the goals and principles of the recently drafted Namibia GHI strategy, specifically with regard to access to quality health care and transition to Namibian ownership.

Niger

Foreign Assistance Program Overview

Niger is one of the poorest countries in the world, ranking 186 out of 187 countries in the 2011 United Nations Development Program Human Development Index. Its largely agrarian and subsistence-based economy is frequently disrupted by extended droughts common to the Sahel region of Africa. U.S. foreign assistance to Niger plays a critical role in preserving stability in a country vulnerable to political volatility and food insecurity.

With the inauguration of Mahamadou Issoufou as president in April 2011, the military junta that took power in February 2010 fulfilled its promise to return Niger to constitutional, civilian rule a little over a year after it overthrew the former president, Mamadou Tandja. The international community resumed development assistance and increased engagement with the new government. Nine months into the Issoufou administration, Niger is at a turning point. A poor 2011 harvest, the violence in Libya, and the security threat from al-Qaeda in the Islamic Maghreb (AQIM) and Boko Haram are complicating the new administration's efforts to improve Niger's economy, strengthen governance, and address human rights.

U.S. assistance in FY 2013 will focus on continuing to improve food security, strengthening reproductive health and child nutrition services, supporting productive agricultural enterprises, promoting good governance, and strengthening military education and training.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**52,045**	**16,000**	**17,115**	**1,115**
Development Assistance	2,500	1,000	2,000	1,000
Food for Peace Title II	49,479	15,000	15,000	-
International Military Education and Training	66	-	115	115

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Niger	**52,045**	**16,000**	**17,115**	**1,115**
1 Peace and Security	**66**	**-**	**115**	**115**
International Military Education and Training	**66**	**-**	**115**	**115**
1.3 Stabilization Operations and Security Sector Reform	66	-	115	115
2 Governing Justly and Democratically	**2,500**	**1,000**	**2,000**	**1,000**
Development Assistance	**2,500**	**1,000**	**2,000**	**1,000**
2.2 Good Governance	1,650	1,000	1,500	500
2.4 Civil Society	850	-	500	500
3 Investing in People	**4,708**	**9,000**	**4,050**	**-4,950**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Food for Peace Title II	**4,708**	**9,000**	**4,050**	**-4,950**
3.1 Health	4,708	9,000	4,050	-4,950
4 Economic Growth	**10,988**	**6,000**	**10,950**	**4,950**
Food for Peace Title II	**10,988**	**6,000**	**10,950**	**4,950**
4.5 Agriculture	10,988	6,000	10,950	4,950
5 Humanitarian Assistance	**33,783**	**-**	**-**	**-**
Food for Peace Title II	**33,783**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	33,783	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Niger	**52,045**	**16,000**	**17,115**	**1,115**
1 Peace and Security	**66**	**-**	**115**	**115**
1.3 Stabilization Operations and Security Sector Reform	66	-	115	115
2 Governing Justly and Democratically	**2,500**	**1,000**	**2,000**	**1,000**
2.2 Good Governance	1,650	1,000	1,500	500
2.4 Civil Society	850	-	500	500
3 Investing in People	**4,708**	**9,000**	**4,050**	**-4,950**
3.1 Health	4,708	9,000	4,050	-4,950
4 Economic Growth	**10,988**	**6,000**	**10,950**	**4,950**
4.5 Agriculture	10,988	6,000	10,950	4,950
5 Humanitarian Assistance	**33,783**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	33,783	-	-	-
of which: Objective 6	**1,031**	**750**	**840**	**90**
6.1 Program Design and Learning	504	-	-	-
6.2 Administration and Oversight	527	750	840	90

Peace and Security

Niger has been an invaluable partner in countering the shared security threat of AQIM in the Sahel region. U.S. funds will support the region's border protection and crisis response efforts of police and Gendarmerie units, along with the U.S. Government's efforts to stem the flow of man-portable air defense systems (MANPADS) and small arms.

International Military Education and Training (IMET): Funding will support professionalization of the Nigerien military. In particular, funds will support English language training and equipment that will allow Nigerien military members to meet minimum language requirements for future training opportunities and to participate in international peacekeeping operations. Other priorities for IMET funding include the professional development of Nigerien commissioned and non-commissioned officers.

Governing Justly and Democratically

Governance and political processes in Niger remain beset by corruption and lack of transparency and accountability. After Niger's return to democratic rule, the Government of Niger has taken concrete steps to fight corruption by promoting transparency and accountability to ensure efficient provision of public services.

Development Assistance (DA): The United States' primary objective is to support a transparent and responsive democracy that respects human rights in Niger. The Niger Post-Elections Support program, launched in December 2011, aims to enhance the capacity of Nigerien legislators to enact laws and regulations governing natural resource management; foster communication and collaboration between the legislature and selected civil society organizations about legislation related to natural resource management; and improve the capacity of selected civil society and media organizations to promote citizen participation in the drafting, approval and oversight of the implementation of laws and regulations governing natural resource management. FY 2013 funds will be used to expand programs to promote good governance. An assessment will be carried out to identify emerging opportunities to expand on successful efforts in good governance begun in FY 2012 and to identify other targeted interventions to promote anti-corruption reforms and improve public sector accountability and performance across a broader spectrum of public services.

Investing in People

The high level of poverty endured by most of Niger's people presents huge development challenges. Niger has one of the highest infant mortality rates in the world, with 63.2 deaths per 1,000 births and one of the world's highest maternal mortality rates with 5.5 deaths per 1,000 live births. In addition, 40 percent of children under five years old are malnourished and over one-third of the Nigerien population has no access to potable sources of water. These statistics were exacerbated by frequent agriculture production deficits, including below average cereals output in 2011.

Food for Peace Title II (FFP):
Maternal and Child Health: Funds will be used to improve the health of pregnant and lactating mothers and of children less than 24 months of age in chronically food-insecure areas. Special effort will be taken to assist the most vulnerable populations with targeted food assistance in addition to technical assistance and training. A new five-year phase of FFP funding will start at the end of FY 2012. These new programs will target more resources for nutritional outreach and support, in addition to working with communities to become more engaged in surveillance and identification of malnutrition.

Economic Growth

Niger suffers from a chronic child-nutrition crisis. U.S. assistance in this area increases food security of Niger's most vulnerable populations and addresses persistent nutritional deficiencies. Funding focuses on increasing the agricultural productivity of farmers in some of Niger's most food-insecure regions. Funds will support the launch of a new phase of Food for Peace, targeting specific geographic regions.

Food for Peace Title II: Funds will be used to enhance community resilience and capacity to deal with food insecurity. These programs will enhance and protect livelihood strategies by making sustainable improvements in agricultural, livestock, and natural resource management practices. Funds will assist with livestock production, installation of water wells in pastoral zones, and small-scale irrigation. These programs will strengthen livelihood capacities in the more vulnerable arid regions of the country.

Linkages with the Millennium Challenge Corporation

Niger's Threshold Program started in 2008 with three components: girls' education, democracy and anticorruption, and streamlining business creation and land rights. The program was suspended in December 2009 following a military seizure of power and re-instated again in 2011. The Millennium Challenge Corporation (MCC) is moving ahead with funding the remainder of the Girls' Education component of the program and plans to complete the original education activities (including bore hole drilling) with USAID implementation in early 2012. MCC will work with the Government of Niger to develop new program initiatives from the remaining MCC Threshold funds.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Every activity implemented by USAID is required to have an approved performance monitoring and evaluation plan. Each plan defines the indicators that will be used to measure performance and describes how and when data needed to measure performance will be collected, analyzed, and reported. Niger Field Office program managers ensure continuing performance monitoring of programs and participate in portfolio reviews. This information is documented in Data Quality Assessments, which are completed by USAID personnel for all funded activities. In addition, staff make periodic and regular visits to all ongoing activities at the community level.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: In-depth mid-term and final evaluations are generally undertaken to evaluate and monitor program performance. Each activity supported will receive an evaluation. Evaluations are used to assess program impact on targeted indicators and to determine whether the program should be refocused or redesigned to improve results.

During FY 2013, evaluations will be conducted for program activities under the Governing Justly and Democratically, Investing in People, and Economic Growth Objectives. An Inspector General audit of the multi-year Food for Peace (FFP) program was completed during FY 2011. The findings and recommendations from this activity were shared with implementing partners for corrective actions and lessons learned are incorporated into design parameters of the new phase of programming to start during FY 2012. Final evaluations were completed for the FFP programs that are ending during the first half of FY 2012 and results and findings from these documents incorporated into the next phase of FFP funding.

Relating Past Performance to FY 2013 Plans: New awards to be made during FY 2012 will include FFP funding to be determined after a competitive procurement by implementing partners. Previous performance in similar programs will be one criterion for new awards. The post-election program that began during FY 2012 was designed based on an assessment of the election support program that was implemented during FY 2011. Future support will incorporate lessons learned from the first phase of the post-election support activity.

Nigeria

Foreign Assistance Program Overview

Despite conducting successful elections in 2011, Nigeria continues to face formidable challenges toward establishing lasting and genuine democratic order. Over the past year, the country witnessed increases in terrorist activities and sectarian conflicts, as well as growing public mistrust in the government. Nigeria has yet to develop effective measures to address corruption, poverty, and ineffective social service systems, and mitigate the growing level of violence. In FY 2013, the U.S. will seek to help improve the economic stability, security, and well-being of Nigerians by continuing to focus on strengthening democratic institutions, improving transparency and accountability, and professionalizing security forces. In addition, U.S. assistance will work to reinforce local and national systems, and build institutional capacity in the provision of health and education services. Funding will also support improvements in agricultural productivity, job expansion in the rural sector, and increased supplies of clean energy. Further, activities by the United States Agency for International Development (USAID), World Bank, the United Kingdom's Department for International Development, and African Development Bank, coordinated through the Country Partnership Strategy II, will strengthen the focus on improved governance, non-oil economic growth, and human development. This partnership will ensure greater impact for ordinary citizens, more effective support, and closer coordination of donor activities.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**632,464**	**625,388**	**599,450**	**-25,938**
Development Assistance	55,791	50,291	50,200	-91
Foreign Military Financing	1,212	1,000	1,000	-
Global Health Programs - State	471,227	441,227	438,600	-2,627
Global Health Programs - USAID	101,971	132,000	108,900	-23,100
International Military Education and Training	1,013	870	750	-120
International Narcotics Control and Law Enforcement	1,250	-	-	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Nigeria	**632,464**	**625,388**	**599,450**	**-25,938**
1 Peace and Security	**5,475**	**3,870**	**5,750**	**1,880**
Development Assistance	**2,000**	**2,000**	**4,000**	**2,000**
1.6 Conflict Mitigation and Reconciliation	2,000	2,000	4,000	2,000
Foreign Military Financing	**1,212**	**1,000**	**1,000**	**-**
1.3 Stabilization Operations and Security Sector Reform	1,212	1,000	1,000	-
International Military Education and Training	**1,013**	**870**	**750**	**-120**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.3 Stabilization Operations and Security Sector Reform	1,013	870	750	-120
International Narcotics Control and Law Enforcement	**1,250**	**-**	**-**	**-**
1.5 Transnational Crime	1,250	-	-	-
2 Governing Justly and Democratically	**12,500**	**3,000**	**15,120**	**12,120**
Development Assistance	**12,500**	**3,000**	**15,120**	**12,120**
2.1 Rule of Law and Human Rights	1,000	-	-	-
2.2 Good Governance	4,000	1,000	6,000	5,000
2.3 Political Competition and Consensus-Building	4,500	-	4,120	4,120
2.4 Civil Society	3,000	2,000	5,000	3,000
3 Investing in People	**590,218**	**604,547**	**562,500**	**-42,047**
Development Assistance	**17,020**	**31,320**	**15,000**	**-16,320**
3.1 Health	2,020	6,020	1,000	-5,020
3.2 Education	15,000	25,300	14,000	-11,300
Global Health Programs - State	**471,227**	**441,227**	**438,600**	**-2,627**
3.1 Health	471,227	441,227	438,600	-2,627
Global Health Programs - USAID	**101,971**	**132,000**	**108,900**	**-23,100**
3.1 Health	101,971	132,000	108,900	-23,100
4 Economic Growth	**24,271**	**13,971**	**16,080**	**2,109**
Development Assistance	**24,271**	**13,971**	**16,080**	**2,109**
4.2 Trade and Investment	4,000	2,000	3,060	1,060
4.4 Infrastructure	3,447	1,971	1,020	-951
4.5 Agriculture	16,824	10,000	12,000	2,000

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Nigeria	**632,464**	**625,388**	**599,450**	**-25,938**
1 Peace and Security	**5,475**	**3,870**	**5,750**	**1,880**
1.3 Stabilization Operations and Security Sector Reform	2,225	1,870	1,750	-120
1.5 Transnational Crime	1,250	-	-	-
1.6 Conflict Mitigation and Reconciliation	2,000	2,000	4,000	2,000
2 Governing Justly and Democratically	**12,500**	**3,000**	**15,120**	**12,120**
2.1 Rule of Law and Human Rights	1,000	-	-	-
2.2 Good Governance	4,000	1,000	6,000	5,000
2.3 Political Competition and Consensus-Building	4,500	-	4,120	4,120
2.4 Civil Society	3,000	2,000	5,000	3,000
3 Investing in People	**590,218**	**604,547**	**562,500**	**-42,047**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
3.1 Health	575,218	579,247	548,500	-30,747
3.2 Education	15,000	25,300	14,000	-11,300
4 Economic Growth	**24,271**	**13,971**	**16,080**	**2,109**
4.2 Trade and Investment	4,000	2,000	3,060	1,060
4.4 Infrastructure	3,447	1,971	1,020	-951
4.5 Agriculture	16,824	10,000	12,000	2,000
of which: Objective 6	**53,343**	**8,701**	**19,498**	**10,797**
6.1 Program Design and Learning	16,992	1,200	3,075	1,875
6.2 Administration and Oversight	36,351	7,501	16,423	8,922

Peace and Security

Decades of military rule exerted a negative effect on the professional development of the Nigerian armed forces, and the country's military is still in need of major reform. Continuing violent outbreaks in Jos and parts of northern Nigeria disrupt development and highlight continued fragility in Nigeria. The country's police and military forces have weak capacities and a culture of impunity persists. U.S. assistance has focused on implementing activities to professionalize Nigeria's military, including human rights training. An anti-terrorism capabilities assessment deemed Nigeria at high or critical risk of terrorist threat in more than one dozen categories, including land and maritime border security, critical infrastructure security, and explosive incident countermeasures. Therefore, the United States will help to strengthen Nigeria's capacity to deal with these threats. The United States will also work with the National Police to strengthen the capacity of police officers to detect, deter, respond to, and investigate criminal activity and terrorist threats, emphasizing land mines and improvised explosive devices. The United States will support Nigerian law-enforcement agencies in establishing more effective border controls with a primary focus on mobility and communications and establishing more effective incident response mechanisms.

Development Assistance (DA): The United States will implement activities that will continue to focus on the underlying causes of violence and conflict in Nigeria. The United States plans to strengthen the capacity of authorities to identify emerging situations that could trigger violent conflicts, address corruption and impunity, and engage political, religious, and community leaders, as well as civil society, in preventing and mitigating conflict. By engaging a broad range of religious leaders, national and state level officials, and civil society, peace-building and conflict mitigation activities will demonstrate greater complexity, scope, and sophistication, and have more solid grounding as a cross-cutting dimension of U.S. foreign assistance programming. U.S. assistance will support Nigeria's religious leaders, inter-faith organizations, academic institutions, and other conflict practitioners to implement a set of innovative activities that promote ethnic and religious co-existence and dialogue between a wide-range of stakeholders in targeted states in the northern and central regions.

Foreign Military Financing (FMF): Nigeria remains a major contributor to peace-keeping operations and an important partner in the Africa Contingency Operations Training and Assistance program, which provides training and equipment for Nigerian peacekeeping forces deploying to missions throughout the continent, including Darfur, Liberia, and Cote d'Ivoire. FMF funds will be used to procure and maintain equipment to support Nigeria's ability to participate in peacekeeping and counterterrorism operations. In particular, funds will sustain equipment such as Nigeria's C-130 fleet, to enhance Nigeria's capability to deploy to peacekeeping missions and to address threats to counterterrorism. Funds will also be used to maintain maritime surveillance equipment and provide associated training to enhance the country's

maritime security capacity. Funds may also be used for equipment, training and advisory support to Nigerian military schools such as its non-commissioned officer academy.

International Military Education and Training (IMET): IMET funding will continue to be used to professionalize Nigeria's officer and non-commissioned officer corps, and promote effective civilian oversight and respect for human rights and the rule of law.

Governing Justly and Democratically

Creating more responsive governance structures and empowering citizens to demand services and improved performance remain key to achieving the long-term goal of strengthened democratic institutions. Poor governance lies at the heart of the country's development challenges. States and local governments can play prominent roles in affecting transparency and accountability in Nigeria in the governance process. To date, U.S. assistance has provided dividends in helping U.S.-supported civil society organizations which resulted in the passage of key transparency and accountability laws, including the Fiscal Responsibility Law, the Public Procurement Law, and the Nigerian Extractive Industries Transparency Initiative Law. Given this success, and the 80 percent turn-over in officials elected during the 2011 elections in USAID's focus states (Bauchi and Sokoto), assistance will continue to target civil society and permanent government staff, as well as the newly-elected officials. Through a public-private partnership, the United States will attempt to expand assistance to other states, including to the Niger Delta.

Development Assistance (DA):

- Good Governance: Good governance activities will focus on promoting increased transparency and accountability at state and local levels by providing technical assistance to improve state and local governments' budget processes and promote fiscal responsibility. Building on recent achievements in social sector budget allocations, U.S. support will continue to target technical assistance in the budget process and citizen engagement with government in decision-making processes. U.S. assistance will help build the capacity of incoming elected officials and other government officials to promote increased transparency and accountability and improve health and education services, water and sanitation, and related rural infrastructure.

- Political Competition and Consensus Building: Even though Nigeria held its most credible and transparent elections in decades and arguably in the country's history as an independent nation, the electoral reform process has much to accomplish. To maintain reform efforts, U.S. post-election assistance will continue to identify and address issues underlying the electoral process. Assistance will continue to support the Independent National Electoral Commission to improve electoral management and implement a continuous voter registration process and other activities that will ensure production of an up-to-date voter register before the 2015 elections. Assistance will continue to engage marginalized groups, including women, youth, and people with disabilities to increase their engagement in political processes.

- Civil Society: The United States will continue training civil society organizations and the media to work with key government officials on development issues and advocate for sustained and measureable policy reforms. U.S. assistance will target non-governmental organizations and private sector actors, including women's and faith-based organizations that have demonstrated commitment to reform, and a willingness to work with government to foster greater transparency in the use of resources for the public good.

Investing in People

Access to a quality education and basic health care remains quite low in Nigeria, with the greatest need for assistance in the predominantly Muslim north. Nigeria has an extremely high number of out-of-school

children and young adults with limited literacy and numeracy skills. Nigeria has 30 million primary school-age children, of whom an estimated 7 million do not attend school. Of those currently in primary school, less than one-third will attend junior secondary schools, and even fewer will proceed to senior secondary schools.

Nigeria's maternal mortality rate ranks among the highest in the world. In the northern states, where child-bearing starts very early and births are closely spaced, the total fertility rate averages over seven births per woman. In Nigeria, infant and child mortality rates are extremely high; about one million children die each year before their fifth birthday. Contraceptive prevalence remains low. Moreover, an estimated 3.6 percent of the population has HIV/AIDS. The Millennium Development Goals (MDG) to reduce maternal and child mortality in Africa cannot be achieved without major improvements in Nigeria, and yet Nigeria has made much slower progress on maternal and child health indicators than most other African countries.

Development Assistance (DA):

- Basic Education: In accordance with USAID's new Education Strategy, the focus will be on creating new readers in primary schools and addressing issues of fragility and conflict as they affect basic education. According to the recent USAID-supported 2010 National Education Data Survey, many northern Nigerian states have the lowest literacy rates in the country. Basic education activities will focus on improving achievement in reading in selected northern Nigerian states, with the goal of improving the literacy of 2.6 million children by 2015. Funding will also support selected teacher training colleges to strengthen educator capacity to teach reading and to establish and strengthen literacy courses. Special emphasis will be placed on increasing access for the most disadvantaged populations, including girls, by providing incentives to encourage school retention and completion rates. With additional support from the President's Emergency Plan for AIDS Relief (PEPFAR), the education program will continue support to a nationally televised adaptation of "Sesame Street," providing children, especially orphans and vulnerable children, age-appropriate health and life-skills information and learning-readiness skills in reading.

- Water Supply and Sanitation: Activities will support health-related programs, investments in basic education, and activities centered on social and economic services and protection for vulnerable populations. U.S. assistance will implement programs to reduce illnesses and deaths from water-borne diseases through support for water sources and latrines in USAID's focus states and other areas. Assistance will promote increased availability of water treatment products in rural areas, and incorporate communications activities to promote improved hygiene. Moreover, the United States will allocate funds for technical support to continue the development of a clear institutional framework for urban water service delivery, the development of a regulatory framework, and the creation of a clear legislative framework for urban water services in selected states.

Global Health Programs (GHP) – State and USAID: Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative to achieve major improvements in health outcomes through sustainable approaches and increased country ownership, and improve health outcomes by working with U.S. Government inter-agency partners to build a sustainable response by investing in high impact health interventions, particularly those that reach women and children. U.S. assistance will continue to improve the quality of maternal, newborn, and child health, as well as disease prevention, care, and treatment services. These activities will build on accomplishments in which the United States played a major role, such as in the reduction of polio cases to the lowest level in Nigeria's history.

- Linkages with the PEPFAR: Nigeria will receive significant support to build partnerships to provide integrated prevention, care, and treatment programs throughout the country and support orphans and vulnerable children.

- Tuberculosis (TB): To reduce the rates of death and disability, especially among the co-infected HIV/AIDS population, the U.S. seeks to double the case-detection rate and halve the incidence of tuberculosis over the next 10 years. Assistance will support the Government of Nigeria (GON) in pursuing high quality and enhanced "Directly Observed Therapy Short-course" therapies, so that patients undergo monitoring while taking medication to ensure compliance with the drug regimen and treatment success. Laboratories will also be upgraded to intensify TB case-finding, and policies and strategies will be developed to further strengthen TB prevention and treatment.

- Malaria: U.S. assistance under President's Malaria Initiative (PMI) will expand efforts to scale up proven preventive and treatment interventions toward achievement of 85 percent coverage among vulnerable groups to support the PMI goal of reducing malaria-related morbidity by 50 percent. The FY 2013 request level for Nigeria does not include the total projected funding for the PMI. Decisions on allocations of centrally-managed funds will be made at the time that the FY 2013 operating year budget is set.

- Maternal and Child Health (MCH): U.S. assistance will continue to improve the health of women and children and to drive mortality and morbidity rates down in the short term. Activities will seek to strengthen GON capacity to deliver, manage, and supervise primary health care services effectively; upgrade technical skills of health care providers; renovate facilities; provide drugs, insecticide-treated bed nets and equipment; and improve health systems, including data collection, for more appropriate operational decision-making at service delivery sites. Additionally, U.S. assistance will seek to initiate a strategic approach to the prevention and treatment of fistulas. Funding will also target polio eradication.

- Family Planning and Reproductive Health (FP/RH): Nigeria has a low rate of use of modern contraceptive methods and a fairly high rate of unmet need for contraception. U.S. assistance is focused on improving supply, access to, and quality of family planning services. FP/RH activities will seek to increase demand for these services through an expansive communications program and provide increased access to modern, low-cost contraceptives. In addition, the United States will work with both public and private sector health providers and other donors and development partners to expand access to and quality of services. The U.S. Government will work with state and local governments to focus on high-impact primary health-care interventions and referrals of high risk women and children to hospitals. FP/RH interventions will continue to address issues related to gender inequality. To strengthen the enabling environment and acceptance of FP/RH programs, community members will be trained to reach out to men through a "Men as Partners" approach. These initiatives help eliminate cultural and religious barriers preventing women from accessing health services.

Economic Growth

Nigeria has enjoyed relatively strong economic growth over the past seven years, but poverty remains a major concern. While oil accounts for 95 percent of export earnings and 85 percent of government revenues, agriculture employs 70 percent of the population and accounts for only 2.6 percent of exports. Inadequate infrastructure, unreliable power supply, lack of incentives and policies that promote private sector development, and poor access to quality education hamper economic growth. Sustained broad-based economic growth and poverty reduction are critical to Nigeria's economic stability.

<u>Development Assistance (DA):</u>

- Trade and Investment: Customs regulation, trade facilitation, and trade policy reforms will enhance regional trade by improving transport linkages, increasing supply to regional markets, providing assistance for an expansion of mobile banking opportunities, and ensuring adherence to international

standards. U.S. assistance will also focus on expanding investment opportunities through microfinance.

- Agriculture: U.S.-assisted agriculture programs will align with the Feed the Future initiative to address policy constraints at the local and national levels, as well as support the harmonization of Nigeria's economic policies within the wider region of West Africa. Technical assistance will help build Nigeria's capacity to participate more fully in the Comprehensive Africa Agriculture Development Program. U.S. assistance will continue to support the timely distribution of agricultural inputs used in farm production such as fertilizer, seeds, and pesticides. To help Nigeria make further progress towards meeting the MDGs, U.S. assistance will support the GON's food security activities, improve trade policy and transportation corridor development, support agricultural policy and irrigation, and increase farmer training, seed development, fertilizer supply, and technology development.

- Infrastructure: U.S.-assisted infrastructure programs will provide technical assistance and promote policy dialogue aimed at increasing electricity generation and natural gas consumption, while reducing gas flaring. Activities will promote development and the use of clean energy in environmentally sustainable ways. Specifically, the United States will continue to support Nigeria to implement power sector reforms, including sector liberalization; improve policies and measures to reduce gas flaring and expand the use of gas to produce electricity; and improve the policy and regulatory environment in the Nigerian power sector. Further, U.S. assistance will continue to work with selected states to identify and implement commercially viable renewable energy projects to develop Nigeria's renewable energy market. In partnership with the private sector, U.S. assistance will build capacity to negotiate long-term financing for power projects and to attract investment to gas flare sites in the country through Nigeria's Accelerated Gas Development Program.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In FY 2011, USAID Nigeria undertook several program evaluations and assessments to measure programmatic and financial performance. The Mission conducted its annual comprehensive portfolio review of all activities. The review analyzed programmatic, financial, strategic, and management issues to determine whether activities had achieved intended results and financial pipelines stayed within agency standards. In addition, USAID program managers conducted site visits and reviews with implementing partners to monitor program implementation and performance. The Office of Financial Management and Office of Acquisition and Assistance also regularly monitored implementing partners to ensure that they exercised appropriate and needed financial and administrative controls in the management of project funds. Where identified, the Mission requested corrective actions, set target dates for action completion, and then conducted follow-up.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Key findings from assessments and evaluations were used as building blocks for designing new programs during the fiscal year. For example, the HIV/AIDS sector evaluated its HIV/AIDS Reduction in the Niger Delta activity. The report influenced resource allocation and scale-up of the intervention. Report results will also be incorporated into a follow-on activity design. Further, the Mission's health office conducted an assessment of its Improved Reproductive Health in Nigeria.

Relating Past Performance to FY 2013 Plans: FY 2013 funds will support critical programs to improve governance, education, and agriculture. U.S. assistance will foster increased transparency and accountability of state and local government operations.

Republic of the Congo

Foreign Assistance Program Overview

United States foreign assistance to the Republic of the Congo is focused on maintaining peace and security, professionalizing the armed forces, and helping prepare those forces to participate in regional peacekeeping missions. Increasing the country's capability in the area of maritime security (including port management) and training are vital to supporting its ability to prevent conflict and preserve the security it has developed. The country recently became International Ship and Port Facility Security (ISPS) certified, creating a major economic opportunity for the Central African nation with Africa's deepest port.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**123**	**110**	**90**	**-20**
International Military Education and Training	123	110	90	-20

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Republic of the Congo	**123**	**110**	**90**	**-20**
1 Peace and Security	**123**	**110**	**90**	**-20**
International Military Education and Training	**123**	**110**	**90**	**-20**
1.3 Stabilization Operations and Security Sector Reform	123	110	90	-20

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Republic of the Congo	**123**	**110**	**90**	**-20**
1 Peace and Security	**123**	**110**	**90**	**-20**
1.3 Stabilization Operations and Security Sector Reform	123	110	90	-20

Peace and Security

Programs promote the transformation of the Congolese military into a force that is respectful of civilian control and supports human rights and democracy. A professional military force is necessary for stability within the country and for effective border and coastal protection.

International Military Education and Training (IMET): Funds will support professionalization of the Congolese military with training on civil-military relations, maritime and port security, leadership development, and human rights. The U.S. Coast Guard's frequent engagement, partly through the IMET program, with the Congolese government over the past two years has resulted in the ISPS certification.

Rwanda

Foreign Assistance Program Overview

The United States seeks to help Rwanda meet the urgent needs of its population, including increased social cohesion in a peaceful, democratic and inclusive Rwanda that provides good governance and an economically-enabling environment. In addition, the United States supports Rwandan efforts to increase democratic participation, enhance respect for civil and political rights, and improve the quality and learning outcomes of basic education. Through various Presidential initiatives, including Feed the Future, Global Climate Change and the Global Health Initiative, including the President's Malaria Initiative, and the President's Emergency Plan for AIDS Relief (PEPFAR), the United States assists Rwanda in providing basic health services for the populace; fostering equitable economic growth, particularly through a significantly strengthened agricultural production and food security program; and in protecting and promoting the country's unique biodiversity. Additionally, U.S. assistance in Rwanda supports regional economic integration to spur business development, entrepreneurship and increased employment opportunities.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**207,886**	**196,372**	**201,886**	**5,514**
Development Assistance	49,482	54,500	53,600	-900
Food for Peace Title II	6,058	-	-	-
Foreign Military Financing	300	200	200	-
Global Health Programs - State	109,072	99,072	104,086	5,014
Global Health Programs - USAID	42,415	42,100	43,500	1,400
International Military Education and Training	559	500	500	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Rwanda	**207,886**	**196,372**	**201,886**	**5,514**
1 Peace and Security	**859**	**700**	**700**	**-**
Foreign Military Financing	**300**	**200**	**200**	**-**
1.3 Stabilization Operations and Security Sector Reform	300	200	200	-
International Military Education and Training	**559**	**500**	**500**	**-**
1.3 Stabilization Operations and Security Sector Reform	559	500	500	-
2 Governing Justly and Democratically	**5,850**	**6,000**	**6,000**	**-**
Development Assistance	**5,850**	**6,000**	**6,000**	**-**
2.1 Rule of Law and Human Rights	800	1,000	1,000	-
2.2 Good Governance	4,250	4,000	4,000	-

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
2.4 Civil Society	800	1,000	1,000	-
3 Investing in People	**160,986**	**154,672**	**153,586**	**-1,086**
Development Assistance	**9,499**	**13,500**	**6,000**	**-7,500**
3.1 Health	1,000	5,000	1,000	-4,000
3.2 Education	8,499	8,500	5,000	-3,500
Global Health Programs - State	**109,072**	**99,072**	**104,086**	**5,014**
3.1 Health	109,072	99,072	104,086	5,014
Global Health Programs - USAID	**42,415**	**42,100**	**43,500**	**1,400**
3.1 Health	42,415	42,100	43,500	1,400
4 Economic Growth	**34,133**	**35,000**	**41,600**	**6,600**
Development Assistance	**34,133**	**35,000**	**41,600**	**6,600**
4.5 Agriculture	28,000	31,000	34,000	3,000
4.6 Private Sector Competitiveness	-	-	1,800	1,800
4.7 Economic Opportunity	1,133	-	1,800	1,800
4.8 Environment	5,000	4,000	4,000	-
5 Humanitarian Assistance	**6,058**	**-**	**-**	**-**
Food for Peace Title II	**6,058**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	6,058	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Rwanda	**207,886**	**196,372**	**201,886**	**5,514**
1 Peace and Security	**859**	**700**	**700**	**-**
1.3 Stabilization Operations and Security Sector Reform	859	700	700	-
2 Governing Justly and Democratically	**5,850**	**6,000**	**6,000**	**-**
2.1 Rule of Law and Human Rights	800	1,000	1,000	-
2.2 Good Governance	4,250	4,000	4,000	-
2.4 Civil Society	800	1,000	1,000	-
3 Investing in People	**160,986**	**154,672**	**153,586**	**-1,086**
3.1 Health	152,487	146,172	148,586	2,414
3.2 Education	8,499	8,500	5,000	-3,500
4 Economic Growth	**34,133**	**35,000**	**41,600**	**6,600**
4.5 Agriculture	28,000	31,000	34,000	3,000
4.6 Private Sector Competitiveness	-	-	1,800	1,800
4.7 Economic Opportunity	1,133	-	1,800	1,800
4.8 Environment	5,000	4,000	4,000	-

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
5 Humanitarian Assistance	**6,058**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	6,058	-	-	-
of which: Objective 6	**17,262**	**4,984**	**3,733**	**-1,251**
6.1 Program Design and Learning	6,093	1,340	590	-750
6.2 Administration and Oversight	11,169	3,644	3,143	-501

Peace and Security

The United States provides training in human rights compliance and stability operations to the Rwandan Defense Forces (RDF), in addition to providing material support to the RDF to bolster its participation in international peacekeeping operations. Rwanda is the world's sixth-largest contributor of troops to international peacekeeping missions, most notably to the United Nations/African Union Mission in Darfur, where a Rwandan officer serves as overall force commander.

Foreign Military Financing (FMF): FMF will be used to assist the Rwandan military to purchase U.S.-produced defense equipment, services, military training and advisors to the RDF's Non-Commissioned Officer (NCO) Academy. This effort seeks to transform the academy into a regional center for NCO professionalization.

International Military Education and Training (IMET): Funding will be used to continue efforts to enhance the professional, technical and tactical proficiency of the RDF. Specifically, IMET will:

- Professionalize the military and create an English proficiency standard through the purchase of English language labs.
- Assist in professionalizing the officer corps and in modeling their force, in part, after the U.S. military.
- Include training to strengthen the capacity of the Rwandan military to participate in international peacekeeping operations.
- Support training for Rwandan military personnel in human rights, military justice and civil-military relations.

Governing Justly and Democratically

Strengthening democratic governance—including ensuring full respect for the rule of law and human rights—is a top priority for U.S. assistance. This assistance focuses on building capacity within the Government of Rwanda (GOR) to improve democracy and governance, and on supporting the capacity of civil society to advocate more effectively on rule of law and human rights-related issues. Programs will seek to sustain and build upon gains made under the Millennium Challenge Corporation Threshold Country Program, specifically by building the capacity of targeted civil society organizations and public sector institutions and by promoting rule of law and access to justice for marginalized groups in Rwanda.

Development Assistance (DA): U.S. assistance will support programs to strengthen the justice system, build the human and institutional capacity of targeted government institutions and civil society organizations, promote national reconciliation, enhance consensus-building, and strengthen the capacity of government and civil society to holistically address land tenure-related, policy-making and access-to-justice issues.

Rule of Law and Human Rights: U.S. assistance will contribute to strengthening the capacity of national and local civil society organizations to promote the rule of law, and increase access to justice for marginalized groups in Rwanda.

Good Governance: U.S. assistance will strengthen targeted public institutions and civil society to more effectively deliver services and respond to citizen demands. Assistance will also strengthen GOR financial management and external oversight capacity so that an increasing share of U.S. assistance can be channeled through GOR systems.

Civil Society: The United States will continue to provide resources to engage in capacity building through local partners, and will extend its progress on a program of human and institutional capacity building in partnership with key GOR ministries and civil society. Building the capacity of civil society and encouraging the government to increase opportunities for citizen input into public-policy making will have major impacts on other sectors to which the United States provides support, including health, agriculture, and education.

Investing in People

Rwandans have realized significant improvements in health and education, and the GOR has embarked on innovative reforms to capitalize on and accelerate those achievements. The United States is the largest donor in the health sector, and U.S. assistance has contributed to significant improvements in maternal and child health, including a drop in infant mortality from 86 to 50 per 1,000 live births between 2005 and 2010. Rwanda has also shown commitment to basic education by eliminating primary and secondary school fees—which expanded free education from six to twelve years—and increasing net enrollment in primary schools to 94 percent in 2010, with equal attendance for boys and girls. However, the education system needs significant further reform to improve the quality of teaching and learning to sufficiently prepare children to eventually participate in building the knowledge-based economy that the GOR envisions as Rwanda's best hope for long-term, sustainable development.

Development Assistance (DA):

Basic Education: U.S. assistance will strengthen the quality of teaching and learning to enable Rwandans to acquire the foundational skills of literacy and numeracy and the analytical, critical thinking and communication skills needed to contribute to the development of a knowledge-based economy. Working in close partnership with the GOR, USAID will improve the quality of reading and math instruction, improve the availability and use of instructional materials, strengthen the use of English instruction, and improve teacher motivation. USAID's support to improving the quality of education by focusing on early grade learning is aligned with the new USAID Education Strategy.

Water: Funding will support programs to reduce illness and death from water-borne disease through support for water sources and latrines in targeted health zones. Activities will include support for increased availability of water treatment products in both rural and urban areas, and will incorporate communications activities to promote improved hygiene practices.

Global Health Programs (GHP) - State and USAID:

Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches that include strengthened human and institutional capacity, and increased country ownership. U.S. assistance will continue to support programs for improved maternal and child health (MCH), family planning and reproductive health, HIV/AIDS, nutrition, and malaria prevention and treatment as part of the GHI.

Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR): Rwanda will receive significant support to build partnerships to provide integrated prevention, care and treatment programs throughout the country, and to support orphans and vulnerable children. PEPFAR is implemented through an interagency team comprised of the Centers for Disease Control and Prevention, the Department of Defense, the Department of State, the Health Resources and Services Administration, the Peace Corps, and USAID.

Maternal and Child Health: U.S. assistance will continue to provide high-impact MCH services, such as antenatal care, safe and clean assisted delivery, essential and emergency obstetric care, essential newborn care, and immunization.

Family Planning/Reproductive Health: U.S. assistance will further expand access to high-quality voluntary family planning services and information and reproductive health care on a sustainable basis. Activities will continue to enhance the ability of couples to decide the number and spacing of births, including timing of first birth. They will also continue to contribute to reducing abortion, maternal and child mortality, and morbidity. In addition, USAID will support nutrition interventions to ensure improved pregnancy outcomes and to reduce the currently high rates of malnutrition among young children, while strengthening the ability of the overall health system to combat malnutrition.

Nutrition: Nutrition activities will support the implementation of the GOR's National Multi-Sectoral Strategy to Eliminate Malnutrition in Rwanda 2010-2013. These activities will build upon lessons learned from the community-based prevention of malnutrition, an analysis of social and behavioral practices influencing infant and young child nutrition, and implementation of the Rwandan President's Emergency Plan to Address Malnutrition. Malnutrition prevention activities will focus on behavior change communication, community-based nutrition services to identify and respond to all forms of malnutrition, and the multi-sectoral district-level planning processes. These activities will complement efforts using Development Assistance funds under the Feed the Future food security initiative.

Malaria: U.S. assistance under the President's Malaria Initiative (PMI) will expand efforts to scale-up proven preventive and treatment interventions toward achievement of 85 percent coverage among vulnerable groups, to support the PMI goal of reducing overall malaria-related morbidity by 50 percent. The FY 2013 request level for Rwanda does not include the total projected funding for the PMI. Decisions on allocations of centrally managed funds will be made at the time that the FY 2013 operating year budget is set.

Economic Growth

As part of the President's Global Hunger and Food Security Initiative, Feed the Future (FTF), USAID will support the implementation of the GOR's Strategic Plan for the Transformation of Agriculture (PSTA II), a country-led comprehensive food security strategy. The overall goal of the PSTA II is to reduce hunger and increase economic growth through market-led agricultural development. Potential Accelerated Investment Countries will be reviewed annually to evaluate their eligibility for becoming FTF Phase II countries and thus, potentially higher investment levels.

U.S. assistance will continue to focus on expanding economic opportunities in rural areas, principally by transforming the agriculture sector from its current subsistence nature to market-led, commercial agriculture. In particular, U.S. assistance will develop sustainable market linkages in targeted value chains, deliver innovations to enable sustainable agricultural growth including mobile banking opportunities, and advocate for improved policy. It will also expand economic opportunities through eco-tourism that will help protect Rwanda's rich biodiversity while strengthening income-generating opportunities for local populations.

Development Assistance (DA): In March 2007, Rwanda became the first country to sign a Comprehensive Africa Agricultural Development Program Compact with the African Union, committing itself to invest 10 percent of the national budget on agriculture in an effort to generate sustained agricultural growth of six percent or more per year. As part of the FTF initiative, the United States will support implementation of the GOR's PSTA II. Funding will also increase access to finance, particularly for the poor and vulnerable, and support rural income growth through eco-tourism and environmental protection.

Agriculture: U.S. assistance will help Rwandans apply the lessons learned from their specialty-coffee sector development investments to develop other selected high-value crops, such as pyrethrum, as a means to support diversification of Rwanda's exports. It will also strengthen the competitiveness of Rwanda's dairy sector, and develop the beans and maize value chains to reduce post-harvest losses and help farmers minimize lost income. U.S. assistance will similarly focus on improving livelihoods of the rural poor with increased access to finance and economic opportunities. U.S. assistance will continue to help the nascent private-sector fertilizer industry in developing public-private partnerships and strengthening the fertilizer distribution system. Assistance will provide agriculture-sector program assistance to promote sector policy reform, increased competitiveness, and dialogue between the Government of Rwanda and the private sector. Complementary investments in rural feeder roads as well as strengthening Rwanda's agricultural research capacity through the creation of a Masters in Science degree in Agriculture will support the development of priority value chains and support continued productivity gains. The rural feeder roads project will strengthen host-country systems through the use of Fixed-Amount Reimbursement Agreements directly with local governments.

Private Sector Competitiveness and Economic Opportunity: U.S. assistance will be invested in a land project that will complement the GOR's land titling process currently being supported by the UK Department for International Development. The formal titling of land process has limited opportunities for foreign direct investment, but once the titling process is complete, the private sector will be able to operate in a more predictable environment related to land ownership and use. Through the eco-tourism program in Nyungwe National Park, the United States will continue to support the development and improvement of the standardization of community-based ecotourism products for communities living around the park and link them with local and international tour operators. By supporting the development and implementation of a concession policy, U.S. assistance will also support GOR in creating a positive policy environment for investment in tourism development in and around the park; this will create economic opportunities for the private sector and local communities, as well as the GOR.

Environment: Nearly 70 percent of the country's water supply originates in Nyungwe National Park, an important area in terms of biodiversity. Adaptation assistance under the Global Climate Change initiative will improve the sustainable management of water resources—the GOR's highest priority for adapting to climate change—to positively impact human health, food security, and resiliency to climate change for vulnerable populations in targeted watersheds. Continued investments in sustainable eco-tourism and improving the livelihoods of populations living near targeted biodiversity hotspots will promote conservation of Rwanda's rich biodiversity.

Linkages with the Millennium Challenge Corporation

A Millennium Challenge Corporation Threshold Program agreement formally concluded in December 2011. This program addressed Rwanda's voice and accountability, civil liberties, and political rights indicators by strengthening the judicial sector, civic participation, and the media to promote civil rights and liberties. FY 2013 funding for the Governing Justly and Democratically Objective will build upon the gains made by the Threshold Program.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The U.S. Mission conducts monitoring and evaluation in the budget, strategy development, and planning process, as well as during program implementation and review. Several tools are used at different stages, ranging from rapid snapshots of financial health to in-depth reports of program impact. These tools include portfolio reviews, program evaluations, performance management plans, and pipeline analyses. Portfolio reviews are conducted on a semi-annual basis, reviewing implementation progress and performance monitoring to ensure that targets are being met and, if not, to revise program design. Pipeline analyses are conducted quarterly to assess the financial performance of each USAID activity. These analyses examine the financial health of an activity, specifically the rate of spending, available money, and future funding needs, to determine if more guidance and management are required.

The Mission has also continued to further develop its web-based, partner-reporting performance-data management system, so that USAID implementing partners can enter data locally (by district, then by either sector or project site, depending on the activity). The system facilitates performance monitoring against targets and timely compliance with reporting requirements, such as the annual Performance Plan and Report. USAID uses the system to report on data, avoid attribution error in reporting, and more accurately reflect each partner`s contribution. This facilitates more effective program management and oversight, including timely and credible data-quality assessments. It also generates data essential to accurate Geographic Information System mapping.

In FY 2011, USAID performed 29 key evaluations, assessments, and studies to inform project and program design, best practices, and lessons learned. These studies—which included a gender assessment, conflict vulnerability assessment, cost-benefit analyses, and numerous evaluations—will help shape the direction of the Feed the Future and Global Health Initiatives, as well as the five-year Country Development Cooperation Strategy that the Mission is currently developing. Performance Management Plans (PMPs) are in place for each USAID assistance objective—Investing in People, Governing Justly and Democratically, and Economic Growth—ensuring that performance information is being used to inform the planning process.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Performance information is a critical tool to inform budget and programmatic choices. A series of cost-benefit analyses that are currently underway will inform Feed the Future project design decisions in the beans and maize value chains, as well as modifications to other existing programs in dairy development, privatization of fertilizer and feeder road construction. An evaluation of USAID's dairy competiveness program, conducted in early 2011, demonstrated the benefits of continued investment in the dairy sector and informed current programming. Finally, an integrated improved livelihoods program will incorporate a rigorous impact evaluation into its design to test the hypothesis that a fee-for-service approach—a more sustainable solution than a no-fee service approach—to providing small business development services will result in participants demonstrating stronger poverty reduction outcomes.

The 2010 Demographic and Health Survey (DHS) Preliminary Report showed that under-five and infant mortality rates decreased from 152 to 76 and from 86 to 50 per 1,000 live births, respectively, from 2005. It also showed that the modern contraceptive prevalence usage rate increased from 10.3 percent to 45 percent in the same period. Despite these achievements, maternal mortality remains high and approximately 40 percent of all children are chronically malnourished. Given this need, in FY 2013, USAID will continue to support the central and decentralized levels of government and civil society organizations to provide an integrated package of quality, high-impact maternal, neonatal and child health services in a sustainable manner, promoting good governance and decentralization. USAID will continue

to use the final data from the 2010 DHS, expected to be published in February 2012, to guide its decision-making and target the most vulnerable populations.

Relating Past Performance to FY 2013 Plans: FY 2013 funding is expected to make significant contributions to agricultural growth in Rwanda, particularly in the area of staple crop value chains, the target of the majority of USAID Rwanda Feed the Future investments. Cost-benefit analyses of USAID post-harvest handling and storage projects in Rwanda's maize and beans value chains show that an internal rate of return of 17 percent can be achieved on such investments, and expected project outputs point to significant benefits in terms of household income and skill levels for a majority of Rwandan rural households. FTF investments will also bring 75,000 of Rwanda's poorest, particularly women, into priority value chains. By FY 2013, the number of tourists to targeted national parks is expected to more than triple over FY 2010 levels, generating income for households that otherwise might earn their living through the unsustainable exploitation of Rwanda's biodiversity.

FY 2013 funding will also have a significant impact on the health sector, particularly HIV/AIDS through PEPFAR. Combined efforts are expected to produce the following impacts nationwide: an increase from 56 percent in FY 2008 to 95 percent in FY 2013 of HIV-positive pregnant women who receive antiretroviral therapy to reduce the risk of mother-to-child transmission; an increase from 75 percent in FY 2008 to 90 percent in FY 2013 in the number of pregnant women who are tested for HIV and know their results; and an increase from 77 percent in FY 2008 to 93 percent in FY 2013 of eligible adults receiving antiretroviral treatment.

Sao Tome and Principe

Foreign Assistance Program Overview

United States foreign assistance to São Tomé and Príncipe (STP) is focused on improving the professionalism and capacity of the country's small military and coast guard and enhancing its maritime security efforts. Situated in the oil-rich, strategically significant Gulf of Guinea, STP is a member of the Economic Community of Central African States (ECCAS), which is the focus of an increasing number of regional security initiatives. STP has been an active player in ECCAS's Zone D maritime security exercises, and a participant in the U.S. Navy's Africa Partnership Station (APS) ship visits to Gulf of Guinea countries.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**180**	**100**	**100**	**-**
International Military Education and Training	180	100	100	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Sao Tome and Principe	**180**	**100**	**100**	**-**
1 Peace and Security	**180**	**100**	**100**	**-**
International Military Education and Training	**180**	**100**	**100**	**-**
1.3 Stabilization Operations and Security Sector Reform	180	100	100	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Sao Tome and Principe	**180**	**100**	**100**	**-**
1 Peace and Security	**180**	**100**	**100**	**-**
1.3 Stabilization Operations and Security Sector Reform	180	100	100	-

Peace and Security

U.S. assistance supports the professionalization of the country's armed forces, with a particular emphasis on enhanced civil-military relations and improved maritime security capabilities to interdict illicit shipments of people and goods, including arms, and deter unregulated fishing and other illegal activities.

International Military Education and Training (IMET): IMET funds will continue to support the professionalization of the military in STP, including through training for the STP Coast Guard. In particular, IMET training will focus on leadership development, English language ability, port security, the maintenance of small patrol boats, and effective maritime boarding and interdiction techniques.

Linkages with the Millennium Challenge Corporation

In 2011, STP completed a two-year, $8.6 million Millennium Challenge Corporation (MCC) Threshold Program focused on improving customs and tax administration. The program was administered by the Department of Treasury and worked on customs reform and improving anti-money laundering laws. This program yielded highly positive results, including a 35 percent increase in tax revenues and the creation of a "One-Stop Shop" that significantly reduced initial costs and start-up times to open a business.

Senegal

Foreign Assistance Program Overview

As a regional, diplomatic, and economic partner to the United States, Senegal remains a strong ally among Francophone African countries. This predominantly Muslim country shares many of our fundamental values and international goals, and has long been a symbol of democracy as well as ethnic and religious tolerance. While Senegal continues to compare favorably with many of the countries on the continent, it faces internal threats to its stability due to a growing youth population, limited employment prospects, increasing urbanization, weak private sector investment, and the gradual erosion of good governance and transparency. U.S. assistance will increase the professionalism and capacity of the Senegalese Armed Forces, as well as support increased agricultural production, improved health care, and better basic education. U.S. assistance will also play a crucial role in consolidating democratic outcomes resulting from the 2012 presidential and legislative elections while continuing to support Senegal's efforts in anti-corruption, transparency, and good governance.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**98,813**	**106,660**	**89,772**	**-16,888**
Development Assistance	44,600	50,000	33,900	-16,100
Foreign Military Financing	399	325	325	-
Global Health Programs - State	1,535	1,535	1,397	-138
Global Health Programs - USAID	51,253	53,950	53,400	-550
International Military Education and Training	1,026	850	750	-100

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Senegal	**98,813**	**106,660**	**89,772**	**-16,888**
1 Peace and Security	**1,425**	**1,175**	**1,075**	**-100**
Foreign Military Financing	**399**	**325**	**325**	**-**
1.3 Stabilization Operations and Security Sector Reform	399	325	325	-
International Military Education and Training	**1,026**	**850**	**750**	**-100**
1.3 Stabilization Operations and Security Sector Reform	1,026	850	750	-100
2 Governing Justly and Democratically	**2,000**	**3,900**	**2,400**	**-1,500**
Development Assistance	**2,000**	**3,900**	**2,400**	**-1,500**
2.2 Good Governance	2,000	3,900	2,400	-1,500
3 Investing in People	**70,388**	**82,585**	**67,297**	**-15,288**
Development Assistance	**17,600**	**27,100**	**12,500**	**-14,600**
3.1 Health	4,600	8,100	3,000	-5,100

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
3.2 Education	13,000	19,000	9,500	-9,500
Global Health Programs - State	**1,535**	**1,535**	**1,397**	**-138**
3.1 Health	1,535	1,535	1,397	-138
Global Health Programs - USAID	**51,253**	**53,950**	**53,400**	**-550**
3.1 Health	51,253	53,950	53,400	-550
4 Economic Growth	**25,000**	**19,000**	**19,000**	**-**
Development Assistance	**25,000**	**19,000**	**19,000**	**-**
4.5 Agriculture	20,000	17,000	17,000	-
4.8 Environment	5,000	2,000	2,000	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Senegal	**98,813**	**106,660**	**89,772**	**-16,888**
1 Peace and Security	**1,425**	**1,175**	**1,075**	**-100**
1.3 Stabilization Operations and Security Sector Reform	1,425	1,175	1,075	-100
2 Governing Justly and Democratically	**2,000**	**3,900**	**2,400**	**-1,500**
2.2 Good Governance	2,000	3,900	2,400	-1,500
3 Investing in People	**70,388**	**82,585**	**67,297**	**-15,288**
3.1 Health	57,388	63,585	57,797	-5,788
3.2 Education	13,000	19,000	9,500	-9,500
4 Economic Growth	**25,000**	**19,000**	**19,000**	**-**
4.5 Agriculture	20,000	17,000	17,000	-
4.8 Environment	5,000	2,000	2,000	-
of which: Objective 6	**6,451**	**6,096**	**6,175**	**79**
6.1 Program Design and Learning	971	990	1,070	80
6.2 Administration and Oversight	5,480	5,106	5,105	-1

Peace and Security

U.S. assistance endeavors to build the Government of Senegal's (GOS) capabilities and political will in counterterrorism, maritime security, and border security, and to strengthen Senegal's ability to contribute to regional stability through effective peacekeeping.

International Military Education and Training (IMET): IMET funds will support the continued development of a professional, apolitical military that is respectful of human rights. A more professional Senegalese military will improve its capacity to secure uncontrolled waters, to remain an important regional partner in the war on terrorism, and to serve effectively in United Nations, African Union, and Economic Community of West African States peacekeeping operations.

Foreign Military Financing (FMF): Funds will be used to provide equipment, training, and related support to strengthen the capacity of the Senegalese armed forces to continue participating in multi-national responses to threats to peace on the African continent including to participate in peacekeeping, counterterrorism, and maritime security operations.

Governing Justly and Democratically

In this sector, USAID will continue to promote government-wide transparency and accountability as well as continuing to build stronger local institutions and civil society. These programs are critical to combat corruption – especially after the 2012 presidential and legislative elections, when the political environment might be more conducive to change. The Mission also seeks to improve the capacity and independence of key public institutions at both national and local levels.

Development Assistance: To address improved governance, Mission programs will increase the capacity of civil society to demand transparency and accountability, particularly in public spending and the delivery of public services and through implementation of the anti-corruption action plan with the GOS. Specifically, activities will support fiscal decentralization, which is needed to improve good governance across Senegal. U.S. support for good governance and decentralization complement the European Union's support to the non-state actors' platform of the National Program for Good Governance. USAID will also continue to enhance local government capacity, promote laws and policies that lead to greater judicial independence, and strengthen the key oversight institutions such as the national corruption committee, national reform commission, and national procurement agency to provide more rigorous oversight.

Investing in People

The USG continues to support Senegal's efforts to reach its Millennium Development Goals in the health and education sectors so as to build a healthy and educated population that will form a strong human resource foundation for Senegal's economic, social, and political development.

Development Assistance:

Basic Education: While Senegal has made great strides in getting more children enrolled in school, the quality of education is severely constrained by the lack of trained teachers, the shortage of instructional resources, and a challenging school environment. The result is that many Senegalese children have below grade level skills, especially in the key building block subjects of reading and mathematics, that over time lead to higher drop-out rates and a youth cadre that is poorly equipped to compete effectively in today's globalized economy. In line with USAID's new Education Strategy, USAID/Senegal will focus on scaling up its program with the Ministry of Education on improving the reading and math learning outcomes of students in early primary grades nationwide, as those skills are foundational for future learning and essential for creating an effective, productive, and engaged population. USAID will coordinate its education programs with a donor working group, comprised of other donors and partners.

USAID will refocus its middle school programs to target areas only in the conflict-affected Casamance region, in alignment with the Agency's new Education Strategy to focus on increasing access to education in crisis and conflict environments. These programs will continue to ensure that children attain basic literacy and numeracy skills and reduce the number of out-of-school youth potentially drawn to the rebel movement. In FY 2013, USAID will also identify literate out-of-school youth who can be trained to serve as teachers' aides, thus assisting teachers to better manage overcrowded classrooms and to provide higher quality instruction to pupils. USAID will continue working with the GOS in the education sector to improve the completion rates, particularly for girls, including support for the analysis of national education accounts.

Water Supply and Sanitation: Although Senegal is making progress in achieving its Millennium Development Goals (MDG) for urban water supply, it has been less successful in the development of a rural water sector, and both rural and urban sanitation sectors. With continued funding, the United States will scale up its water activities to address the interrelated social, governance, economic, ecological, sustainability, and capacity challenges in the sector. Activities will build capacity for water and sanitation governance and provide small grants for water and sanitation infrastructure. Programs will focus on underserved zones in rural and peri-urban areas, and work closely with the World Bank, the African Development Bank, and the Japanese International Cooperation Agency to support the objective of Senegal achieving its MDGs in water and sanitation.

Global Health Programs (GHP): Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative to achieve major improvements in health outcomes through sustainable approaches and increased country ownership.

Linkages to the President's Emergency Plan for AIDS Relief (PEPFAR): Senegal will receive funding to support the national HIV/AIDS strategy and the goals of PEPFAR. U.S. assistance will focus on most at risk populations to ensure that they have access to a comprehensive package of HIV/AIDS health services. These activities complement Centers for Disease Control (CDC) efforts to strengthen access to strategic information on HIV in the country through the design and implementation of a national HIV case reporting system and other surveillance activities. USAID will also support prevention activities including behavior change communication, management of sexually transmitted infections, voluntary counseling and testing, as well as condom provision and promotion. For people living with HIV/AIDS, USAID will support the provision of psycho-social and nutritional counseling services, TB/HIV co-infection management, and income generating activities to afford access to drugs that treat opportunistic infections. In addition, funds will support HIV education for and testing of all troops deployed on peacekeeping missions throughout the continent and beyond. These efforts balance interventions undertaken through the Department of Defense HIV/AIDS Prevention Program, which provides soldiers and their families with counseling and testing services.

Malaria: U.S. assistance under PMI will expand efforts to scale-up proven preventive and treatment interventions toward achievement of 85 percent coverage among vulnerable groups to support the PMI goal of reducing malaria-related morbidity by 50 percent. The FY 2013 request level for Senegal does not include the total projected funding for the PMI. Decisions on allocations of centrally-managed funds will be made at the time that the FY 2013 operating year budget is set.

Maternal and Child Health (MCH): USAID assistance will build upon the extensive community-based network of providers that also implement PMI activities to increase access to an essential package of MCH services. At the clinical level, funds will expand the package of MCH interventions to make pregnancy and childbirth safer to 11 regions, build capacity for effective service delivery and outreach services, and expand the availability of essential services.

Family Planning and Reproductive Health (FP/RH): USAID will use this funding to assist the GOS and civil society organizations in expanding access to high-quality voluntary family planning services and information and reproductive health care on a sustainable basis. Such programs enhance the ability of couples to plan and space births, including timing of first birth. They also make substantial contributions to reducing abortion, maternal and child mortality, and morbidity; and to mitigating adverse effects of population dynamics on natural resources, economic growth, and state stability. Specific program activities will include public information and education campaigns, expanding the availability of FP methods, and improving FP counseling.

Nutrition: Nutrition activities will be implemented as part of the Feed the Future and Global Health Initiatives. Programs will promote community-based nutrition, with a focus on enhancing the quality and

diversity of the diet of malnourished children. Funds will support a variety of activities, such as training of health staff in nutrition issues, supporting micronutrient supplementation and food fortification programs for women and young children, and promoting breastfeeding and optimal complementary feeding practices in early childhood.

Economic Growth

Economic growth and free-market development remain a top Mission priority. Highly aid-dependent, Senegal continues to face severe economic and social challenges which could ultimately undermine stability, if not properly managed. Poor infrastructure, a weak and unnecessarily complex business environment, and low growth rates are key challenges for Senegal's economic development. The Mission seeks to help Senegal build a strong market-oriented economy which has true growth and diversification. As part of the President's Global Hunger and Food Security Initiative, Feed the Future (FTF), USAID will support the efforts of the GOS to refine and implement a country-led comprehensive food security strategy to reduce hunger and increase economic growth through market-led agricultural development.

Development Assistance (DA):

Agriculture: As part of the President's Global Hunger and Food Security Initiative, Feed the Future, USAID will support the efforts of the Government of Senegal to refine and implement a country-led comprehensive food security strategy to reduce hunger and increase economic growth through market-led agricultural development. In line with the Government of Senegal's Country Investment Plan for Agriculture (CIP) and its Accelerated Growth Strategy, and in an effort to avert future food crises and promote economic growth, the United States will invest significant foreign assistance resources in and will coordinate with the GOS and other donors to substantially develop Senegal's agriculture sector. U.S. assistance will increase agricultural productivity and improve markets including through the promotion of greater private sector involvement. Senegal has several important agricultural initiatives in place that are being unified under the CIP as required by the African Union-led Comprehensive African Agriculture Development Program (CAADP). With FTF funds, the USG will support this country-owned investment plan and ensure that interventions are fully integrated within the GOS's national agricultural plans. Toward this goal, USAID will achieve the following short and medium-term objectives: (1) agriculturally driven economic growth to increase productivity through a value chain approach and promote sound land management, (2) modified household behaviors that promote optimal nutrition, (3) enhanced policy implementation, (4) strengthened rural infrastructure and access to finance, and (5) increased human resource capacity.

Funding will be directed toward improving agricultural production, increasing food security, and reducing undernutrition and poverty with the goal of doubling the production of selected staple food commodities. FTF in Senegal will also support value chain activities and policies that are conducive to private enterprise and trade corridor development. Targeted value chains include rice, maize, millet, and fisheries. Finally, USG support to higher education institutions, including universities and vocational schools, will build sustainable capacity in agricultural research and development. In order to maximize the Mission's reach and effect, FTF activities will complement interventions implemented under the Global Climate Change (GCC) Initiative.

Environment: In collaboration with the FTF program in Senegal, activities will ensure that Senegal's natural resources are managed in an increasingly sustainable manner, including the implementation of necessary policies to promote a sound policy environment conducive to sustainability. Assistance will focus on activities in biodiversity conservation and coastal water resources management, so that natural resources such as community forests and the fisheries sector can be sustainably managed in a way that mitigates the possible effects of climate change. Environment funds will also be used to mitigate the negative impact on development of extractive industries, and to foster donor and government collaboration on natural resources management policy.

USAID chairs the donor working groups on rural development and food security, and the private sector. USAID also participates in working groups centered on agriculture and fisheries.

Linkages with the Millennium Challenge Corporation

Senegal is currently implementing its Millennium Challenge Corporation (MCC) Compact worth $540 million over five years to work on infrastructure projects (roads and irrigation schemes) in the northern and southern parts of the country. The Compact officially entered into force in September 2010 and activities are anticipated to be completed in 2015. MCC will build 376 kilometers of national road network as well as open 10,500 hectares of new irrigated land and rehabilitate 26,000 hectares in the Northern and Southern parts of Senegal. Given the importance of the rice produced in the Senegal River Valley as it relates to addressing Senegal's food security challenges, and the high agricultural potential of the Southern Senegal Zone, these investments provide USAID with a unique opportunity to leverage and complement the MCC effort. MCC began rehabilitating roads in late 2011, which coincides with the implementation of USAID's agriculture productivity programs under the Feed the Future initiative.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In FY 2011, USAID strengthened its internal monitoring and evaluation (M&E) capacity by forming a Mission Evaluation Working Group that reviews all evaluation scopes of work and reports, ensuring that knowledge gained through the evaluation process is shared and incorporated into future project designs. USAID also hired two new M&E Specialists who bring important technical expertise and in-depth host country contextual information that strengthen overall attention to M&E in the Mission. In FY 2011, USAID conducted a final program evaluation of its Community Health Program. Key findings informed the design of a new five-year, $40 million community health program.

In FY 2012, USAID will conduct a mid-term assessment of its Education Fixed Amount Reimbursement activity, which to date has enabled the GOS to build 27 middle schools in under-served regions. Mid-term evaluations will also be undertaken for the Mission's flagship economic growth project and for a major basic education project. Also in FY 2012, USAID will carry out a final performance evaluation of its social marketing program in health and will initiate the baseline study for the impact evaluation of its FTF program.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Key findings from the final evaluation of the Community Health Program were used to guide the design of a new community health program and will inform longer-term health programming. Because of these findings, health referral forms will now be systematized and available in all health huts (the lowest level of health care provision in Senegal), thereby ensuring that patient care is efficiently transferred from one level of the health care hierarchy to another. The skills of volunteer community health workers serving in the health huts will be reinforced to expand the services and thereby give rural citizens a more accessible and affordable first line of health care delivery. At the national level, a working group on the sustainability of the national community health program is being formed to develop an institutional framework and a national policy on Senegal's community health provision structure.

Relating Past Performance to FY 2013 Plans: USAID anticipates its largest programmatic impacts to occur in the health, agriculture, and education sectors, where food security, nutrition, disease prevention, and educational activities intersect to bring about significant positive changes in Senegal's economic development and human capacity. Going forward, a significant portion of foreign assistance to Senegal has been requested for these sectors, thereby improving overall health and economic status for a great number of Senegalese. Combined with efforts in the security and democracy sectors, U.S. assistance is critical to the development of a more stable and well-governed Senegal.

Seychelles

Foreign Assistance Program Overview

Enhancing maritime security and maintaining a strong bilateral relationship with Seychelles are important to the United States as these actions will ensure a more stable Indian Ocean region. U.S. foreign assistance to Seychelles focuses on the maritime security domain, including providing training and equipment.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**94**	**100**	**90**	**-10**
International Military Education and Training	94	100	90	-10

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Seychelles	**94**	**100**	**90**	**-10**
1 Peace and Security	**94**	**100**	**90**	**-10**
International Military Education and Training	**94**	**100**	**90**	**-10**
1.3 Stabilization Operations and Security Sector Reform	94	100	90	-10

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Seychelles	**94**	**100**	**90**	**-10**
1 Peace and Security	**94**	**100**	**90**	**-10**
1.3 Stabilization Operations and Security Sector Reform	94	100	90	-10

Peace and Security

Investments in training and equipment for enhanced security of the maritime domain are critically important to the two strongest pillars of the Seychelles economy: tourism and fishing. Seychelles already plays a key role in the region by accepting and prosecuting piracy cases. Foreign assistance will help stem the piracy threat through training in maritime safety and security. Training will focus on counter-piracy and creating a more professional military, which will provide more Seychellois mid-level officers the skills to take on leadership positions.

International Military Education and Training (IMET): IMET programs seek to enhance leadership and professionalize Seychelles Defense Forces officers, which will enhance their ability to contribute to coastal security, including curbing smuggling, illegal fishing, and potentially piracy. The program will support military training in maritime security, defense resource management, civil-military relations, military justice, and professional military education. Activities will also include development courses for junior officers in the Army and the Coast Guard to help professionalize the military.

Sierra Leone

Foreign Assistance Program Overview

Sierra Leone has made substantial progress in transitioning from a post-conflict country to a developing democracy that has made notable economic gains. Despite these improvements, Sierra Leone continues to grapple with serious development challenges, such as entrenched corruption, poor health conditions, weak governmental institutions, high unemployment, slow economic growth, abject poverty, and inadequate social services. Sierra Leone ranks among the lowest countries in the Human Development Index, with roughly 70 percent of its population living in poverty.

U.S. assistance in FY 2013 will continue to promote more effective governance and political processes at national and local levels, and economic growth by increasing agricultural productivity. It will also strengthen institutional capacity in health, including maternal and child health and nutrition. In addition, U.S. assistance is designed to help Sierra Leone build a more professional and apolitical Republic of Sierra Leone Armed Forces that will also be capable of supporting peacekeeping in Africa as well as fighting drug trafficking and smuggling.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**19,302**	**17,375**	**17,350**	**-25**
Economic Support Fund	6,500	4,500	5,000	500
Food for Peace Title II	11,908	12,000	12,000	-
Global Health Programs - State	500	500	-	-500
International Military Education and Training	394	375	350	-25

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Sierra Leone	**19,302**	**17,375**	**17,350**	**-25**
1 Peace and Security	**394**	**375**	**350**	**-25**
International Military Education and Training	**394**	**375**	**350**	**-25**
1.3 Stabilization Operations and Security Sector Reform	394	375	350	-25
2 Governing Justly and Democratically	**6,500**	**4,500**	**5,000**	**500**
Economic Support Fund	**6,500**	**4,500**	**5,000**	**500**
2.1 Rule of Law and Human Rights	4,500	2,000	1,600	-400
2.2 Good Governance	-	1,500	2,100	600
2.3 Political Competition and Consensus-Building	2,000	-	-	-
2.4 Civil Society	-	1,000	1,300	300
3 Investing in People	**6,454**	**6,500**	**5,400**	**-1,100**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Food for Peace Title II	**5,954**	**6,000**	**5,400**	**-600**
3.1 Health	5,954	6,000	5,400	-600
Global Health Programs - State	**500**	**500**	**-**	**-500**
3.1 Health	500	500	-	-500
4 Economic Growth	**5,954**	**6,000**	**6,600**	**600**
Food for Peace Title II	**5,954**	**6,000**	**6,600**	**600**
4.5 Agriculture	5,954	6,000	6,600	600

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Sierra Leone	**19,302**	**17,375**	**17,350**	**-25**
1 Peace and Security	**394**	**375**	**350**	**-25**
1.3 Stabilization Operations and Security Sector Reform	394	375	350	-25
2 Governing Justly and Democratically	**6,500**	**4,500**	**5,000**	**500**
2.1 Rule of Law and Human Rights	4,500	2,000	1,600	-400
2.2 Good Governance	-	1,500	2,100	600
2.3 Political Competition and Consensus-Building	2,000	-	-	-
2.4 Civil Society	-	1,000	1,300	300
3 Investing in People	**6,454**	**6,500**	**5,400**	**-1,100**
3.1 Health	6,454	6,500	5,400	-1,100
4 Economic Growth	**5,954**	**6,000**	**6,600**	**600**
4.5 Agriculture	5,954	6,000	6,600	600
of which: Objective 6	**926**	**975**	**-**	**-975**
6.1 Program Design and Learning	-	75	-	-75
6.2 Administration and Oversight	926	900	-	-900

Peace and Security

The United States continues to help Sierra Leone consolidate peace, build security, reinforce its territorial integrity, and resist terrorist and other security threats. In FY 2013, the U.S. assistance will help strengthen the military's capacity to control the country's territorial waters.

International Military Education and Training (IMET): In FY 2013, the United States will continue to work with the Republic of Sierra Leone Armed Forces (RSLAF) to help professionalize its military and improve its ability to conduct maritime security and peacekeeping operations. In addition, IMET funds may also be used to support a "train the trainers" program for non-commissioned officers that will ensure that leadership and management concepts, doctrine, and strategies become part of military culture through regular trainings for military personnel at all levels, from new recruits to enlisted soldiers and senior officers.

Governing Justly and Democratically

Sierra Leone faces significant challenges in democracy and governance, including corruption, weak government institutions, gender inequalities, an ineffective civil society, and inadequate media services to support the process of decentralization and democracy. To address these issues, U.S. assistance will support the efforts of the Government of Sierra Leone (GoSL) to decentralize state governance, broaden its citizens' civic and political participation, promote accountable and responsive government, and fight corruption.

Economic Support Funds (ESF): The United States will continue to advance democratic principles and practices. U.S. assistance will support the ongoing decentralization of the central government functions to help local governments become increasingly responsive to their citizens, and strengthen the community-based civil society advocacy movement to promote dialogue among communities and local district councils.

U.S. efforts will increase civic participation, strengthen coalition and alliance building of civil society groups, and improve oversight and service delivery, with a specific focus on women and gender equality. State democratic institutions and independent media will be engaged to increase access to accurate information and improve dialogue. These activities are targeted to achieve more transparent and accountable systems, improved service delivery, and a more peaceful, democratic, and pluralistic society. In addition, FY 2013 resources will continue support for the Special Court for Sierra Leone, an independent judicial body set up to try individuals for the war crimes and crimes against humanity committed during the Sierra Leone Civil War.

Investing in People

Sierra Leone has the world's highest child and maternal mortality rates. Reducing these rates is the number one health-sector priority of the GoSL, a goal that is also supported by the United States.

Food for Peace Title II: The program will continue to improve newborn, child, and maternal health care by training health and community workers, offering health and nutrition education, and providing supplementary feeding for vulnerable households. Training of district health staff and members of community health committees allows for more effective community-based childhood disease prevention and management strategies to promote better health and nutrition. U.S. assistance will also provide logistics support for immunization activities. In addition, U.S. support will rehabilitate and construct water and sanitation and health facilities in rural communities. Interventions are targeted to achieve better infant and child feeding practices, full immunization of children, sound hygiene practices such as hand washing, and prompt referral to health facilities. In the long term, U.S. assistance will help Sierra Leone meet its priority health objective of reducing child and maternal mortality.

Economic Growth

In Sierra Leone, agriculture accounts for 45 percent of the gross domestic product and is the primary source of employment. The GoSL has made agriculture its priority within the economic sector. U.S. support for agriculture will assist the GoSL to achieve its agricultural development objectives and contribute to accelerated growth.

Food for Peace Title II: The program will continue to improve food security and nutrition for vulnerable rural households principally through increasing agriculture productivity and supporting the growth of rural microenterprise. U.S. assistance will provide farmers with improved agricultural technologies and increased access to market information and business development services. These activities are targeted to increase food production and household incomes, and enhance livelihoods for vulnerable populations, including youth and women-headed households.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: A number of monitoring and evaluation activities were carried out during FY 2011 in Sierra Leone. These include:

- Regular site visits as well as a comprehensive program review of the integrated agriculture program. USAID Sierra Leone's Regional Agreement Officer and Mission Director led the program review, which included visits to all the project districts and a consultative feedback process. This review will help inform a possible extension of the program and improve coordination among implementing partners.

- A financial review of the integrated agriculture program to identify specific areas for improvements in project financial management.

- An assessment of the democracy and governance environment in Sierra Leone. The draft assessment report identified key challenges and priority gaps.

- A performance evaluation of the integrated agriculture program will be conducted in the last quarter of FY 2012 to guide country strategic and program planning efforts.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The Mission has been able to draw important conclusions and take targeted actions based on the reviews summarized above, including:

- A comprehensive review of the integrated agriculture, governance, and environment program concluded that activities were being effectively implemented and had great potential to expand economic growth in rural Sierra Leone, foster accountability and improve service delivery at the local level. A cost extension was approved to build on current results.

- Better and acceptable financial management systems are now being put in place based on the findings and recommendations of the financial review.

- The findings and recommendations of the democracy and governance assessment and the evaluation results of the integrated agriculture program are informing future Mission strategic planning efforts.

Relating Past Performance to FY 2013 Plans: Program reviews revealed that extensive and sustained engagement of people with their local councils reinforces governance practices, such as accountability and transparency. FY 2013 funding will explore strategies to make the local councils more responsive and effective.

The formation of the Nutrition Forum will bring nutrition into greater strategic focus in the health and agriculture sectors, which should result in better health outcomes for children and women, particularly in rural Sierra Leone.

Somalia

Foreign Assistance Program Overview

U.S. foreign policy objectives in Somalia are to promote political and economic stability, prevent the use of Somalia as a haven for international terrorism, and alleviate the humanitarian crisis caused by years of conflict, drought, flooding, and poor governance. The September 6, 2011 "Roadmap to End the Transition," details the remaining tasks necessary to complete the transition to more inclusive representative governing institutions by August 2012, ending the current transitional government. U.S. assistance in Somalia will support the establishment of a post-transitional national government that will work to foster a unified Somali state in the long-term. U.S. assistance will also focus on the more stable areas of Somaliland and Puntland, as well as parts of south and central Somalia as opportunities arise, including in Mogadishu. The United States will continue to work closely with other donor partners and international organizations to support social services and the development of an effective and representative security sector, including military, police, and justice sector, while supporting ongoing African Union peacekeeping efforts.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**144,963**	**167,995**	**74,000**	**-93,995**
Overseas Contingency Operations	**-**	**51,000**	**-**	**-51,000**
Peacekeeping Operations	-	51,000	-	-51,000
Enduring/Core Programs	**144,963**	**116,995**	**74,000**	**-42,995**
Economic Support Fund	19,627	19,627	19,400	-227
Food for Peace Title II	46,489	-	-	-
Global Health Programs - USAID	1,547	1,550	-	-1,550
International Narcotics Control and Law Enforcement	-	2,000	1,800	-200
Nonproliferation, Antiterrorism, Demining and Related Programs	2,000	2,000	1,800	-200
Peacekeeping Operations	75,300	91,818	51,000	-40,818

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Somalia	**144,963**	**167,995**	**74,000**	**-93,995**
1 Peace and Security	**85,736**	**154,745**	**62,000**	**-92,745**
Economic Support Fund	**8,436**	**7,927**	**7,400**	**-527**
1.6 Conflict Mitigation and Reconciliation	8,436	7,927	7,400	-527
International Narcotics Control and Law Enforcement	**-**	**2,000**	**1,800**	**-200**
1.3 Stabilization Operations and Security Sector Reform	-	2,000	1,800	-200
Nonproliferation, Antiterrorism, Demining and Related Programs	**2,000**	**2,000**	**1,800**	**-200**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.3 Stabilization Operations and Security Sector Reform	2,000	2,000	1,800	-200
Peacekeeping Operations	**75,300**	**142,818**	**51,000**	**-91,818**
1.3 Stabilization Operations and Security Sector Reform	75,300	142,818	51,000	-91,818
2 Governing Justly and Democratically	**3,070**	**4,300**	**3,000**	**-1,300**
Economic Support Fund	**3,070**	**4,300**	**3,000**	**-1,300**
2.2 Good Governance	3,070	1,800	1,500	-300
2.3 Political Competition and Consensus-Building	-	2,500	1,500	-1,000
3 Investing in People	**6,547**	**6,650**	**4,000**	**-2,650**
Economic Support Fund	**5,000**	**5,100**	**4,000**	**-1,100**
3.2 Education	5,000	5,100	4,000	-1,100
Global Health Programs - USAID	**1,547**	**1,550**	**-**	**-1,550**
3.1 Health	1,547	1,550	-	-1,550
4 Economic Growth	**3,121**	**2,300**	**5,000**	**2,700**
Economic Support Fund	**3,121**	**2,300**	**5,000**	**2,700**
4.6 Private Sector Competitiveness	3,121	2,300	5,000	2,700
5 Humanitarian Assistance	**46,489**	**-**	**-**	**-**
Food for Peace Title II	**46,489**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	46,489	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Somalia	**144,963**	**167,995**	**74,000**	**-93,995**
1 Peace and Security	**85,736**	**154,745**	**62,000**	**-92,745**
1.3 Stabilization Operations and Security Sector Reform	77,300	146,818	54,600	-92,218
1.6 Conflict Mitigation and Reconciliation	8,436	7,927	7,400	-527
2 Governing Justly and Democratically	**3,070**	**4,300**	**3,000**	**-1,300**
2.2 Good Governance	3,070	1,800	1,500	-300
2.3 Political Competition and Consensus-Building	-	2,500	1,500	-1,000
3 Investing in People	**6,547**	**6,650**	**4,000**	**-2,650**
3.1 Health	1,547	1,550	-	-1,550
3.2 Education	5,000	5,100	4,000	-1,100
4 Economic Growth	**3,121**	**2,300**	**5,000**	**2,700**
4.6 Private Sector Competitiveness	3,121	2,300	5,000	2,700
5 Humanitarian Assistance	**46,489**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	46,489	-	-	-
of which: Objective 6	**2,350**	**2,940**	**4,300**	**1,360**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
6.1 Program Design and Learning	350	300	1,550	1,250
6.2 Administration and Oversight	2,000	2,640	2,750	110

Peace and Security

Between 2011 and early 2012, combined efforts by the African Union Mission in Somalia (AMISOM), Somalia's Transitional Federal Government (TFG) National Security Forces (NSF), and TFG-allied militias, resulted in the departure of al-Shabaab from most of Mogadishu and parts of southwestern Somalia. Nevertheless, terrorist operatives continue their efforts to disrupt the political process through attacks against TFG, AMISOM, and civilians, including humanitarian aid workers, journalists, and civil society organizations. The lack of security and credible governance as well as the ongoing drought crisis are the two most critical challenges facing Somalia today. U.S. assistance will provide livelihood opportunities and avenues for civic participation to youth at risk of recruitment into anti-government militias and other illicit groups. Funds will support critical capacity-building of the Somalia security sector (military, police, security, etc.) as well as peacekeeping efforts of AMISOM in close coordination with other donor partners. As al-Shabaab is degraded, the United States Agency for International Development's (USAID) Transition Initiative for Stabilization (TIS) will provide quick-impact, targeted interventions to counter violent extremism, increase public confidence in local authorities, and strengthen regional administrations.

Economic Support Fund (ESF): U.S. assistance will continue to support short-term stabilization programs to increase economic opportunities in the short-term, build confidence in the peace process, and contribute to the development of a more comprehensive recovery plan. ESF will help create employment opportunities for disadvantaged youth and encourage the disarmament, demobilization and reintegration of ex-combatants. In addition, the United States will fund programs to train government and civic leaders in conflict mitigation and reconciliation, and will support activities that facilitate dialogue and national- and regional- level peace and reconciliation processes.

International Narcotics Control and Law Enforcement (INCLE): The United States will support the international community's ongoing Security Sector Reform effort in Somalia by building the capacity of civilian authorities to oversee Somalia's new security institutions. The United States will also support community security initiatives and the establishment of effective civilian policing.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): As part of its stabilization strategy, the United States will maintain operational support and capacity development of conventional weapons destruction programs including humanitarian mine action, small arms and light weapons destruction, and the destruction of abandoned munitions caches or the contents of poorly maintained ammunition storage points. In addition, the United States will pursue ammunition security projects, to the extent possible, in Somaliland. The focus of these activities would be ammunition storage refurbishment, including safe storage, audit and possible destruction of man-portable air-defense systems.

Peacekeeping Operations (PKO): AMISOM plays a critical role in training and mentoring the National Security Forces in Somalia in areas such as countering terrorist forces and stabilizing south-central Somalia's security environment. The United States seeks to bolster AMISOM's operational effectiveness by providing training, equipment, and logistical support to both existing and newly deploying AMISOM units. U.S. training, including specialized training in marine operations, counter-improvised explosive device operations, and combat medical procedures, has proven critical to the ability of AMISOM to operate effectively in the dangerous environment of Mogadishu. The United States will also assist with the provision of combat enablers, force multipliers and support assets to better equip AMISOM as it expands peacekeeping operations outside the confines of Mogadishu into southern Somalia. The United States will

work to build the capacity of the TFG's National Security Force by providing equipment, logistical support, troop stipends, infrastructure support for the Ministry of Defense, advisors, and support for regional training efforts. Supporting the development of an effective, professional Somali security force is critical to the overall effort to stabilize Mogadishu and south-central Somalia. U.S. support continues to emphasize the importance of civilian protection and accountability as a critical factor in enabling AMISOM to successfully meet its mandate.

Assessed costs for the UN Support Office for AMISOM are requested in the Contributions for International Peacekeeping Activities (CIPA) account.

Governing Justly and Democratically

Achievement of lasting political stability in Somalia requires efforts to promote and strengthen good governance, electoral processes, and consensus building among stakeholders. Somalia's political transition faces formidable challenges, and helping Somalia to develop stable, legitimate, and durable government institutions is a critical element of the U.S. strategy. The United States will support an incremental approach to democratic processes based upon on-the-ground realities of each region.

Economic Support Fund (ESF): U.S. assistance will help re-establish government functions, including rebuilding the administrative capacity of local institutions to provide basic services. Specifically, assistance will support the post-transition governing arrangements in order to build an effective, representative government. Programs will continue to enhance civil society engagement in democratic processes and demonstrate the importance of civil society participation in the consolidation of peace. The United States will also work with the Somalia diaspora to transfer skills, knowledge, and experience to colleagues in specific government ministries. In collaboration with other donors, the United States will support inclusive consensus-building initiatives related to peace agreements, national dialogues, referenda on key issues, and the arrangement of the post-transition governance structures.

Investing in People

Somalia has low gross-enrollment rates in primary school (42 percent for boys and 23 percent for girls). As a result, U.S. efforts in Somalia are geared towards increasing access and improving quality education in secondary schools.

Economic Support Fund (ESF): Through support for improved secondary education and vocational training, the United States hopes to increase the number of educated Somalis, help Somalis develop life skills, and advance messages of tolerance. Funds will continue to support an integrated secondary education and youth livelihoods program that focuses on the rehabilitation/construction of secondary schools, teacher training, vocational training, and efforts to increase civic engagement. Improving access to education services will serve the dual purpose of providing much needed services for communities which are especially vulnerable to recruitment by extremist or criminal networks and helping boost confidence in Somali authorities. U.S. programming will consider key aspects of USAID's new basic education strategy as appropriate to the operating environment and will collaborate with the public, private, non-governmental, and religious sectors on these programs.

Economic Growth

Despite years of conflict and the absence of a central government, the Somali economy has been relatively resilient due to the vibrancy of the private sector and civil society. As security and governance institutions are re-established at the national-level and south-central regions, there are opportunities to support the economic recovery process, which will be crucial to long-term stability in Somalia. Broad-based growth to generate employment and income is essential for effective consolidation of peace and reduction of poverty in Somalia. Somalia's private sector has led the economic recovery efforts by building schools and medical facilities and establishing one of the most sophisticated cellular networks in Africa.

Economic Support Fund (ESF): U.S. assistance will support local authorities and private sector groups to improve the enabling environment for investment, generate more productive employment and improve the prospects for other livelihood activities. Providing Somalis with jobs and other economic opportunities may reduce their likelihood of joining extremist groups and piracy networks, in addition to preventing high risk groups from engaging in anti-government and criminal operations. The United States hopes to help create an enabling environment for businesses and long-term development by assisting Somali authorities and other institutions that are committed to peaceful political processes at central-, regional- and local-levels to end conflict and encourage stability, and encouraging them to work in harmony with other stakeholders. U.S. resources will support two specific areas that are the engines for economic growth in Somalia: private sector development and the general business enabling environment, including women's business development; and, livestock and or other productive sectors (fisheries, agriculture and energy). U.S. assistance will mitigate risks posed by the fluctuating security situation by operating in areas of relative peace and security and, adopting a community-based, flexible approach.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: USAID held a series of strategic planning discussions beginning in January 2011 on the future of its education and youth programs. Somali Ministries of Education, education donors, UN and international and national NGOs from Somaliland, Puntland and south-central Somalia participated in the discussions and provided guidance on the current gaps in education and youth programming and opportunities for increased investments. Secondary education, non-formal education, economic opportunities (especially for out-of-school youth), and civic participation were identified as critical gaps.

On-the-ground monitoring of activities in Somalia is limited due to restrictions on travel of U.S. Government personnel. In FY 2011, USAID worked with partners to provide monitoring, evaluation, and verification inspections of activities in Somalia to improve the efficiency and effectiveness of aid delivery. USAID also conducts annual portfolio reviews to assess and monitor programmatic impacts and financial performance. In addition, quarterly strategic review sessions are conducted to monitor and assess the impact of the program on a regular basis, given the ever-changing dynamics within Somalia. The initial baseline survey for the current stabilization framework was launched in 2011 and results will inform USAID future programming.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Planning discussions and analytical evidence led to the shift in education programming to secondary education and workforce development for youth and civic participation in order to address some of the current gaps and to have a greater impact on stability. This direction is in line with U.S. stabilization strategy in Somalia which underlines the need to provide alternatives to young people to reduce the likelihood of them joining extremist or criminal (e.g., pirate) networks, and to help young people to make a positive contribution to society that is recognized by the community.

Relating Past Performance to FY 2013 Plans: Programmatic reviews and monitoring determined that successful development and stabilization programming requires Somali ownership to be a key component, from the initial program design stage through implementation. In FY 2013, programs will continue to ensure this critical principle is adhered to throughout the life of activities. The funds available for peace and security activities in FY 2013 will be directed towards stabilization programs to support quick-impact activities to demonstrate the positive effects of the political reconciliation process. Community-driven, quick-impact programs in targeted areas should increase economic opportunities in the short-term, build confidence in the peace process and contribute to the development of a more comprehensive recovery plan.

South Africa

Foreign Assistance Program Overview

South Africa, a strategic partner of the United States, particularly in the areas of security and trade, has made remarkable strides towards building a prosperous and peaceful democracy since 1994. The United States continues promoting opportunities for increased bilateral cooperation on regional and international issues.

As South Africa increases its leadership role in the region, it is working with the United States and other donors to address high levels of crime, economic inequality, and health threats, including some of the highest HIV/AIDS and tuberculosis (TB) infection rates in the world. Although South Africa invests substantial resources to address these problems, the South African Government (SAG) does not get the return it should on its investment, and a lack of capacity, particularly in the health system, makes service delivery inefficient. U.S. assistance will help the SAG to increase the impact of its investments, focusing on improving healthcare, increasing education standards and teacher training, building capacity in agriculture to address regional food security, and developing clean energy to adapt to global climate changes. Investment to address South Africa's economic growth and health needs will yield great benefits to the country's internal stability and poverty reduction, while helping it achieve its Millennium Development Goals. Improving the capacity of its security force will enable South Africa to take a lead role in regional stability and security efforts.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**571,440**	**500,268**	**488,777**	**-11,491**
Development Assistance	15,734	14,734	14,600	-134
Foreign Military Financing	798	700	700	-
Global Health Programs - State	535,319	469,969	459,427	-10,542
Global Health Programs - USAID	15,469	10,000	11,000	1,000
International Military Education and Training	820	815	750	-65
International Narcotics Control and Law Enforcement	2,000	3,000	2,000	-1,000
Nonproliferation, Antiterrorism, Demining and Related Programs	1,300	1,050	300	-750

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
South Africa	**571,440**	**500,268**	**488,777**	**-11,491**
1 Peace and Security	**5,818**	**6,613**	**4,950**	**-1,663**
Development Assistance	**1,200**	**1,048**	**1,200**	**152**
1.6 Conflict Mitigation and Reconciliation	1,200	1,048	1,200	152

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Foreign Military Financing	**798**	**700**	**700**	**-**
1.3 Stabilization Operations and Security Sector Reform	798	700	700	-
International Military Education and Training	**820**	**815**	**750**	**-65**
1.3 Stabilization Operations and Security Sector Reform	820	815	750	-65
International Narcotics Control and Law Enforcement	**1,700**	**3,000**	**2,000**	**-1,000**
1.3 Stabilization Operations and Security Sector Reform	1,700	2,500	1,600	-900
1.5 Transnational Crime	-	500	400	-100
Nonproliferation, Antiterrorism, Demining and Related Programs	**1,300**	**1,050**	**300**	**-750**
1.1 Counter-Terrorism	1,000	750	-	-750
1.2 Combating Weapons of Mass Destruction (WMD)	300	300	300	-
2 Governing Justly and Democratically	**300**	**-**	**-**	**-**
International Narcotics Control and Law Enforcement	**300**	**-**	**-**	**-**
2.1 Rule of Law and Human Rights	300	-	-	-
3 Investing in People	**553,788**	**487,655**	**472,927**	**-14,728**
Development Assistance	**3,000**	**7,686**	**2,500**	**-5,186**
3.2 Education	3,000	7,686	2,500	-5,186
Global Health Programs - State	**535,319**	**469,969**	**459,427**	**-10,542**
3.1 Health	535,319	469,969	459,427	-10,542
Global Health Programs - USAID	**15,469**	**10,000**	**11,000**	**1,000**
3.1 Health	15,469	10,000	11,000	1,000
4 Economic Growth	**11,534**	**6,000**	**10,900**	**4,900**
Development Assistance	**11,534**	**6,000**	**10,900**	**4,900**
4.2 Trade and Investment	-	-	500	500
4.3 Financial Sector	3,100	-	-	-
4.5 Agriculture	1,000	1,000	1,000	-
4.6 Private Sector Competitiveness	3,434	2,000	6,400	4,400
4.8 Environment	4,000	3,000	3,000	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
South Africa	**571,440**	**500,268**	**488,777**	**-11,491**
1 Peace and Security	**5,818**	**6,613**	**4,950**	**-1,663**
1.1 Counter-Terrorism	1,000	750	-	-750
1.2 Combating Weapons of Mass Destruction (WMD)	300	300	300	-
1.3 Stabilization Operations and Security Sector Reform	3,318	4,015	3,050	-965

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.5 Transnational Crime	-	500	400	-100
1.6 Conflict Mitigation and Reconciliation	1,200	1,048	1,200	152
2 Governing Justly and Democratically	**300**	**-**	**-**	**-**
2.1 Rule of Law and Human Rights	300	-	-	-
3 Investing in People	**553,788**	**487,655**	**472,927**	**-14,728**
3.1 Health	550,788	479,969	470,427	-9,542
3.2 Education	3,000	7,686	2,500	-5,186
4 Economic Growth	**11,534**	**6,000**	**10,900**	**4,900**
4.2 Trade and Investment	-	-	500	500
4.3 Financial Sector	3,100	-	-	-
4.5 Agriculture	1,000	1,000	1,000	-
4.6 Private Sector Competitiveness	3,434	2,000	6,400	4,400
4.8 Environment	4,000	3,000	3,000	-
of which: Objective 6	**42,227**	**3,588**	**2,843**	**-745**
6.1 Program Design and Learning	24,090	1,359	1,010	-349
6.2 Administration and Oversight	18,137	2,229	1,833	-396

Peace and Security

U.S. assistance programs will enhance South Africa's capacity to address regional peace and security challenges. Resources will enhance South Africa's capacity to help mediate conflicts and consolidate peace across the continent. The United States will also support South Africa's efforts to fight organized crime and terrorism.

Development Assistance: South Africa is well placed to help fellow African states address development challenges and promote sustainability, directly serving the United States' and SAG's mutual political, economic, and commercial interests. As a nascent donor, the SAG seeks partnerships with seasoned donors to build its capacity and leverage outside resources.

U.S. funding under the Trilateral Assistance Program (TAP) furthers U.S. development priorities by supporting various small-scale development projects on the continent implemented by SAG departments and agencies. This program leverages South Africa's significant influence in the regional and international organizations, while providing a platform for the SAG to enhance its capacity to promote and strengthen democratic norms, including respect for rule of law and human rights, and good governance on the continent. Assistance will also be used to support the SAG's growing efforts to establish an international development agency. This will include direct technical assistance as well as planned support for assessment and evaluations.

Foreign Military Financing (FMF): Programs will improve the readiness of the South African National Defense Force (SANDF), arguably the most capable military in sub-Saharan Africa, to respond to regional conflict and participate in peacekeeping operations. Funds will primarily be used to provide spare parts, publications, technical support, equipment upgrades, simulator training, and maintenance training for their C-130 aircraft, aircrew, and ground support personnel.

International Military Education and Training (IMET): Funding will support professional military education and technical training courses for SANDF leadership to maintain and enhance the professionalism and technical competence of the SANDF's officer corps, which in turn will improve SANDF's management of its defense establishment and enable SANDF to provide a more effective contribution to peacekeeping operations in the region.

International Narcotics Control and Law Enforcement (INCLE): Funds will support the Narcotics and Law Enforcement Affairs (NLEA) position and help increase local capacity by providing training in basic policing skills and forensics, and ensuring there is a strategic focus to all law-enforcement training programs, including those provided by Immigration and Customs Enforcement, Customs and Border Protection, Drug Enforcement Administration, Federal Bureau of Investigation, Secret Service, the Department's Diplomatic Security Antiterrorism Assistance program, and the Regional Security Office. The NLEA position will also have regional responsibilities to include Mozambique. Law enforcement training will also extended to various offices within the South African law enforcement community through the International Law Enforcement Academy in Botswana, which in turn benefits South Africa's six bordering countries.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): This multi-year program will continue to enhance South Africa's strategic trade control enforcement capabilities, establish regionally-applicable best practices in key areas of export control, improve legal and bureaucratic frameworks (particularly within the nascent Border Management Agency), encourage improved licensing and compliance programs, and prepare South Africa to be a partner in conducting regional outreach. Resources will be used to establish and maintain a partnership with the South African Revenue Service through targeting and interdiction training, and equipment donations. Assistance will also help improve private industry outreach, encourage national control list updates, and enhance the National Prosecution Authority's investigative capabilities.

Investing in People

An estimated 5.57 million South Africans are infected with HIV – the largest number of any country in the world. HIV and AIDS take their toll not only by cutting lives short, but also by draining the country's workforce, placing a huge burden on the public health system, and diverting large sums of public resources away from other needs. Tuberculosis (TB), which has an HIV/AIDS co-infection rate of over 70 percent, adds to the challenge of the epidemic, killing more HIV-infected South Africans than any other cause and further straining the health system. The five-year Partnership Framework agreement, signed in 2010, provides a path for transition from emergency assistance to sustainable prevention, care and treatment activities under the President's Emergency Plan for AIDS Relief (PEPFAR) program, including the specifics of transitioning to South African ownership and funding of most programs while ensuring there is no interruption in essential care and treatment services.

In education, South African students are falling short on standardized tests, failing to graduate from secondary school, and are often unprepared for university or the job market upon completion of their studies despite higher spending per pupil than many other middle-income countries. Few pursue the technical degrees that are sorely in demand by the business sector. Teacher standards are also deficient, leading to a serious shortage of properly trained teachers.

Global Health Programs (GHP): Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative to achieve major improvements in health outcomes through sustainable approaches and increased country ownership.

- Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR) – GHP-State and USAID: South Africa will receive significant support to build partnerships to provide integrated prevention, care and treatment programs throughout the country and support for orphans and vulnerable children.

- Tuberculosis: Assistance will strengthen systems and capacity in several areas critical to a fully functional TB control program, including infection control at service delivery levels and enhancements to diagnostics. Ongoing programs will enhance the SAG's capacity to implement TB Directly Observed Treatment Short-course therapy at local and national levels. Funding will also support surveillance system improvement to aid in early detection of multi-drug-resistant TB and address other TB service delivery challenges. Resources will also be dedicated to raising awareness and support among the general population regarding TB signs, symptoms, referral, and treatment, and the importance of testing for HIV among TB patients. Assistance will focus on both facility-level and community-level programs.

Development Assistance: The provision of basic education is crucial to improving South Africa's productivity and stability. U.S. assistance, in alignment with USAID's new Education Strategy, will strengthen education policies, in-service teacher and administrator training, and reading skills for primary grade learners, and provide technical assistance to promote marketable skills for students.

Economic Growth

South Africa is the economic leader of sub-Saharan Africa. Nevertheless, the country suffers from severe and widening income inequality, high rates of unemployment particularly among youth, and a skills mismatch between job seekers and the needs of a modern market economy. South Africa is considered to contribute more than 90 percent of the region's greenhouse gas (GHG) emissions, and stands to be heavily impacted by predicted climatic changes in the coming decades, particularly with regard to water scarcity and more intense storms, floods, and droughts. These developmental deficits, if unaddressed, threaten the country's internal stability, and its potential to foster growth and investment in the region. The United States aims to partner with South Africa in a transition to a labor-absorbing, low-carbon economy that can provide work opportunities for its population. USAID will leverage South Africa's expertise to strengthen regional economic integration and to tackle regional problems such as food security and climate change.

Development Assistance (DA):

Trade and Investment: Assistance will support efforts to reduce trade and investment barriers. The United States will also help South Africa become a trading partner to the U.S. and global economy.
Private Sector Competitiveness: Funds will build South Africa's capabilities to develop and implement evidence-based policies, particularly related to labor and youth, the business environment, and competitiveness. Assistance will also go toward promoting innovative ideas that offer solutions to challenges that relate to youth unemployment and inequality. In addition, the United States will help South Africa play a crucial role in the economic integration of the region.

Global Climate Change Initiative (GCCI): U.S. assistance will support the development of cleaner, more climate-friendly development in South Africa, including promotion of clean energy technology and skills under the Enhancing Capacity for Low Emissions Development Strategies program. Activities will support the country's vision for a lower emissions development pathway for South Africa.

Feed the Future (FTF): South Africa is a regional leader that has excelled in various aspects of agricultural development and nutrition programs. By working with strategic partners, we advance broader U.S. diplomatic goals, our emerging economy partners benefit from strengthened capacities and increased regional influence and profile, and our developing country partners benefit from appropriate technologies

and experience. Due to its strong regional influence and trade profile, South Africa is a key participant in regional food security efforts as envisioned under FTF. Investments in cooperation with South Africa will continue to leverage the considerable expertise, investment, and influence of government, private sector, and non-governmental partners for the benefit of food security activities in FTF focus countries. Resources will support expanded access to regional markets, mitigate risks associated with drought, disaster, and disease, and build long-term capacity of regional organizations to address regional challenges.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The Regional Inspector General (RIG) conducted an audit of the bilateral health program's HIV/AIDS treatment activities and an audit of the gender-related HIV/AIDS activities. Four major assessments were also completed: a Gender-Based Violence (GBV) assessment, a Public Private Partnership assessment; an HIV/AIDS treatment program evaluation; and a five-year impact evaluation of USAID's programs.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The results of IMET and FMF programs are regularly reviewed in comparison to the goals stated in the Commander's Intent, U.S. Africa Command (AFRICOM)'s Theater Campaign and Country Engagement plans. Funding levels are determined based on the country's performance against these goals, and sequential reviews by AFRICOM, the Defense Security Cooperation Agency, the Department of Defense, and the Department of State. Historical performance and absorptive capacity are also considered during these reviews.

The evaluation of the HIV/AIDS treatment program and audit was used to shape three new treatment procurements in FY 2012 to better address underserved populations.

The Gender-Based Violence assessment (GBV) informed GBV programming.

In line with the South African Government's priorities and recent findings of an Aid Effectiveness evaluation, Economic Growth programming will support an improved enabling environment and the creation of policies that stimulate inclusive growth and employment opportunities.

Relating Past Performance to FY 2013 Plans: The overall foreign assistance portfolio will place more of an emphasis on partnering with South African entities, including the private sector, government, and local non-governmental organizations. This will magnify the impact of our efforts by creating greater buy-in and opportunities for leveraging additional resources or expanding a pre-existing program and ensure sustainability of our efforts.

The HIV/AIDS treatment program will target more pediatric, adolescent, and youth patients.

Economic growth activities will shift away from firm-level assistance and place more of an emphasis on policy implementation.

The positive evaluation and recommendations received on GBV activities have prompted the SAG to expand this model within South Africa and export it to other African countries.

Assessments in the education sector have enabled re-engagement with a new focus on in-service teacher training and primary school reading.

U.S. assistance in South Africa is moving towards a model for health activities that promotes a more collaborative approach of the USAID-Centers for Disease Control and Prevention (CDC) partnership to ensure best use of PEPFAR funding.

South Sudan

Foreign Assistance Program Overview

The Republic of South Sudan became the world's newest nation on July 9, 2011. Against a backdrop of chronic conflict, humanitarian crisis, and significant under-development, the Government of the Republic of South Sudan (RoSS) and the country's citizens are now engaged in the daunting enterprise of building a nation. An ongoing central foreign policy priority for the United States in Africa is to partner with South Sudan to ensure that it becomes a stable and viable nation. Since independence, the RoSS has progressed in key areas, but requires significant support to meet rising expectations for basic services; enable the development of a broad-based, diverse economy; and set the foundations necessary for democratic rule of law. The country's development prospects are complicated by low levels of human capacity and a lack of basic infrastructure. The United States will work closely with other international partners, including the governments of the United Kingdom, Norway, and Canada; the European Union; and the United Nations to assist South Sudan to meet its complex development and security challenges. The United States will continue to focus on building the capacity of the RoSS to mitigate conflict, govern effectively, provide security to its citizens, deliver essential services in health and education, and promote sustainable economic development in South Sudan's priority sector of agriculture.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**395,382**	**470,206**	**426,598**	**-43,608**
Economic Support Fund	223,431	305,360	288,499	-16,861
Food for Peace Title II	54,634	15,000	15,000	-
Foreign Military Financing	-	-	200	200
Global Health Programs - State	12,036	12,036	16,600	4,564
Global Health Programs - USAID	34,848	44,210	36,010	-8,200
International Military Education and Training	763	800	750	-50
International Narcotics Control and Law Enforcement	25,000	32,000	27,404	-4,596
Nonproliferation, Antiterrorism, Demining and Related Programs	2,800	2,800	2,135	-665
Peacekeeping Operations	41,870	58,000	40,000	-18,000

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
South Sudan	**395,382**	**470,206**	**426,598**	**-43,608**
1 Peace and Security	**91,990**	**127,457**	**94,122**	**-33,335**
Economic Support Fund	**29,057**	**43,857**	**31,833**	**-12,024**
1.6 Conflict Mitigation and Reconciliation	29,057	43,857	31,833	-12,024
Foreign Military Financing	**-**	**-**	**200**	**200**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.3 Stabilization Operations and Security Sector Reform	-	-	200	200
International Military Education and Training	**763**	**800**	**750**	**-50**
1.3 Stabilization Operations and Security Sector Reform	763	800	750	-50
International Narcotics Control and Law Enforcement	**17,500**	**22,000**	**19,204**	**-2,796**
1.3 Stabilization Operations and Security Sector Reform	17,500	22,000	19,204	-2,796
Nonproliferation, Antiterrorism, Demining and Related Programs	**2,800**	**2,800**	**2,135**	**-665**
1.3 Stabilization Operations and Security Sector Reform	2,800	2,800	2,135	-665
Peacekeeping Operations	**41,870**	**58,000**	**40,000**	**-18,000**
1.3 Stabilization Operations and Security Sector Reform	41,870	58,000	40,000	-18,000
2 Governing Justly and Democratically	**59,050**	**94,750**	**95,721**	**971**
Economic Support Fund	**51,550**	**84,750**	**87,521**	**2,771**
2.1 Rule of Law and Human Rights	-	5,000	-	-5,000
2.2 Good Governance	37,500	42,500	47,021	4,521
2.3 Political Competition and Consensus-Building	-	20,000	22,000	2,000
2.4 Civil Society	14,050	17,250	18,500	1,250
International Narcotics Control and Law Enforcement	**7,500**	**10,000**	**8,200**	**-1,800**
2.1 Rule of Law and Human Rights	6,500	10,000	8,200	-1,800
2.4 Civil Society	1,000	-	-	-
3 Investing in People	**80,184**	**114,746**	**103,610**	**-11,136**
Economic Support Fund	**33,300**	**51,000**	**43,500**	**-7,500**
3.1 Health	6,000	11,000	11,000	-
3.2 Education	27,300	40,000	32,500	-7,500
Food for Peace Title II	**-**	**7,500**	**7,500**	**-**
3.1 Health	-	7,500	7,500	-
Global Health Programs - State	**12,036**	**12,036**	**16,600**	**4,564**
3.1 Health	12,036	12,036	16,600	4,564
Global Health Programs - USAID	**34,848**	**44,210**	**36,010**	**-8,200**
3.1 Health	34,848	44,210	36,010	-8,200
4 Economic Growth	**116,491**	**132,253**	**132,145**	**-108**
Economic Support Fund	**108,524**	**124,753**	**124,645**	**-108**
4.1 Macroeconomic Foundation for Growth	12,000	20,000	18,000	-2,000
4.2 Trade and Investment	-	4,000	6,000	2,000
4.3 Financial Sector	-	4,000	5,500	1,500
4.4 Infrastructure	55,774	49,000	40,000	-9,000
4.5 Agriculture	26,679	26,000	26,000	-
4.6 Private Sector Competitiveness	8,071	17,253	22,145	4,892
4.7 Economic Opportunity	2,000	-	-	-

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.8 Environment	4,000	4,500	7,000	2,500
Food for Peace Title II	**7,967**	**7,500**	**7,500**	**-**
4.5 Agriculture	4,715	7,500	7,500	-
4.8 Environment	3,252	-	-	-
5 Humanitarian Assistance	**47,667**	**1,000**	**1,000**	**-**
Economic Support Fund	**1,000**	**1,000**	**1,000**	**-**
5.2 Disaster Readiness	1,000	1,000	1,000	-
Food for Peace Title II	**46,667**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	38,376	-	-	-
5.2 Disaster Readiness	8,291	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
South Sudan	**395,382**	**470,206**	**426,598**	**-43,608**
1 Peace and Security	**91,990**	**127,457**	**94,122**	**-33,335**
1.3 Stabilization Operations and Security Sector Reform	62,933	83,600	62,289	-21,311
1.6 Conflict Mitigation and Reconciliation	29,057	43,857	31,833	-12,024
2 Governing Justly and Democratically	**59,050**	**94,750**	**95,721**	**971**
2.1 Rule of Law and Human Rights	6,500	15,000	8,200	-6,800
2.2 Good Governance	37,500	42,500	47,021	4,521
2.3 Political Competition and Consensus-Building	-	20,000	22,000	2,000
2.4 Civil Society	15,050	17,250	18,500	1,250
3 Investing in People	**80,184**	**114,746**	**103,610**	**-11,136**
3.1 Health	52,884	74,746	71,110	-3,636
3.2 Education	27,300	40,000	32,500	-7,500
4 Economic Growth	**116,491**	**132,253**	**132,145**	**-108**
4.1 Macroeconomic Foundation for Growth	12,000	20,000	18,000	-2,000
4.2 Trade and Investment	-	4,000	6,000	2,000
4.3 Financial Sector	-	4,000	5,500	1,500
4.4 Infrastructure	55,774	49,000	40,000	-9,000
4.5 Agriculture	31,394	33,500	33,500	-
4.6 Private Sector Competitiveness	8,071	17,253	22,145	4,892
4.7 Economic Opportunity	2,000	-	-	-
4.8 Environment	7,252	4,500	7,000	2,500
5 Humanitarian Assistance	**47,667**	**1,000**	**1,000**	**-**
5.1 Protection, Assistance and Solutions	38,376	-	-	-

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
5.2 Disaster Readiness	9,291	1,000	1,000	-
of which: Objective 6	**2,222**	**37,048**	**27,365**	**-9,683**
6.1 Program Design and Learning	844	10,946	6,490	-4,456
6.2 Administration and Oversight	1,378	26,102	20,875	-5,227

Peace and Security

Regional and internal stability are critical preconditions for the effective development and growth of South Sudan as a nation. If stability is achieved, the effectiveness of U.S. assistance investments in health, education, economic development, and good governance will increase. Stability will also enhance South Sudan's viability as a successful state. At this time, however, the basis for peace between South Sudan and Sudan remains fragile. Following the vote for secession and independence of the Republic of South Sudan in July 2011, the two governments have been unable to reach agreement on a number of crucial political and economic issues, such as the sharing of oil revenues, border demarcation, the status of Abyei, and the movement of goods and people across the new international boundary. These sources of instability are compounded by additional drivers of conflict, including competition over resources, longstanding ethnic rivalries, and a prevalence of small arms. In addition, well-organized and well-armed youth are ready recruits for rebel militia groups, and in some cases operate as criminal gangs without respect for government authorities or traditional leaders. Moreover, while the returns of South Sudanese from Sudan have, so far, been peaceful, the potential for instability remains as returns increase. Against this backdrop of instability the RoSS is striving to build a stable and secure country that serves its citizens ably and equitably.

Economic Support Funds (ESF): Assistance will address key stability and security issues, particularly in the areas of conflict mitigation, preventative diplomacy, and peace and reconciliation. U.S. efforts will bolster the ability of local government to access and deliver services and security to unstable or potentially volatile regions, including along the South Sudan-Sudan border and in other flashpoint areas. These interventions will serve as a foundation for other development efforts of both a civilian and military nature.

The U.S government will undertake an integrated and comprehensive approach to conflict mitigation and prevention by providing vital technical advice to the RoSS and improving the flow of information from remote counties to the central government. Funding will be utilized to build the capacity of the state and national governments to implement early warning systems and respond to internal security threats. Programs will continue to support media freedom and access to information throughout South Sudan.

In addition, the United States will provide technical and material support that will enable quick response to potential outbreaks of violence. To promote dialogue, the U.S. government will support initiatives that bring stakeholders together to work toward greater economic, social, and security integration. This will include continuing support for traditional leadership structures, which have historically played an integral role in conflict mitigation and mediation. Assistance will continue to enhance livelihoods, training, and education opportunities for at-risk youth, as well as sports and other cross-ethnic social activities. In collaboration with the RoSS Directorate of Youth and Sports, the United States will expand its Global Development Alliance youth basketball initiative to enhance inter-county youth interaction and promote non-violence and tolerance. U.S. investments in protected areas and wildlife conservation will support natural resource management and conflict mitigation objectives by ensuring the sustainable management of livestock while protecting wildlife.

International Military Education and Training (IMET): IMET-financed training assists the military with leadership development by providing the Sudanese People's Liberation Army (SPLA) personnel with professional military education in areas supportive of SPLA transformation efforts. IMET funds will support the training of junior officers in military specialties lacking in the SPLA, including, but not limited to, air defense, field artillery, maneuvers (infantry/armor), military police, communications, intelligence, engineering, and logistics. To assist in developing an SPLA subject to civil authority, IMET funds will also be used to train senior military and select civilian officials in Civil-Military Relations, Defense Resource Management, and Military Justice. In addition to professionalizing the SPLA, these courses expose current and future SPLA leadership to U.S. military doctrine and American ideals and nurture growing military-to-military relationships between the SPLA and the United States.

International Narcotics Control and Law Enforcement (INCLE): INCLE funds will support three major elements of the criminal justice sector including police, rule of law, and prisons. In addition, the United States will enhance the ability of these institutions to work together as a functioning criminal justice system. The South Sudan Police Services will require significant assistance for strategic planning, training, and infrastructure development in order to accommodate the transformation into a competent police service and to support their increasing role with internal security. The RoSS Prison Services continue to be under-resourced, and a high population of prisoners is held on remand while awaiting trial. INCLE funds will support improved training and overall management of prison facilities, and will protect vulnerable populations such as juveniles. Finally, INCLE funds will support U.S. advisors seconded to the United Nations Mission in South Sudan.

Foreign Military Financing (FMF): FMF will support U.S. efforts to transform the SPLA from a rebel force to a national professional military. With this funding, the U.S. will procure non-lethal defense equipment to support the professionalization of the SPLA.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): As the RoSS continues to establish itself as an independent nation, clearing land contaminated by mines and unexploded ordnance will be a key effort in supporting peace and stability. The conventional weapons destruction program will support efforts that help protect victims of conflict; create safer conditions conducive to South Sudan's transition to an independent nation; promote regional stability; facilitate provision of humanitarian assistance; and demonstrate to the South Sudanese people America's humanitarian concerns. The conventional weapons destruction program will fund programs that focus on the indigenous capacity-development of mine action organizations; clearance of mines and unexploded ordnance; and expansion of small arms/light weapons destruction and physical security and stockpile management activities. Clearance efforts will allow valuable land to be returned to the local population for productive use and will support overall development and economic goals in states throughout the country.

Peacekeeping Operations (PKO): PKO funding supports defense sector reform and promotes local-level conflict mitigation. The United States will continue to transform the SPLA from an oversized rebel force to an appropriately-sized professional military that respects human rights, is accountable to elected leadership, and protects the people of South Sudan. U.S. assistance is implemented through a "dual use" approach that builds the capacity of the SPLA in areas that will also directly benefit the citizens of South Sudan. In doing so, U.S.-sponsored programs provide technical training and non-lethal equipment to the SPLA, as well as expert advisors to assist both the SPLA and the RoSS Ministry of Defense in military development.

Governing Justly and Democratically

Post-independence, South Sudan's newly-established governance institutions and systems remain extremely fragile and vulnerable to corruption, while the responsibilities and expectations of the national government have increased substantially. In FY 2013, principal challenges will include achieving critical

milestones towards adopting a permanent constitution and transitioning to fully-elected national and local governments as required by the Transitional Constitution. In South Sudan's second year as a fully-independent country, it will be critical for the United States to continue technical and diplomatic engagement to aid the RoSS in demonstrating that it can govern effectively and ensure social and governmental stability. U.S. assistance will continue to build on efforts to strengthen core government institutional capacity at the central, state, and local levels; establish the rule of law; facilitate consensus building; strengthen inclusive and representative political and electoral processes at the national and sub-national levels; and strengthen civic education and participation.

Economic Support Funds (ESF): ESF will be used to strengthen government institutions and human capacity at the national and sub-national levels, while supporting active engagement by South Sudanese citizens with their government at all levels. The United States will build on current programs and initiate new activities to strengthen core functions of the RoSS, expand and enhance political competition, increase citizen engagement with government institutions, support an inclusive constitutional development process, and mobilize for the 2014 elections cycle. Inherent in the achievement of these objectives is support for improved government service delivery and the rule of law; and increased accountability, transparency, and responsiveness of key government institutions. Additionally, building consensus between leaders and constituencies, improving the capacity of political parties and elected legislators to represent their constituents, and strengthening civil society will all remain elements of U.S. assistance. Efforts will also improve key public-sector executive functions in RoSS-identified priority areas, including anticorruption efforts, public financial management and governance, civil service reforms, decentralization, and the development of legal frameworks and the rule of law.

The United States will also support local governance reform, especially in conflict-prone areas and along the fragile north-south border. This will promote political reform through the promulgation of constitutional and legal frameworks for elections; the creation of an effective and impartial elections administration; and the development of viable, representative political parties. U.S. assistance will also continue to support effective civic participation by building the institutional structures of civil society organizations, promoting civic education, improving access to and availability of independent public information, and promoting the development of independent media.

International Narcotics Control and Law Enforcement (INCLE): The United States will support the training of legal officials, including lawyers and judges, and provide institutional support to key actors in the rule of law, including the judiciary. INCLE funds may also be used to protect vulnerable populations such as youth.

Investing in People

U.S. investments in education and health in South Sudan share a common challenge--to improve some of the lowest human development statistics in the world for literacy, maternal, neonatal mortality, child survival, nutrition, and access to safe water and sanitation. While primary school enrollment has quadrupled over the past ten years, there are still an estimated one million school-age children who are not enrolled in any form of education. In the health sector, while there have been some improvements in child mortality, maternal mortality estimates remain high. Fortunately, the RoSS understands the urgent need to address these deficiencies and their linkage to ongoing instability, and has reiterated its commitment to their improvement. Recognizing these challenges, U.S. interventions will strengthen government capacity and improve performance of the health and education sectors to bolster RoSS efforts to meet the needs of its citizens. Over the long-term, ensuring the health and education of the next generation of South Sudanese will be one of the main factors that determines whether this newly independent country will contribute to the maintenance of regional stability.

The need for trained teachers is acknowledged by the Ministry of General Education and Instruction as a high priority, and the South Sudan Teacher Education Program will address these needs by developing the first national curriculum as well as critical policies to ensure a functioning and manageable system. In addition, through a partnership with the United Kingdom, financial pooling of resources for the construction of County Education Centers under U.S. leadership will further aims regarding aid effectiveness. In line with the new global USAID Education Strategy, USAID will launch an effort to absorb increasing numbers of students in border areas by supporting the development and operation of safe schools that provide supportive environments for learners affected by crisis and conflict, including young girls. Finally, the United States will strengthen the government's capacity to manage the education system and deliver high quality services by providing technical assistance to education ministries at state levels.

U.S. investment in health responds to the compelling need to address maternal, infant, and child mortality rates that are among the highest in the world. Accordingly, the United States will provide additional funding to programs that strengthen maternal and child health services in targeted geographical areas and will expand access to high-quality, voluntary family planning and reproductive health care services, counseling, and information. U.S. assistance will also support interventions that target priority health threats; improve access to hygiene, potable water and sanitation; and reduce the burden of infectious diseases, particularly HIV/AIDS, malaria, tuberculosis, and vaccine-preventable diseases. Improvements will continue in six health system components: health governance and administration, human resources, health management information systems, financial management, health commodities logistics, and service delivery. This will raise the capacity of national, state, and county governments to plan, manage, and supervise community and facility-based health services. In keeping with the goals and principles of the Global Health Initiative (GHI), U.S. assistance will strengthen coordination between U.S. programs in HIV/AIDS, malaria, and tuberculosis and those supported by the Global Fund and other donors.

Global Health Programs (GHP): Assistance provided through the GHP accounts will support the goals and principals of the GHI to achieve major improvements in health outcomes through sustainable approaches and increased country ownership.

- Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR)—GHP State and USAID: South Sudan will receive significant support to build partnerships to provide integrated prevention, care, and treatment programs throughout the country. GHP assistance will improve health service delivery to reduce mortality and morbidity, particularly for women, children, and other vulnerable groups. The United States will work with the Ministry of Health at the central level and with state ministries of health, county health departments, and facilities in selected geographic areas to strengthen health systems and the technical and management capacity of public health officials and health care providers. An intensified focus on community outreach and strengthening community-level health workers' capacity will help raise community awareness and health-seeking behavior. USAID will continue to support the placement of long-term technical assistance providers within different directorates in the Ministry of Health to build national level capacity. Support to the National Ministry of Health will explicitly focus on building both technical and managerial capacity to strengthen government systems. In addition, increased focus on sub-national government structures will strengthen the chain of reporting, so that future investments in government systems may be appropriately utilized and adequately tracked.

- Tuberculosis (TB): FY 2013 funding will provide technical support to the National TB Control Program to strengthen its management and strategic planning, expand TB laboratory networks, scale-up the Directly Observed Treatment Short-Course approach, strengthen tuberculosis microscopy and quality assurance, and improve TB surveillance, routine monitoring, and information management.

- Malaria: Technical assistance will help build capacity in malaria prevention, diagnosis, and treatment at a facility, county, state, and national level. Resources will assist the development and implementation of policies and technical guidelines and support monitoring, supervision, surveillance, information management, and assessment. Funding will also support community-based management of malaria, train heath workers, and support the distribution of malaria commodities in selected areas. In case of commodity shortages not addressed by the Ministry of Health or other donors, USAID may procure anti-malarial drugs, rapid diagnostic tests, and insecticide-treated bed nets.

- Maternal and Child Health: FY 2013 funding will support expansion of antenatal care and assisted deliveries by trained personnel. USAID assistance will contribute to improved maternal health service provision by sharpening referral pathways, increasing access to emergency obstetric care, and bolstering the labor and delivery skills of health providers through formal training. FY 2013 funding will also be used to provide support for child vaccinations; training of health workers in immunization, including polio; and training in rational pharmaceutical and supply chain management and disease surveillance. USAID will ramp up maternal and child outreach services to communities and families, strengthening the skills of community health workers, home health promoters, and village health committees to reach community members with education, referrals, and treatment.

- Family Planning and Reproductive Health: U.S. assistance will expand access to high-quality voluntary family planning services and information and reproductive health care on a sustainable basis. U.S. assistance will increase demand for voluntary family planning by integrating family planning counseling and services into antenatal and labor and delivery settings, as well as through behavior change communication and mobilization of community advocates. U.S. assistance will support the expansion of voluntary family planning and birth spacing through the provision of family planning commodities, training of health workers, and supervision to ensure quality service provision. USAID will support implementation of the Ministry of Health's Family Planning and Reproductive Health Policy and ensure that services are provided in a manner consistent with USAID family planning principles and policies, such as voluntarism and informed choice.

- Nutrition: Funds will be used to strengthen health care systems and services and promote community-based nutrition programs, with a focus on Vitamin A supplementation, promotion of exclusive breastfeeding, and enhancing the quality and diversity of the diet of undernourished and malnourished children

Economic Support Funds (ESF): ESF resources will be used to provide assistance for water and sanitation, basic education, and higher education within the Investing in People Objective. These funds will provide technical assistance, training and capacity building, small grants, and commodity support to water and sanitation and education activities.

- Water Supply and Sanitation: FY 2013 funding will be used to maintain and operate peri-urban water infrastructure and sanitation activities and enhance central and municipal government institutional capacity to manage and preserve investments in infrastructure. U.S. assistance will also support water infrastructure projects in rural areas, strengthen the supply chain of water and sanitation spare parts, and improve government and community oversight of water and sanitation activities. Activities will incorporate communications and mobilization activities to promote improved hygiene practices and encourage community leadership. The U.S. program will provide technical assistance to support central and state governments in the development and implementation of water and sanitation policies, strategies, regulations, and financial management at central, state, and municipality levels.

- Basic Education: Funds will be used for education activities to improve the quality of and access to basic education services. U.S. assistance will continue to support capacity building of community

and government institutions to plan, budget, administer, and manage education delivery to help build long-term sustainability of the South Sudanese education system. Through a particular focus on border areas and states with the highest level of need, assistance will emphasize school construction, teaching and learning resources, and psychosocial well-being of children. Assistance will also be provided to support development of the policies, training programs, curriculum, and training facilities necessary to produce qualified primary teachers, with a special focus on increasing the number of females in the teaching force. This assistance will ensure that primary students are obtaining relevant knowledge and skills through improved pedagogy, materials, management, and assessment in formal and informal settings. Finally, U.S. assistance will provide support to enhance school infrastructure by providing separate latrines for females in schools and training facilities. These measures ultimately enhance the delivery of education services and facilitate retention of female teachers.

- Higher Education: To develop the knowledge, technology, best practices, and human capital for sustainable local and national development, U.S. assistance will support scholarships and partnerships between regional and American institutions of higher education. U.S. assistance will build the capacity of leading South Sudanese agriculture universities to increase agricultural productivity and sustainability of natural resource use. This support will help partner universities undertake quality instruction, research, and outreach in agricultural production; marketing; natural resource management; IT development; and engineering.

Food for Peace Title II:

- Food Security- Nutrition/Food Production: Food for Peace Title II non-emergency funds will support a food security program that aims to reduce and prevent chronic malnutrition in children under two years of age and increase household income in the South Sudanese state of Western Equatoria, a state in which USAID has the geographic lead (among other donors) for both health and agricultural interventions. Program activities will support both the Global Health Initiative and the Feed the Future objectives. The selected program would aim to change behaviors in families by promoting the cultivation of crops that are required for a healthy child's nutritional requirements; by improving infant and young child feeding practices as well as the health and nutritional status of pregnant and lactating women; by empowering women to participate with their husbands in household decision making; and by integrating relevant agricultural production techniques to improve crop yields.

  A program jointly supported by Title II non-emergency and ESF Feed the Future (FTF) funds will improve livelihoods in chronically food insecure communities affected by conflict in Jonglei State. Program activities will enhance market linkages, increase productivity, and improve resiliency and risk management of agro-pastoral communities. This program will be implemented through private voluntary organizations.

Economic Growth

The Economic Growth portfolio will nurture and harness private sector potential in post-independence South Sudan. The United States will limit large-scale infrastructure investments and increase its emphasis on interventions to diversify the economy by taking advantage of the agricultural base in addition to supporting policy reforms that will encourage private investment and enable the effective capture and use of public revenues. This approach has been proven in Africa's more stable countries to increase private sector activity and job creation, while reducing poverty and food insecurity. The increased stability in South Sudan and its improving business environment and market orientation will provide a context conducive to private sector-led agriculture development. The portfolio is guided by best practices within the President's Feed the Future Initiative. In addition, it is envisioned that greater opportunities for economic development will complement and underscore proposed stabilization efforts in conflict-prone areas.

Economic Support Funds (ESF): While infrastructure improvements will remain an important priority, particularly rural roads and agricultural related infrastructure, other areas have become increasingly critical for achieving U.S. policy objectives in an independent South Sudan. These include macroeconomic foundations for growth, agriculture, private sector competitiveness, trade and investment, economic opportunity, and environmental protection. Investments in areas such as these are designed, in part, to build the host country's capability to maintain existing and foster new infrastructure investments; build the government's capacity to maintain a stable economy and serve as a responsible steward of the country's vast natural resources; facilitate effective movement of goods; foster an enabling environment for private investment; develop South Sudan's private sector potential in key non-oil sectors such as agriculture; increase food security; and enhance livelihood opportunities, especially for youth, women, and vulnerable populations.

- Macroeconomic Foundations for Growth: U.S. assistance will address a variety of economic growth challenges by working with key institutions to create an overall macroeconomic environment that is stable and conducive to private sector growth. U.S. assistance provides support to the Ministry of Finance to improve budget processes and service delivery, fiscal discipline, and tax collection. It supports the Bank of South Sudan, including through the provision of policy advice for maintaining a stable currency. Efforts also assist the Ministry of Petroleum and Mining in managing these sectors, which provide 98 percent of budget revenue. Support includes advice on policies, laws, regulations, and administrative practices. A favorable policy and regulatory environment, supported by sound banking conditions, investment in critical infrastructure, and improved delivery of essential services, should create economic opportunities and attract foreign direct investment.

- Agriculture: The main focus of U.S. agricultural assistance will be to facilitate improvement of the needed government capacity, research, education, and private sector development to advance food security and agricultural production in South Sudan, a country with great agricultural production and agribusiness development potential. Using technical assistance, training, and small grants provided through continuing programs and new activities such as Seeds for Development, U.S. assistance aims to more than double agricultural production of targeted households, develop markets, and thereby increase food security and create livelihood opportunities. U.S. assistance aims to create new employment opportunities for low-income rural families as they productively harness the country's strong agricultural potential through support for improved access to inputs such as quality seed, equipment, and fertilizer. It will also support linkages with United States and regional agricultural institutions in order to foster agricultural instruction, research, innovation, and extension.

- Infrastructure: U.S. assistance will support the construction and/or maintenance of infrastructure that will improve agricultural-based economic opportunities. This includes construction/repair of agricultural feeder roads to reduce the cost to move products from farm to market; improving the ability to store, process, or market agricultural produce; enabling agriculture research or extension services; and enabling the achievement of other infrastructure-related needs to improve agricultural-based productivity and growth. It also includes building the capacity of state and private sector actors to plan for and implement road construction and maintenance activities. This includes capacity development of the Ministry of Roads and Bridges, state Ministries of Agriculture, the new South Sudan Roads Authority, and education providers. In addition, areas directly related to agricultural and private sector development, such as sustaining and further developing the provision of rural electricity that has been developed with U.S. government assistance, will be provided.

- Private Sector: Activities will directly support and complement the development of agriculture, natural resources, utilities, and infrastructure by facilitating the creation and improvement of the systems and business climate needed for these sectors to advance. In addition, support for critical

enabling services, such as a functioning internet and telecommunications sector, will be provided in partnership with international organizations, NGOs, and state authorities. This includes the development of training, services, regulations, and capacities, both public and private, in areas such as business registration services, commercial legislation, and public-private dialogue. Activities will also support the use of benchmarking in relation to regional and global partners in order to quantify current practices, prioritize investments, and establish reform goals.

- Trade & Investment: Trade and Investment opportunities are enhanced where there is sufficient capacity to plan, implement, manage, and monitor results. Assistance will focus on enabling investment in trade, particularly in the sectors outlined above including petroleum, agriculture, non-timber products, infrastructure, and information technology. This includes the development of investor guides, and pre-feasibility and feasibly studies. Assistance will also be provided to benchmark and remove barriers to transit of goods both internally and externally.

- Financial Sector: To be able to finance economic opportunity, financial and political risks need to be better assessed and managed. Building on an introductory Development Credit Authority activity, the U.S. assistance will expand opportunities for financing to entrepreneurs. In addition, programs will improve South Sudan's legal and regulatory framework; establish/strengthen institutions that regulate the private sector (e.g., movable property registries) and enhance the capacity and authorities of the different levels of government (i.e., federal, state, and county).

- Environment: The Boma-Jonglei landscape is home to the second largest wildlife migration in the world. Conservation of the region is under threat by potential increased oil exploration, road development, expanding populations, and growing numbers of livestock. Through a series of interventions, USAID will facilitate dialogue on issues of employment, protection of resources, effective land management, and resource-sharing that will support efforts to address conflict while protecting South Sudanese wildlife and creating sustainable alternatives to livestock rearing. In other regions of South Sudan, climate change, reforestation, and development are inextricably linked as most populations depend on the land for livelihoods, livestock, food, fuel, water and other necessities. South Sudan shows the effects of the systemic environmental damage caused by deforestation as populations return from being displaced by conflict. U.S. assistance will support efforts such as tree planting/canopy maintenance programs linked to carbon credit or other initiatives.

Food for Peace Title II: Title II non-emergency and ESF FTF funds will improve livelihoods in chronically food insecure communities affected by conflict in Jonglei State. Program activities will enhance market linkages, increase productivity, and improve resiliency and risk management of agro-pastoral communities.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities:

- USAID conducts rolling assessments of its Peace & Security activities and political and conflict dynamics. A formal evaluation is planned for 2012.
- USAID conducted a mid-term evaluation of the government capacity building project, Building Responsibility for Delivery of Government Services (BRIDGE), in FY 2011 to evaluate programmatic performance and impact.
- USAID's health team completed an assessment in FY 2011 of the pharmaceutical logistics system, which will help to guide U.S. support to the sector.
- The results from a family planning/birth spacing program assessment in FY 2011 will be utilized to determine how to increase women's access to birth spacing methods.

- A mid-term assessment of USAID's support to the Integrated Disease Surveillance and Response project highlighted areas where disease surveillance could be improved, as well as where potential outbreaks could be more rapidly identified and addressed.
- An independent team assessed the needs and opportunities for USAID's agriculture program in the greenbelt of South Sudan in FY 2011. The assessment also described strategies for aligning the Economic Growth portfolio with Feed the Future guidelines.
- A mid-term evaluation was performed on the Rural Small Market Electrification program.
- The USAID education team conducted end-of-project performance evaluations of the Technical Assistance Program (TAP) and the South Sudan Interactive Radio Instruction (SSIRI) project.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: USAID drew important conclusions and took action based on the efforts noted above, including:

- Conflict mitigation programs do not rely on long-term work-plans, but require constant monitoring in order to be responsive to the evolving dynamics in the country. This enables adaptation to changing circumstances and innovative approaches to stabilization and conflict mitigation needs. Details of grant activities are maintained in a database providing real-time information on activity outcomes that are used in budget discussions and strategic planning.
- USAID used the BRIDGE evaluation to test assumptions in the approach to building government capacity, including the appropriateness and added value of the program's integrated approach and its ability to yield measurable results. Based on evaluation results, USAID and its implementing partner increased the focus on governance capacity building and streamlined the number of operational sectors. Due to strong performance reflected in the evaluation, USAID will continue BRIDGE for another 18 months.
- The pharmaceutical logistics system assessment revealed a need to focus on building logistics capacity at a sub-national level and activities will be adjusted accordingly.
- The Rural Small Market Electrification program mid-term evaluation led to a follow-on activity that will implement its recommendations, such as strengthening technical assistance to rural electrical cooperatives and analyzing possibilities for hydroelectric generation.
- The TAP and SSIRI evaluation recommendations were used to plan follow-on activities.

Relating Past Performance to FY 2013 Plans:

- USAID plans a sector-wide democracy and governance assessment with sub-sector assessments based on identified needs. The assessment will inform USAID's planning for the next Country Development and Cooperation Strategy and assist in prioritizing and sequencing interventions.
- An agriculture assessment helped USAID identify strategies for enabling private sector growth in agriculture and guided the development of the Seeds for Development program, which includes development of a national seed supply chain and a private sector agro-input dealer network.

Sudan

Foreign Assistance Program Overview

Advancing peace and stability in Sudan continues to be one of the highest U.S. foreign policy priorities in Africa, both in the context of seeking an end to regional conflicts, and in fostering national reconciliation mechanisms, while attending to the humanitarian needs in marginalized areas and promoting durable solutions. Despite a peaceful referendum in January 2011 that resulted in the secession of South Sudan from Sudan in July 2011, continued armed conflicts between the Sudan Armed Forces and the Sudan People's Liberation Army (SPLA) in Abyei and the SPLA-North in Southern Kordofan and Blue Nile have set back Comprehensive Peace Agreement (CPA)-era peace-building processes and institutions in the "Three Areas" (Blue Nile, Southern Kordofan, and Abyei) and have further strained relations between Sudan and South Sudan. U.S. sanctions imposed on Sudan have limited the scope of development assistance, and access to many geographic areas of programming has been blocked due to regional insecurity and Government of Sudan-imposed travel restrictions. In Darfur, despite ongoing conflict, efforts continue to bring non-signatory movements to the Doha Document for Peace in Darfur (DDPD) to join the peace process and create an environment conducive to transition from relief to development. Key to the creation of that environment will be timely assistance to community-led early recovery activities to lay the foundation for a sustainable peace.

Sudan will continue to play a significant role in regional security. Resources are necessary to consolidate peace building efforts, strengthen local governance capacity for conflict mitigation, and promote community-level reconciliation and collaborative development. While it is important to support separate peace processes for Darfur and the Three Areas, it is increasingly evident that Sudan needs to address the root causes of conflict lodged in poor governance. National solutions to reoccurring problems of conflict and deprivation will require participatory processes and mechanisms for governance reform. In addition to pursuing diplomatic goals and meeting humanitarian needs, the United States will address governance issues, promote civil society, and support community-level reconciliation and collaborative development in vulnerable areas of Sudan where possible.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**238,626**	**31,100**	**40,600**	**9,500**
Economic Support Fund	26,393	30,000	37,600	7,600
Food for Peace Title II	209,133	-	-	-
International Narcotics Control and Law Enforcement	2,000	-	2,000	2,000
Nonproliferation, Antiterrorism, Demining and Related Programs	1,100	1,100	1,000	-100

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Sudan	**238,626**	**31,100**	**40,600**	**9,500**
1 Peace and Security	**20,287**	**24,220**	**32,600**	**8,380**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Economic Support Fund	**17,187**	**23,120**	**29,600**	**6,480**
1.6 Conflict Mitigation and Reconciliation	17,187	23,120	29,600	6,480
International Narcotics Control and Law Enforcement	**2,000**	**-**	**2,000**	**2,000**
1.3 Stabilization Operations and Security Sector Reform	2,000	-	2,000	2,000
Nonproliferation, Antiterrorism, Demining and Related Programs	**1,100**	**1,100**	**1,000**	**-100**
1.3 Stabilization Operations and Security Sector Reform	1,100	1,100	1,000	-100
2 Governing Justly and Democratically	**6,206**	**6,880**	**8,000**	**1,120**
Economic Support Fund	**6,206**	**6,880**	**8,000**	**1,120**
2.2 Good Governance	-	-	3,000	3,000
2.3 Political Competition and Consensus-Building	-	2,880	-	-2,880
2.4 Civil Society	6,206	4,000	5,000	1,000
3 Investing in People	**3,000**	**-**	**-**	**-**
Economic Support Fund	**3,000**	**-**	**-**	**-**
3.1 Health	3,000	-	-	-
5 Humanitarian Assistance	**209,133**	**-**	**-**	**-**
Food for Peace Title II	**209,133**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	209,133	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Sudan	**238,626**	**31,100**	**40,600**	**9,500**
1 Peace and Security	**20,287**	**24,220**	**32,600**	**8,380**
1.3 Stabilization Operations and Security Sector Reform	3,100	1,100	3,000	1,900
1.6 Conflict Mitigation and Reconciliation	17,187	23,120	29,600	6,480
2 Governing Justly and Democratically	**6,206**	**6,880**	**8,000**	**1,120**
2.2 Good Governance	-	-	3,000	3,000
2.3 Political Competition and Consensus-Building	-	2,880	-	-2,880
2.4 Civil Society	6,206	4,000	5,000	1,000
3 Investing in People	**3,000**	**-**	**-**	**-**
3.1 Health	3,000	-	-	-
5 Humanitarian Assistance	**209,133**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	209,133	-	-	-
of which: Objective 6	**2,250**	**4,633**	**3,400**	**-1,233**
6.1 Program Design and Learning	667	900	1,400	500
6.2 Administration and Oversight	1,583	3,733	2,000	-1,733

Peace and Security

The United States will continue to support the ongoing peace processes and promote justice and reconciliation processes, as appropriate. Ending the conflicts in Darfur and the Three Areas and ensuring security and stability for the Sudanese people remains a priority for the United States. Support will be needed for any agreements made between the governments of Sudan and South Sudan on post-CPA issues and security arrangements along shared borders. U.S. assistance will be geared towards addressing the aftermath of renewed conflicts in the states of Blue Nile and Southern Kordofan, supporting as possible a permanent settlement of the Abyei dispute, facilitating peaceful coexistence and collaboration across the Sudan/South Sudan border, supporting the peace agreement for Darfur, and minimizing the potential for increased tension across Sudan. To achieve these goals, it will be necessary to bolster programs in conflict prevention and mitigation, support cross-border initiatives and promote key political processes. Additionally, the United States will remain flexible in its efforts to address emerging priorities related to conflict prevention and response across Sudan, as conditions allow and as determined necessary to support stability.

Economic Support Fund (ESF): Sudan faces economic difficulties and internal tensions fueling active and/or potential threats. U.S. assistance will support stability and security through conflict mitigation, preventative diplomacy, and peace and reconciliation work. In FY 2013, support for sustainable peace and implementation of regional peace agreements will be required. The threat of continuing or renewed conflict in the Three Areas and across Sudan will require continued support for conflict prevention and mitigation. The United States will promote programs that facilitate sustainable and comprehensive peace, direct attention to governance-related sources of conflict, support cross-border collaborative initiatives, and address unmet needs that increase the potential for conflict, especially in marginalized areas. As conditions permit, the program will support political processes crucial to peace and peaceful mediation by state authorities in local conflicts. Program activities will engage women, youth, and at-risk populations in productive activities. Funding will also support women and youth programs aimed at broadening social dialogue and building youth capacity in marginalized areas to advocate and engage in national dialogue for peace and reconciliation. The United States will support programs that increase civil society dialogue, promote early recovery in Darfur, support strategic media communications, and address conflict issues, to include conflict dynamics in the two areas of Blue Nile and Southern Kordofan, and in Darfur. U.S. assistance will continue to support community-level conflict prevention activities and seize opportunities to enhance peace and stability, utilizing a fast and flexible small grants mechanism for direct technical and material support to development and diplomatic efforts to address conflict and transition issues.

Working toward or consolidating peace in Darfur will remain a priority, and the United States will continue to support peace and reconciliation processes. The United States will provide support for political negotiations and diplomatic engagement of armed movements as appropriate, supporting the DDPD mechanism, as well as consultations with communities displaced by conflict. Furthermore, the U.S.-sponsored transition and conflict management program will engage with local, state, and central government; civil society; and traditional authority counterparts to promote peace in Darfur. The program will focus on improving livelihoods while addressing conflict-related grievances and laying the foundation for improved capacity of local government to support early recovery, peace, and reconciliation.

The United States will work to support a settlement of the Abyei dispute as well as peace and reconciliation in the two states of Blue Nile and Southern Kordofan. Should conflict continue in these two states, peace and security programs will be directed at facilitating dialogue between the warring parties, particularly on meeting humanitarian needs of affected populations. The United States will take opportunities to support

negotiated agreements for the two areas, especially in the immediate aftermath of the conflict, through quick impact interventions.

International Narcotics Control and Law Enforcement (INCLE):
Significant humanitarian and rule of law concerns exist in Sudan. INCLE resources will support peace and security programs that protect civilians, particularly in the Darfur region. Programs will assist formed police units deploying to the United Nations/African Union Hybrid Mission in Darfur, and will second U.S. personnel to this mission as advisors and trainers.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR):
The clearance of land contaminated by mines and unexploded ordnances (UXOs) provides valuable support to peace and stability. The conventional weapons destruction (CWD) program will do this specifically by supporting programs that help protect victims of conflict, promote regional stability, facilitate provision of humanitarian assistance, and demonstrate to the Sudanese people America's genuine humanitarian concerns. The CWD program in Sudan will focus on the clearance of mines and UXOs, as well as the capacity development of the National Mine Action Team. Capacity development will focus on a new victim assistance program providing psychosocial support training to practitioners and landmine/UXO survivors. Clearance activities will focus on states such as Blue Nile, Upper Nile, and Kassala, which contain some of the highest mine/UXO contamination.

Governing Justly and Democratically

Progress on democratic governance reforms will be important for Sudan's viability in FY 2013. Much of Sudan's history of conflict and underdevelopment is attributable to failed governance, autocratic policy making and implementation, inequitable sharing of resources among the country's regions, weak or nonexistent independent accountability institutions and the rule of law, and lack of processes for democratic consensus building and citizen participation. Sudan has not adopted a reform strategy or undertaken measures to restructure its system of governance. Continuing regional grievances, unresolved and reignited conflicts, and shrinking democratic space have increasingly refocused attention on fundamental governance issues that could only be resolved through an inclusive process of reform.

U.S. assistance will promote advocacy for sustainable national solutions that ensure broad citizen participation. It will also strengthen the civil society sector in Sudan by building the institutional capacity of civil society organizations and facilitating their collaborative networking. This program will provide grants to individual organizations to promote civic awareness and participation. The United States will also provide direct funding to Sudanese organizations working on democratic governance reform, including advocacy for an inclusive constitution-making process.

Economic Support Fund (ESF): ESF programs will promote sustainable and comprehensive national solutions leading to democratic governance reforms that will counter conflict and under-development. Funds will promote political reform and citizen participation through civil society strengthening and civic participation in governance reform, including through the constitution-making process. Programs will target women and youth, especially in marginalized areas, to raise civic awareness of democratic values and to support advocacy for democratic reform.

Depending on results of the development dialogue with Sudanese counterparts and development research, USAID also plans to use FY 2013 funds to promote greater accountability and transparency and to support participatory local governance, especially in conjunction with peace and security interventions in post-conflict areas.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The United States will conduct major program evaluations and assessments in FY 2012 to evaluate programmatic performance. For program planning and to realign future programming, assessments will be made on gender issues, environment, conflict mitigation and management, anti-corruption, and civil society.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The United States government will use the results of the ongoing monitoring and planned evaluation efforts to capture lessons learned and shape future program priorities that reflect on-the-ground needs and realities.

Relating Past Performance to FY 2013 Plans: Given the unresolved tensions and continued conflict in the Three Areas and the resulting programming challenges, the flexible approach to conflict mitigation programming has resulted in resources being used in regions where opportunities for success are highest. Operating from a quick and flexible grant mechanism, USAID is complementing its conflict mitigation activities by increasing social space and dialogue among marginalized communities in Khartoum to facilitate their participation in national dialogues. Program activities will promote Sudanese national identity, bringing together universities, civil society, youth, and government to promote greater harmony among diverse groups. USAID will continue to work in the Three Areas (as conditions permit) on conflict mitigation activities, and will remain flexible in addressing emerging priorities related to conflict to support peace and stability in Sudan.

Swaziland

Foreign Assistance Program Overview

United States assistance to Swaziland focuses on the promotion of democratic values, including recognition of human rights by the security forces, and addressing the key health threats of HIV/AIDS and associated diseases, such as tuberculosis (TB).

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**59,799**	**37,700**	**37,690**	**-10**
Global Health Programs - State	52,700	30,700	30,700	-
Global Health Programs - USAID	6,900	6,900	6,900	-
International Military Education and Training	199	100	90	-10

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Swaziland	**59,799**	**37,700**	**37,690**	**-10**
1 Peace and Security	**199**	**100**	**90**	**-10**
International Military Education and Training	**199**	**100**	**90**	**-10**
1.3 Stabilization Operations and Security Sector Reform	199	100	90	-10
3 Investing in People	**59,600**	**37,600**	**37,600**	**-**
Global Health Programs - State	**52,700**	**30,700**	**30,700**	**-**
3.1 Health	52,700	30,700	30,700	-
Global Health Programs - USAID	**6,900**	**6,900**	**6,900**	**-**
3.1 Health	6,900	6,900	6,900	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Swaziland	**59,799**	**37,700**	**37,690**	**-10**
1 Peace and Security	**199**	**100**	**90**	**-10**
1.3 Stabilization Operations and Security Sector Reform	199	100	90	-10
3 Investing in People	**59,600**	**37,600**	**37,600**	**-**
3.1 Health	59,600	37,600	37,600	-
of which: Objective 6	**5,223**	**-**	**650**	**650**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
6.1 Program Design and Learning	3,266	-	400	400
6.2 Administration and Oversight	1,957	-	250	250

Peace and Security

The Umbutfo Swaziland Defense Force (USDF), a small force of less than 4,000 men and women with limited capacity, consists of an army with an air wing, and is divided into eight battalions. U.S. resources support professional training for the Swazi military that includes an emphasis on human rights and civil-military relations. The USDF considers general skill deficiency and attrition of members as factors in their continued need for training. Swaziland has chaired the Organ on Politics, Defense, and Security Cooperation of the Southern African Development Community (SADC), as well as the SADC Brigade. The USDF is currently exploring the possibility of contributing peacekeepers to UN peace operations.

International Military Education and Training (IMET): IMET funds will promote a higher degree of professionalism in the Swaziland defense forces, including education on civilian-military relations, primarily through Professional Military Education courses (PMEs) to build the capacity of the national army and ensure sustainability.

Investing in People

Swaziland has one of the most severe national HIV/AIDS and TB crises in the world, with an adult HIV prevalence of 26 percent and life expectancy of 43 years. There are an estimated 130,000 orphans and vulnerable children in Swaziland, many in households headed by children.

Global Health Programs (GHP): Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative to achieve major improvements in health outcomes through sustainable approaches and increased country ownership.

- Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR) - GHP-State and USAID: Swaziland will receive significant support to provide integrated prevention, care and treatment programs throughout the country, and support orphans and vulnerable children.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: At the beginning of Swaziland's Country Operational Plan (COP) development process and related budgetary allocations, the in-country PEPFAR team conducts an interagency portfolio review. In-country program managers are assisted in this exercise by technical advisors from the Centers for Disease Control and Prevention and from the USAID Southern Africa Regional HIV/AIDS Program (RHAP). The review looks at all implementing partners' accomplishments against targets, costs per target, costs per achievement, absorptive capacity, and the quality of the results being achieved.

The PEPFAR supported Accelerated Saturation Initiative (ASI) for medical male circumcision (MC) in Swaziland recently hosted a U.S. interagency technical assistance visit in November 2011, during which U.S. implementing partners presented on key programmatic successes, challenges, and lessons learned. Representatives from Swaziland's Ministry of Health and the National Emergency Response Council on HIV/AIDS also participated to provide leadership for an improved, country-led model for this initiative going forward. Findings were documented in detail and are currently being used by PEPFAR and its

partners, in collaboration with the Government of the Kingdom of Swaziland, to develop more effective MC communications and service delivery in Swaziland. The PEPFAR team in Swaziland, with support from the interagency technical team is closely reviewing partners' pipelines and work plans during this transition period.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The interagency team allocates funds by program area and partner according to the review process described above and the strategic plan (as captured in the National Strategic Framework and PEPFAR Partnership Framework) for the upcoming year. These choices are recorded in the annual Country Operational Plan, which is submitted to the Office of the U.S. Global AIDS Coordinator for final approval.

A key recommendation that emerged from PEPFAR's annual stakeholder review of progress and challenges in implementing the Partnership Framework was the need to invest more in strategies to develop households' economic capacities. This recommendation was derived from concerns over the lack of sustainability in many of the current approaches being used to assist vulnerable children as well as the worsening economic climate in the country.

In December 2010, USAID conducted an assessment to review opportunities for improving the impact of PEPFAR-funded economic strengthening programs for people living with and affected by HIV/AIDS. The assessment yielded a number of recommendations for how best to strengthen the economic capacities of vulnerable households within the context of PEPFAR Swaziland's larger HIV/AIDS program. USAID drew heavily upon these recommendations in the development of a "Community-Based Livelihood Development (C-BLD) for Women and Children in Swaziland" program grant.

IMET levels are based on performance toward the goals in the AFRICOM Commander's Intent and country-level projections for resources needed.

Relating Past Performance to FY 2013 Plans: U.S. support to programs to care for HIV infected individuals will continue to be at the center of a credible, family-centered response to HIV in Swaziland. Developing the culture within the governmental and non-governmental organization sectors to generate and use information for planning and performance measurement will form a cornerstone of mutual accountability between the United States and Swaziland into the future.

The continued promotion of officers who have received U.S.-funded military education to upper levels of command in the military illustrates that IMET-funded training is having a positive impact on the upper levels of the Swaziland Defense Force; in FY 2011, five U.S.-trained officers were promoted.

Tanzania

Foreign Assistance Program Overview

Tanzania is a nascent democracy with a strong record of constitutional changes of government. Although Tanzania's economy is one of the fastest growing in sub-Saharan Africa, its gross national income per capita is estimated at only $447, and over one-third of the population lives below the poverty line. U.S. assistance focuses on health, especially HIV/AIDS and malaria, food security and agricultural development, and infrastructure (roads, power, and water). It also promotes improved civic participation and transparency, sustainable and inclusive economic development, improved law enforcement capability, improved education quality, and the preservation of Tanzania's biodiversity.

Tanzania is one of four countries selected for Partnerships for Growth (PFG), an effort flowing from the Presidential Policy Directive on Global Development. Tanzania was selected for its demonstrated commitment to democratic governance and economic freedom. Through PFG, the United States seeks to intensify cooperation toward sustainable, broad-based economic growth through a whole-of-government approach leveraging a wide range of assistance and non-assistance tools. The United States is in the process of finalizing joint country action plans with Tanzania, which will define commitments for partner country policy reform and other actions in support of economic growth, and shared monitoring and evaluation frameworks to assess progress.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**509,650**	**531,179**	**571,365**	**40,186**
Development Assistance	75,193	105,000	134,145	29,145
Food for Peace Title II	7,876	-	-	-
Foreign Military Financing	200	200	200	-
Global Health Programs - State	336,254	327,039	344,295	17,256
Global Health Programs - USAID	89,222	98,100	91,700	-6,400
International Military Education and Training	455	390	375	-15
International Narcotics Control and Law Enforcement	450	450	450	-
Nonproliferation, Antiterrorism, Demining and Related Programs	-	-	200	200

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Tanzania	**509,650**	**531,179**	**571,365**	**40,186**
1 Peace and Security	**1,105**	**1,040**	**1,225**	**185**
Foreign Military Financing	**200**	**200**	**200**	**-**
1.3 Stabilization Operations and Security Sector Reform	200	200	200	-

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
International Military Education and Training	**455**	**390**	**375**	**-15**
1.3 Stabilization Operations and Security Sector Reform	455	390	375	-15
International Narcotics Control and Law Enforcement	**450**	**450**	**450**	**-**
1.3 Stabilization Operations and Security Sector Reform	450	450	450	-
Nonproliferation, Antiterrorism, Demining and Related Programs	**-**	**-**	**200**	**200**
1.2 Combating Weapons of Mass Destruction (WMD)	-	-	200	200
2 Governing Justly and Democratically	**8,750**	**8,500**	**12,000**	**3,500**
Development Assistance	**8,750**	**8,500**	**12,000**	**3,500**
2.1 Rule of Law and Human Rights	1,000	-	1,000	1,000
2.2 Good Governance	5,250	6,000	5,000	-1,000
2.3 Political Competition and Consensus-Building	-	-	2,000	2,000
2.4 Civil Society	2,500	2,500	4,000	1,500
3 Investing in People	**444,976**	**441,639**	**453,495**	**11,856**
Development Assistance	**19,500**	**16,500**	**17,500**	**1,000**
3.1 Health	4,500	5,000	4,500	-500
3.2 Education	15,000	11,500	13,000	1,500
Global Health Programs - State	**336,254**	**327,039**	**344,295**	**17,256**
3.1 Health	336,254	327,039	344,295	17,256
Global Health Programs - USAID	**89,222**	**98,100**	**91,700**	**-6,400**
3.1 Health	89,222	98,100	91,700	-6,400
4 Economic Growth	**46,943**	**80,000**	**104,645**	**24,645**
Development Assistance	**46,943**	**80,000**	**104,645**	**24,645**
4.2 Trade and Investment	4,400	-	5,000	5,000
4.4 Infrastructure	2,200	-	2,645	2,645
4.5 Agriculture	28,400	70,000	75,000	5,000
4.6 Private Sector Competitiveness	1,943	-	10,000	10,000
4.8 Environment	10,000	10,000	12,000	2,000
5 Humanitarian Assistance	**7,876**	**-**	**-**	**-**
Food for Peace Title II	**7,876**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	7,876	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Tanzania	**509,650**	**531,179**	**571,365**	**40,186**
1 Peace and Security	**1,105**	**1,040**	**1,225**	**185**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.2 Combating Weapons of Mass Destruction (WMD)	-	-	200	200
1.3 Stabilization Operations and Security Sector Reform	1,105	1,040	1,025	-15
2 Governing Justly and Democratically	**8,750**	**8,500**	**12,000**	**3,500**
2.1 Rule of Law and Human Rights	1,000	-	1,000	1,000
2.2 Good Governance	5,250	6,000	5,000	-1,000
2.3 Political Competition and Consensus-Building	-	-	2,000	2,000
2.4 Civil Society	2,500	2,500	4,000	1,500
3 Investing in People	**444,976**	**441,639**	**453,495**	**11,856**
3.1 Health	429,976	430,139	440,495	10,356
3.2 Education	15,000	11,500	13,000	1,500
4 Economic Growth	**46,943**	**80,000**	**104,645**	**24,645**
4.2 Trade and Investment	4,400	-	5,000	5,000
4.4 Infrastructure	2,200	-	2,645	2,645
4.5 Agriculture	28,400	70,000	75,000	5,000
4.6 Private Sector Competitiveness	1,943	-	10,000	10,000
4.8 Environment	10,000	10,000	12,000	2,000
5 Humanitarian Assistance	**7,876**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	7,876	-	-	-
of which: Objective 6	**38,826**	**14,260**	**13,565**	**-695**
6.1 Program Design and Learning	21,164	7,036	6,856	-180
6.2 Administration and Oversight	17,662	7,224	6,709	-515

Peace and Security

Tanzania's porous borders and limited capacity in the security sector increases its vulnerability to terrorist activity. U.S. assistance is designed to bolster the Government of Tanzania's (GOT) security structures, expand relations within its defense and security bodies, and strengthen Tanzania's border security, as well as enhance the capacity of Tanzanian law enforcement to effectively police local populations.
U.S. assistance will also support training and exchange programs to strengthen the GOT's defense and police forces. In particular, funds will help the Tanzanian People's Defense Force (TPDF) develop a professional military that respects human rights and the rule of law, by providing enhanced crisis response, peacekeeping, and counterterrorism capabilities.

Foreign Military Financing (FMF): FMF will support institutional defense reform through the provision of training, equipment and defense advisory support for the TPDF. While the TPDF seeks a larger role in peacekeeping operations and border security, their capability is limited. FMF funding will reform the TPDF at the institutional level, which will allow it to improve its participation in peacekeeping and maritime security operations.

International Military Education and Training (IMET): IMET serves as a foundation for Tanzania-United States military relations, helping to professionalize the armed forces, providing critical training on core skills, and creating valuable links between our militaries. The TPDF identifies IMET as the backbone of its bilateral military cooperation, and places a high value on the U.S. professional military

education system. IMET funds will support mid- and senior-level education to guide the transformation of their military, while simultaneously developing their non-commissioned officer corps.

International Narcotics Control and Law Enforcement (INCLE): INCLE funds directly support the efforts of Tanzania's domestic security services, primarily the Tanzanian National Police and the Customs and Immigration Service, to professionalize their respective forces and strengthen their ability to deter crime and terrorism, as well as promote civil order. Specifically, INCLE funding provides training and equipment for policing and security that will serve to enhance coordination with local communities, improve border and maritime protection, respond to critical incidents, conduct proper investigations, prepare cases for legal proceedings, and develop information to prevent incidents before they occur.

Nonproliferation, Antiterrorism, Demining and Related Programs (NADR): The Export Control and Related Border Security Program (EXBS) will re-engage the Government of Tanzania on strategic trade controls and build a multi-year program to assist Tanzania with drafting comprehensive export control legislation, adopting a control list, and enhancing Tanzania's enforcement capabilities to meet international standards. The program will initially focus on commitment building and enforcement training, especially offering land border and seaport training and equipment to Tanzanian Customs authorities. Along with Kenya, Tanzania is seen as a potential regional leader, and meaningful progress in Tanzania could help us engage with other East African countries on nonproliferation outreach.

Governing Justly and Democratically

Although considered one of the most politically stable and peaceful countries in sub-Saharan Africa, institutionalized democracy and good governance in Tanzania are challenged by corruption and poor delivery of government services. Many of Tanzania's development gaps are governance-related. Therefore, programs under this objective continue to be a top U.S. policy priority.

Development Assistance (DA): In FY 2013, U.S. efforts aim to increase citizen engagement in governance through civil society; strengthen target watchdog institutions and their systems; and increase citizen participation in electoral processes. This will include support to monitor government actions (especially those pertaining to public financial management), interact with key local and central government stakeholders, and effectively participate in the GOT's ongoing local government reform program.

The United States will continue to promote transparency and support social accountability monitoring through new programs that build the capacity of government institutions of accountability and local advocacy-focused civil society organizations. The program will improve the supply of and demand for public accountability at local government levels. Local expertise will be utilized to provide capacity building in organizational development to promote sustainability. In addition, direct support will be provided to host government watchdog institutions to promote greater accountability for public resources. U.S. assistance will also seek to improve justice for women who remain unprotected from violent partners; or who otherwise lack legal defense or fair treatment by the courts.

Investing in People

Tanzania has one of the highest fertility rates and rates of maternal mortality in Africa despite some recent improvements in contraceptive prevalence and infant mortality. Women are the primary health care providers in Tanzania, and are most vulnerable to many of the country's health problems including malaria and HIV/AIDS. As a result, U.S. assistance is often focused on women when delivering health services, consistent with one of the main principles of the Global Health Initiative (GHI). Education is a key component of Tanzania's development agenda and assistance will support the country's response to the

educational needs of its people in the short term, and help reduce widespread poverty by providing an educated workforce in the long term.

Development Assistance (DA):

- Basic Education: Education is a key component of Tanzania's growth agenda. However, Tanzania's education system lacks qualified teachers and learning materials, and suffers from weak accountability as it undergoes decentralization from the central ministry to the district level. The focus of FY 2013 U.S. assistance will shift to align with the new USAID Education Strategy. The program will strengthen the professional development and resource support for schools in order to enhance teaching and instruction in reading. It will also strengthen policies, information, and management related to reading instruction. The focus is on improvements in education quality and accountability that will be reflected in increased student learning in reading in primary school. Additionally, the United States will continue its involvement in the public-private partnership with the Ministries of Education and Vocational Training, Cisco, Intel, Microsoft, UhuruOne, and Zantel to enhance the quality of education for lower primary school students through the effective integration of Information and Communications Technology and Education Management Information Systems.

- Water and Sanitation: The central focus of USAID's water program is to integrate water supply, sanitation, and hygiene with natural resource management and economic growth development, with a particular focus on private-sector and market driven models. In FY 2013, the Tanzania water and sanitation program will work closely with local government institutions, local NGOs, community-based organizations, and the private sector. The program will continue to contribute to the Tanzania Water Sector Development Program through its service delivery in small towns and rural areas, adopting innovative approaches to delivering sustainable services, researching key issues, and sharing lessons learned. Additionally, the program will continue to invest in capacity building at different levels. In FY 2013, resources will go into designing new water and sanitation activities that will scale-up successes of current programming and aligns well with the mission's other sectors.

Global Health Programs (GHP): The United States will continue to maximize program impact through strategic coordination with the GOT and with other development partners. Assistance provided through the GHP accounts will support the goals and principles of GHI to achieve major improvements in health outcomes through sustainable approaches and increased country ownership.

- Linkages with President's Emergency Plan for AIDS Relief (PEPFAR)-GHP State and USAID: Tanzania will receive significant support to build partnerships to provide integrated prevention, care, and treatment programs throughout the country and support especially vulnerable children.

- Family Planning and Reproductive Health: Assistance resources for family planning and reproductive health will expand access to voluntary, high-quality family planning services and information and reproductive health care on a sustainable basis. Such programs enhance the ability of couples to decide the number and spacing of births. They also make substantial contributions to reducing abortion, maternal and child mortality, and morbidity, as well as to mitigating the adverse effects of population dynamics on natural resources, economic growth, and state stability. Other interventions include provision of commodities and support in commodity security, a broad behavior-change communication campaign to address myths and misconceptions, and support to create an enabling policy environment. The United States will continue to support Tanzanian organizations for innovative approaches that support and empower women and girls.

- Malaria: U.S. assistance under Presidential Malaria Initiative (PMI) will expand efforts to scale-up proven preventive and treatment interventions toward achievement of 85 percent coverage among vulnerable groups to support the PMI goal of reducing malaria-related morbidity by 50 percent. The FY 2013 request level for Tanzania does not include the total projected funding for the PMI. Decisions on allocations of centrally-managed funds will be made at the time that the FY 2013 operating year budget is set. Results from the Malaria Impact Evaluation, which examined the impact of all funding for malaria activities on mainland Tanzania between 2000 and 2010, yielded a decrease in under-five child mortality from 148 per 1000 live births in 1999 to 81 in 2010, highlighting the success of major investments in malaria control such as PMI.

- Maternal and Child Health: Funds will improve maternal and newborn health by strengthening facility based services in basic emergency obstetric and newborn care and focused antenatal care; improve the diagnosis and treatment of severe febrile illness in childhood; support introduction of two new childhood vaccines and work with the Ministry of Health to strengthen routine immunization services; and reduce stunting in the worst affected areas of Tanzania as part of the Feed the Future (FTF) initiative.

- Nutrition: As part of a comprehensive approach to nutrition under FTF and GHI, U.S. assistance will focus on scaling-up the delivery of a comprehensive package of nutrition interventions in regions of the country with the highest rates of chronic under-nutrition among children under five and maternal anemia. U.S. assistance, through the Center for Counseling on Nutrition and Health, will engage local civil society organizations to sustainably address the underlying economic, food security, health, gender, and socio-cultural factors that negatively impact nutrition. U.S. assistance will also build up the capacity of a local non-governmental organization (NGO) to serve as the leading national Tanzanian nutrition advocacy and technical NGO. In addition, U.S. assistance will focus national policy efforts on elevating the problem of under-nutrition as a key development challenge for Tanzania to meet its Millennium Development Goals by 2015.

- Tuberculosis (TB): U.S. funding will help improve the systems and capacity for detection and treatment of TB infected individuals, with diagnosis and referral of patients co-infected with HIV.

Economic Growth

The United States and Tanzania are in the process of finalizing the PFG Joint Country Action Plan, which will address the binding constraints to economic growth as identified in the constraints to growth analysis: lack of reliable and adequate supply of electrical power and inadequate placement and condition of rural feeder roads. U.S. assistance will also continue to target the agriculture and natural resources sectors to increase food security and improve livelihoods in the near term, while building a solid foundation for sustainable long-term growth and conservation of critical ecosystems.

Development Assistance (DA): The economic growth program will increase agricultural-led growth via a value chain-driven approach, focusing on staples and horticulture in targeted geographic areas, and will protect Tanzania's biodiversity while increasing benefits to communities and ensuring sustainable resource utilization.

As part of the President's FTF Initiative, Tanzania has been designated a Phase II country, because of its performance on governance, economic policy, and business environment for agriculture indicators. As a Phase II country, Tanzania is eligible for larger-scale FTF investments in priority areas. Given Tanzania's large population, high level of need, and strong policy performance, higher investment levels have been requested for FY 2013. In Phase II, FTF invests in a greater proportion of core investments that result in scaled-up development impacts at the country and regional level, while continuing to build the foundation

for sustainable and inclusive market-led growth through investments in capacity building and policy reform. In Tanzania, FTF funding will be used to increase incomes through equitable agricultural growth. While staples, including maize and rice, will be the primary focus of FY 2013 resources, funding will continue to support horticulture as a secondary value chain. FY 2013 funding will be used to upgrade rural roads in specific target regions, particularly roads within irrigation schemes and those linking producers with markets in alignment with the PFG.

Tanzania is especially vulnerable to climate change due to the fact that a high percentage of its GDP is associated with climate sensitive sectors, particularly agriculture, and it relies heavily on hydroelectricity for its energy supply. In addition, the carbon emissions resulting from deforestation and forest degradation in Tanzania are significant. Global Climate Change (GCC) Initiative resources will be directed towards reducing vulnerabilities to climate change and to laying the groundwork for future Reducing Emissions from Deforestation and Degradation programming.

Additionally, FY 2013 funding will continue to prioritize biodiversity conservation while helping to ensure sustainable livelihoods from tourism, agriculture, and sound forest management practices. In FY 2013, the U.S. Government will continue to be the leading donor supporting conservation of critical ecosystems through a livelihood-driven approach. The goal is to reverse nation-wide trends of environmental degradation in threatened ecosystems of global significance. With an emphasis on local institutional support, efforts will focus on improving natural resource management through: land-use planning; resource zone management plans; support to anti-poaching networks and efforts; institutional development/capacity building; ecological monitoring and research linking science and research to management and better policy making; and livelihoods improvements through eco-tourism and other natural resource based sustainable economic enterprises.

Linkages with the Millennium Challenge Corporation

The Millennium Challenge Corporation's (MCC) five-year compact program in Tanzania, which was signed in February 2008, builds on and reinforces the efforts of other foreign assistance programs to reduce poverty and improve economic growth. It focuses on removing barriers to inclusive economic growth, and will rehabilitate roads to improve Tanzania's transport infrastructure, improve the reliability and quantity of electric power, and improve water supply infrastructure. USAID and MCC are collaborating to provide HIV/AIDS and other health services to construction workers and communities where the activities are taking place, and to mitigate the environmental impacts of the infrastructure projects. MCC is investing in strengthening electricity infrastructure in six regions around the country, including the Morogoro area, which is in the zone of influence of FTF. Investments will enhance power availability for agro-processing, and increase opportunities for cold storage. MCC is also supporting significant improvements in Morogoro's potable water supply by expanding existing infrastructure facilities.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In FY 2011, USAID conducted several assessments that will help shape ongoing and future programmatic activities. The Malaria Impact Evaluation examined all inputs into the fight against malaria on mainland Tanzania from 2000 to 2010. The Tanzania National Voucher Scheme Evaluation examines the national mosquito net distribution strategy. Additionally, a mid-term performance evaluation of a local governance and accountability program activity in the health sector will be completed in January 2012.

In FY 2012, USAID plans to begin an impact evaluation of the Tanzania 21st Century Project in the education sector. The impact evaluation will measure the relative effectiveness of education interventions on improving student learning outcomes in primary grades. This is an external evaluation, led by the World

Bank with contributions from the Swedish International Development Agency. In addition, a FTF midterm evaluation is planned for FY 2013 to assess the progress made towards FTF required indicators and Mission priority indicators. Planned Strategic Objective and Wildlife Management Area evaluations for FY 2012 will help inform the upcoming Country Development and Cooperation Strategy process. A Financial Crisis Initiative (FCI) evaluation is also planned for 2012 which will inform whether the programs supported under FCI were well designed and effectively implemented to reach vulnerable populations affected by the financial crisis.

EXBS program monitoring and evaluation will be conducted through the use of assessments, training evaluations, agreements with partner countries, and the Rating Assessment Tool (RAT). The RAT methodology will evaluates EXBS progress on the country's strategic trade control system, ascertain effectiveness of prior bilateral EXBS assistance activities, and pinpoint areas where limited assistance dollars can achieve the greatest impact. This information is used, in consultation with embassies, regional bureaus, and other U.S. Government agencies, to derive the specific bilateral request level.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The local governance and accountability program mid-term evaluation is being used to inform planning on how to achieve cross-cutting goals related to working directly with government institutions. The program works to improve the accountability of local government authorities, which are an intended future beneficiary for direct funding. The extensive malaria impact evaluation will inform the technical and programmatic way forward for all stakeholders supporting the fight against malaria in Tanzania. The Tanzania National Voucher Scheme evaluation will help identify alternatives for mainland Tanzania's bed-net strategy after it achieved universal bed-net coverage in October 2011, having distributed about 27 million nets over a two-year period. Lack of accountability and weak political competition were identified as major constraints to good governance in the Democracy and Governance Assessment. As a result, the newly designed Democracy, Rights, and Governance strategy focuses on improving accountability and oversight of public resources through increased citizen participation and election support.

Relating Past Performance to FY 2013 Plans: USAID anticipates its largest programmatic impacts to occur in the health and agriculture sectors. Incorporation of findings from numerous health-focused evaluations, in addition to the strategic focus brought about by implementation of the recently approved GHI strategy, will contribute to greater impact. A continuation of the agriculture funding under the FTF initiative will have a significant impact on all agriculture, food security and nutrition-related indicators in FY 2013 and beyond. Additionally, the new cross-cutting Democracy, Rights and Governance program will increase the overall impact of USAID programming by improving accountability of government partners.

The Gambia

Foreign Assistance Program Overview

The U.S. Government priority for foreign assistance to The Gambia is to continue to support the country's contribution to regional stability and security, particularly through peacekeeping operations, as well as through training to professionalize the Gambian military.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**120**	**100**	**90**	**-10**
International Military Education and Training	120	100	90	-10

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
The Gambia	**120**	**100**	**90**	**-10**
1 Peace and Security	**120**	**100**	**90**	**-10**
International Military Education and Training	**120**	**100**	**90**	**-10**
1.3 Stabilization Operations and Security Sector Reform	120	100	90	-10

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
The Gambia	**120**	**100**	**90**	**-10**
1 Peace and Security	**120**	**100**	**90**	**-10**
1.3 Stabilization Operations and Security Sector Reform	120	100	90	-10

Peace and Security

Peace and Security funds seek to encourage The Gambia's strong commitment to playing a role in regional stabilization and counterterrorism through continued support of Gambian military development and training. Department of State programs support military cooperation and exchange. Civil-military relations will be an important focus for military training to improve the professionalism of The Gambia's armed forces, and to reinforce the rule of law and respect for human rights.

International Military Education and Training (IMET): IMET funds will continue to support development of a professional, apolitical Gambian military. Increased professionalism of the Gambian military will enable the Gambian Armed Forces to remain an important regional partner and to serve effectively in African- and UN-led peacekeeping operations.

Togo

Foreign Assistance Program Overview

In the early 1990s, most bilateral and multilateral aid to Togo was cut off because of the country's faltering transition to democracy, poor human rights record, and failure to service its external debt. The Government of Togo (GOT) now seeks to convince the international community that it is on the path to political and economic reform, and has taken a number of steps to begin the reform process. President Faure was re-elected in March 2010, with 60 percent of the vote. There was no violence during this period and despite a number of irregularities, the election was declared credible by international observers. Now in his second term, President Faure continues to face a significant challenge: balancing entrenched interests with the need to implement democratic reforms and revive Togo's deteriorating economy. The international community seeks to encourage the GOT to implement further reform.

United States foreign assistance to Togo will focus on encouraging a professional military that respects civilian leadership while continuing to closely monitor the GOT's willingness to work towards democratic goals.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**286**	**140**	**120**	**-20**
International Military Education and Training	286	140	120	-20

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Togo	**286**	**140**	**120**	**-20**
1 Peace and Security	**286**	**140**	**120**	**-20**
International Military Education and Training	**286**	**140**	**120**	**-20**
1.3 Stabilization Operations and Security Sector Reform	286	140	120	-20

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Togo	**286**	**140**	**120**	**-20**
1 Peace and Security	**286**	**140**	**120**	**-20**
1.3 Stabilization Operations and Security Sector Reform	286	140	120	-20

Peace and Security

Togo's success at democratization depends strongly on the military's non-involvement in domestic politics during this consolidation process, and a reorientation of the military's role away from domestic law-enforcement activities. In 2009, Togo became a member of the African Contingency Operations Training and Assistance (ACOTA) program and began receiving equipment, training, and enhancements to its peace-mission training center. U.S. assistance to Togo in FY 2013 seeks to increase the country's ability to contribute to peacekeeping operations on the continent.

International Military Education and Training (IMET): Funds will be used to professionalize the military with a focus on respect for human rights, the rule of law, civilian control of the military, and appropriate civil-military relations in a democracy. Traditional forms of military training will be provided, as well as English language courses that foster better communication and cooperation between Togolese and English-speaking militaries.

Uganda

Foreign Assistance Program Overview

Although the government has been cited for years as making promising progress on a number of fronts, including HIV/AIDS, economic growth, and stabilizing its north, presently Uganda's development progress faces a number of challenges. Uganda is a key U.S. regional strategic partner through both its involvement in the African Union Mission in Somalia (AMISOM) and counter-Lord's Resistance Army (LRA) efforts in central Africa. However, current challenges include flawed 2011 parliamentary and presidential elections, continued rapid population growth, challenges to human rights, and inflation. Determined to consolidate and advance Uganda's development opportunities, the United States transitioned its support from humanitarian assistance to longer-term development programs that provide for reconciliation and security in northern Uganda and improved social and economic well-being throughout the country. Assistance emphasizes fostering Ugandan-managed delivery of services (using direct government assistance and local organizations where feasible) and supporting national development priorities to increase country ownership and build local capacity. U.S. assistance is wide ranging and includes promoting good governance, human rights, and multiparty democracy; professionalizing police and military institutions for better service delivery and adherence to human rights; addressing key health threats including malaria and HIV/AIDS through the Global Health Initiative; supporting the Ugandan government's plans in agricultural productivity, food security, and nutrition through the Feed the Future (FTF) initiative; and addressing critical development issues such as global climate change and biodiversity.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**472,070**	**460,958**	**438,314**	**-22,644**
Development Assistance	60,586	64,999	62,586	-2,413
Economic Support Fund	-	5,000	-	-5,000
Food for Peace Title II	25,908	25,000	12,000	-13,000
Foreign Military Financing	300	200	200	-
Global Health Programs - State	309,084	284,084	281,397	-2,687
Global Health Programs - USAID	75,349	80,475	81,000	525
International Military Education and Training	608	600	550	-50
International Narcotics Control and Law Enforcement	235	600	581	-19

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Uganda	**472,070**	**460,958**	**438,314**	**-22,644**
1 Peace and Security	**3,729**	**9,400**	**3,917**	**-5,483**
Development Assistance	**2,586**	**3,000**	**2,586**	**-414**
1.6 Conflict Mitigation and Reconciliation	2,586	3,000	2,586	-414

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Economic Support Fund	**-**	**5,000**	**-**	**-5,000**
1.3 Stabilization Operations and Security Sector Reform	-	5,000	-	-5,000
Foreign Military Financing	**300**	**200**	**200**	**-**
1.3 Stabilization Operations and Security Sector Reform	300	200	200	-
International Military Education and Training	**608**	**600**	**550**	**-50**
1.3 Stabilization Operations and Security Sector Reform	608	600	550	-50
International Narcotics Control and Law Enforcement	**235**	**600**	**581**	**-19**
1.3 Stabilization Operations and Security Sector Reform	235	600	581	-19
2 Governing Justly and Democratically	**6,500**	**6,713**	**7,850**	**1,137**
Development Assistance	**6,500**	**6,713**	**7,850**	**1,137**
2.1 Rule of Law and Human Rights	-	1,000	1,350	350
2.2 Good Governance	2,000	2,000	2,500	500
2.3 Political Competition and Consensus-Building	2,500	1,713	1,500	-213
2.4 Civil Society	2,000	2,000	2,500	500
3 Investing in People	**403,935**	**390,345**	**378,567**	**-11,778**
Development Assistance	**12,000**	**14,286**	**10,650**	**-3,636**
3.1 Health	2,000	2,000	2,000	-
3.2 Education	10,000	12,286	8,650	-3,636
Food for Peace Title II	**7,502**	**11,500**	**5,520**	**-5,980**
3.1 Health	7,502	11,500	5,520	-5,980
Global Health Programs - State	**309,084**	**284,084**	**281,397**	**-2,687**
3.1 Health	309,084	284,084	281,397	-2,687
Global Health Programs - USAID	**75,349**	**80,475**	**81,000**	**525**
3.1 Health	75,349	80,475	81,000	525
4 Economic Growth	**48,306**	**54,500**	**47,980**	**-6,520**
Development Assistance	**39,500**	**41,000**	**41,500**	**500**
4.2 Trade and Investment	5,000	-	-	-
4.3 Financial Sector	800	-	-	-
4.5 Agriculture	24,700	32,500	34,000	1,500
4.6 Private Sector Competitiveness	500	-	-	-
4.8 Environment	8,500	8,500	7,500	-1,000
Food for Peace Title II	**8,806**	**13,500**	**6,480**	**-7,020**
4.5 Agriculture	8,806	13,500	6,480	-7,020
5 Humanitarian Assistance	**9,600**	**-**	**-**	**-**
Food for Peace Title II	**9,600**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	9,600	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Uganda	**472,070**	**460,958**	**438,314**	**-22,644**
1 Peace and Security	**3,729**	**9,400**	**3,917**	**-5,483**
1.3 Stabilization Operations and Security Sector Reform	1,143	6,400	1,331	-5,069
1.6 Conflict Mitigation and Reconciliation	2,586	3,000	2,586	-414
2 Governing Justly and Democratically	**6,500**	**6,713**	**7,850**	**1,137**
2.1 Rule of Law and Human Rights	-	1,000	1,350	350
2.2 Good Governance	2,000	2,000	2,500	500
2.3 Political Competition and Consensus-Building	2,500	1,713	1,500	-213
2.4 Civil Society	2,000	2,000	2,500	500
3 Investing in People	**403,935**	**390,345**	**378,567**	**-11,778**
3.1 Health	393,935	378,059	369,917	-8,142
3.2 Education	10,000	12,286	8,650	-3,636
4 Economic Growth	**48,306**	**54,500**	**47,980**	**-6,520**
4.2 Trade and Investment	5,000	-	-	-
4.3 Financial Sector	800	-	-	-
4.5 Agriculture	33,506	46,000	40,480	-5,520
4.6 Private Sector Competitiveness	500	-	-	-
4.8 Environment	8,500	8,500	7,500	-1,000
5 Humanitarian Assistance	**9,600**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	9,600	-	-	-
of which: Objective 6	**34,544**	**10,790**	**27,145**	**16,355**
6.1 Program Design and Learning	16,311	3,600	6,925	3,325
6.2 Administration and Oversight	18,233	7,190	20,220	13,030

Peace and Security

The United States and Uganda work closely to stabilize peace and advance greater security in the country and surrounding region. The Government of Uganda (GOU) stands firmly with the United States in combating extremist threats and finding viable solutions to conflicts in the region. Uganda provides the bulk of the African Union peacekeepers deployed in Somalia, an effort the United States actively supports through regional programs. The United States and Uganda are also jointly engaged in regional military operations against the LRA, whose leaders have been indicted internationally for war crimes. The LRA has not operated in Uganda since 2006 but continues to commit atrocities in neighboring countries. This conflict led to the disintegration of civilian law-enforcement systems in northern Uganda, with a police force stretched to provide security support throughout the country. The GOU has established an ambitious development agenda for northern Uganda, in which the United States has invested substantial interagency resources for defense, diplomacy, and development programs. A well-implemented plan for stability, recovery, and development, particularly in northern Uganda, will improve the lives of conflict-affected persons, making Uganda a more peaceful and productive partner.

Development Assistance (DA): As northern Uganda completes its transition from conflict to peace and stability, the United States will continue to support development programs that focus on promoting peace, reconciliation, and justice, both in areas prone to conflict, especially over land (LRA-affected areas, petroleum-rich areas), and in the conflict-prone pastoralist region of Karamoja in the country's northeast. Program activities will be coordinated under a U.S. Mission interagency strategy for Karamoja under a special objective within Uganda's 2011-2015 Country Development and Cooperation Strategy. Long-term development efforts in Karamoja will result in improved infrastructure and livelihoods options and strengthened structures for peace and security.

Foreign Military Financing (FMF): The primary objective of the FMF program in Uganda is to heighten adherence to professionalism and human rights principles among the Uganda People's Defense Force (UPDF) and improve conditions for political and economic development and stability. A targeted program of nonlethal assistance will support the UPDF Senior Command and Staff College and help improve professionalism of the UPDF.

International Military Education and Training (IMET): The Uganda People's Defense Force (UPDF) is the strongest U.S. partner in the war on terror in East Africa. The UPDF currently has more than 5,000 combat soldiers deployed to Somalia as part of AMISOM and provides the bulk of the force headquarters, including the force commander. Additionally, the UPDF has roughly 2,000 soldiers deployed to Central African Republic and South Sudan, where they are working with U.S. military advisors to combat the LRA. These deployments are largely led by officers who are graduates of senior and mid-level U.S. professionalization courses funded through the IMET program. A continued and robust IMET program for Uganda will allow for program-level and senior-level professional military education courses while also promoting respect for democratic values and human rights, strengthening civil-military relationships, and enhancing senior leadership strategic management skills. The U.S. military relationship with UPDF is arguably one of the most important in Africa, and IMET is a key element of that relationship.

International Narcotics Control and Law Enforcement Funds (INCLE): The United States will continue to support the GOU's ongoing efforts to professionalize its civilian law enforcement systems by strengthening its national police training academy programs with a focus on community-based policing. The Department of State will continue to support general community-based police training that builds the training capacities of instructors at the national Police Academy. U.S. training programs will focus on strengthening all aspects of police training, which simultaneously bolsters the ability of the police to maintain order domestically and relieves the military so it can assist in regional peacekeeping.

Governing Justly and Democratically

Promoting democratic governance and human rights is still one of the U.S. government's most important objectives in Uganda. Since taking power in 1986, President Yoweri Museveni's image has been tarnished by rampant corruption, increasingly narrowing political space, and his government's persistent inability to invest in and augment basic services. President Museveni was reelected to another five-year term with 68 percent of the vote in early 2011, but elections were marred by the Electoral Commission's lack of independence, widespread voter confusion, the use of government resources for partisan gain, and the deployment of security forces throughout Uganda. A more accountable and responsive government that respects rule of law and human rights will increase Ugandans' commitment to democratic governance and reduce tensions among political, regional, and ethnic groups.

Development Assistance (DA): To enhance Uganda's multiparty democracy, the United States will promote democratic governance and human rights. Support will be given to improve the quality and integrity of governance by strengthening parliamentary oversight and local government engagement and civil society participation, while also encouraging open public debate and supporting institutions and

systems for improved service delivery. Development programs will also work with local governments to strengthen land management and administration as well as to improve the delivery of key services. Assistance will be provided to enhance budgeting, planning, and improve accountability in procurement, contracting, and financial management procedures.

In preparation for the 2016 elections, the U.S. government will provide assistance to Uganda's multi-party democracy in order to support political and electoral processes, enhance democratic political competition, increase public participation, and uphold respect for human rights. The U.S. Mission will coordinate closely with other donors, building on current donor funding partnerships, to leverage resources to the greatest extent possible, and continue to play a leading role in shaping discussions relating to Uganda's democracy and governance agenda.

Investing in People

The United States invests heavily in Uganda's health and education sectors since improved health conditions are essential for realizing Uganda's national development objectives, including broad-based economic development, responsible civic participation, and regional stability. With a current population of 32 million, a 3.2 percent population growth rate, and a high HIV/AIDS prevalence rate, Uganda is facing increasing challenges to handle its ever-growing demand for health and education services. Both public and private sector actors will need enhanced capacity to provide essential services to ever more Ugandans, especially the young given the rapidly growing population. The country continues to suffer from a high maternal mortality (435 per 100,000 live births) and one of the world's highest tuberculosis rates (154 per 100,000), while malaria is the country's leading cause of morbidity and mortality.

For 40 years, Uganda's total fertility rate has remained stagnant at close to seven children per woman, contributing to a range of challenges such as high infant mortality, an increasing burden on social services, disaffected youth, and potential economic and political instability. The United States remains the leading international donor to Uganda's health sector, with programs under the Global Health Initiative that build nationwide capacity to reduce maternal, child, and infant mortality as well as the threat of infectious diseases, including HIV/AIDS and tuberculosis. Interagency as well as donor-to-donor programming efforts also include improving nutritional status; supporting increased access to family planning; strengthening Ugandan health systems; increasing child and maternal health; and improving Uganda's especially low literacy rates, as well as access to potable water and sanitary conditions. Structurally sound, functioning health systems, more effective and targeted HIV/AIDS behavior-change campaigns, and accessible, quality service delivery from both private and public sector actors are essential investments for promoting more effective use of health services which will lead to improved health outcomes.

Development Assistance (DA): Funding will be used to increase early grade literacy and to support water and sanitation activities.

- Basic Education: Education programming will contribute to USAID's new Education Strategy by supporting early grade reading and the consolidation of literacy skills by grade four. Through education policy reform, training 10,000 teachers, instructional materials development, and the engagement of youth and other community stakeholders, U.S. assistance will measurably improve students' reading skills and successful transition to English. Literacy is understood as a cross-cutting intervention that provides a foundation for improved health outcomes and is also essential to sustained democratic governance and economic growth.

- Water Supply and Sanitation: Programs will improve hygiene and sanitation through the promotion of household and community-level interventions, such as hand-washing and chlorine dispensers for community water collection points. U.S. resources will support evidence-based approaches to promote positive hygiene and sanitation behaviors.

Global Health Program (GHP) – State and USAID: The United States will continue to encourage the GOU to commit additional funding to meet its growing HIV/AIDS prevention and treatment needs and address other infectious diseases and maternal mortality. Further, the United States will continue to work with implementing partners and other donors to increase effectiveness and sustainability by strengthening national health systems as well as the rapidly growing private not for profit health sector. To ensure a healthier, more productive society, the long-term foreign assistance priorities in health are building Ugandan capacity and political resolve to reduce the threat of infectious diseases, lessen infant and child mortality, support reproductive and maternal health care, and increase food security. Assistance provided through the GHP accounts will support the goals and principles of GHI to achieve major improvements in health outcomes through sustainable approaches and increased country ownership.

- Linkages with the President's Emergency Plan for AIDS Relief: Uganda will receive significant support to build partnerships to provide integrated prevention, care, and treatment programs throughout the country as well as provide valuable assistance to orphans and vulnerable children.

- Tuberculosis (TB): USAID assistance will support the National TB and Leprosy Control Program (NTLP) to improve Tuberculosis case detection and treatment success rates and achieve national targets in supported districts. This activity will focus on three main results areas: enhanced leadership and technical guidance of TB control at the NTLP; innovative urban Directly Observed Treatment Short course program implemented in Kampala to achieve an 85 percent treatment success rate and rolled out to other USG supported districts; and strengthening NTLP's capacity to initiate, implement, and sustain a quality Multi Drug Resistant TB program.

- Malaria: U.S. assistance under the President's Malaria Initiative (PMI) will expand efforts to scale up proven preventive and treatment interventions toward achievement of 85 percent coverage among vulnerable groups to support the PMI goal of reducing malaria-related morbidity by 50 percent. The FY 2013 request level for Uganda does not include the total projected funding for the PMI. Decisions on allocations of centrally-managed funds will be made when the FY 2013 operating year budget is set. Additionally, U.S. assistance will support the National Malaria Control Program of Uganda to implement a high quality, safe, and effective indoor residual spraying (IRS) program in ten high malaria burden districts in Northern Uganda, targeting 900,000 houses and protecting nearly 3.5 million people from malaria. The major focus for this program is to build implementation capacity of the public sector in regions selected for IRS intervention and establish a robust system to plan, implement, manage, monitor, and evaluate the intervention.

- Maternal and Child Health: USAID assistance will increase access, availability, and information to increase deliveries with skilled providers, improve comprehensive and integrated antenatal care, and increase the number of children who are fully immunized at 12 months and receive Vitamin A supplementation. USAID will also promote safe drinking water to: lower the rates of diarrheal illness; improve appropriate management of diarrhea through the use of oral rehydration salts and zinc; increase the number and amount of local fortified foods; and advance the policies and objectives of Uganda's Nutrition Plan. Funds will support accelerating collective action to reduce maternal mortality, saving mothers and newborns, by delivering focused and high impact interventions during a mother's most critical 24-hour period around labor, delivery, and post-partum.

- Family Planning and Reproductive Health: USAID assistance will enhance Ugandan policy makers' commitment to family planning and expand access to a variety of high-quality voluntary family planning services, information, and reproductive health care services. Such programs enhance the ability of couples to decide the number and spacing of births, including the timing of first birth. They also make substantial contributions to reducing abortion, maternal and child mortality

and morbidity, and occurrence of fistula, while mitigating adverse effects of population dynamics on natural resources, economic growth, and state stability. Expected results over the next five years include increased use of modern contraceptive methods by one percentage point each year and a decrease in unmet demand for family planning. To pursue USAID Forward Reform priorities and strengthen donor to donor coordination, USAID and the United Kingdom's Department for International Development will continue to implement co-funded activities scaling-up private sector family planning services, including the Safe Delivery voucher program which will be available in every district in the country. Additionally, USAID will partner with the World Bank to expand the Safe Motherhood voucher program.

- Nutrition: Equitable, efficient health and nutrition services are essential to realizing Uganda's national development objectives. Funding will be used to improve health and nutrition services by strengthening service delivery systems and the demand for these services. Funds will also advance the Feed the Future (FTF) objectives and, in coordination with agriculture programs, support women, children, and vulnerable households by promoting community-based nutrition programs, with a focus on developing Ugandan capacity for providing therapeutic feeding as necessary as well as enhancing the diet diversity and quality of malnourished children. Resources will be provided to support a variety of activities, such as training hundreds of health staff in nutrition issues, promoting micronutrient supplementation and food fortification programs for women and young children, and promoting breastfeeding and optimal complementary feeding practices in early childhood.

Food for Peace Title II: Programs will improve infant and young child feeding practices and increase adoption of improved health practices through effective behavior change communication interventions. Food distribution to extremely vulnerable individuals, including pregnant and lactating women and children under the age of two, will improve nutrition, diet diversification, and maternal and child health. Food for Peace programs will also enhance access to clean water/sanitation, and improve hygiene practices.

Economic Growth

Uganda has enjoyed economic growth averaging over 7 percent over the last five years, in large part due to GOU-led market-based reforms and sound macroeconomic policies. However, recently the GOU has faced challenges with steeply rising inflation and a depreciating Uganda shilling. Uganda's 2011 inflation rate rose from 3.1 percent to 27 percent while the Uganda shilling depreciated 30 percent against the U.S. dollar. These developments severely undercut the purchasing power of millions of Ugandans in poverty and increased Uganda's current account deficit.

Faster growth is hampered by the country's weak transportation and electricity networks, low agricultural productivity, transparency, and regulatory challenges, as well as corruption, which keep business costs high and hinder investment, economic growth, and job creation. Wisely managing Uganda's exceptional biodiversity is essential for broad-based, sustainable economic development. Large untapped oil reserves in Uganda's Albertine Rift present challenges and opportunities for Uganda. High-level allegations of government corruption as well as stark regulatory and institutional unpreparedness continue to delay oil production revenue flows which may now not start until 2013. To promote ecologically responsible economic development prospects, the U.S. government will support enhanced policy dialogue and capacity development for fiscally sound, politically coherent, and environmentally sustainable management of Uganda's oil resources through the State Department-led, interagency Energy Governance Capacity Initiative (EGCI).

Development Assistance (DA): In FY 2013, U.S.-funded programs will aim to reduce poverty and food insecurity. As part of the President's Global Hunger and Food Security Initiative, Feed the Future (FTF), USAID will support the efforts of the GOU to implement the country-led comprehensive food security strategy that it has designed. This strategy aims to reduce hunger and increase economic development

through market-led agricultural development. FTF Potential Accelerated Investment Countries, including Uganda, will be reviewed annually to evaluate their eligibility for becoming Phase II countries and thus potentially receive higher investment levels.

Supporting the GOU's Development Strategy and Investment Plan, U.S. assistance will focus on increasing Uganda's rural productivity and agricultural competitiveness. Working primarily on coffee, maize, and beans, USAID will improve production and marketing efficiency in these key Ugandan commodities by addressing crucial constraints to increasing on-farm, smallholder productivity, reducing post-harvest losses and strengthening smallholder farmers' marketing linkages. The aim will be to promote socio-economic development and nutrition and to reduce poverty in focus districts. USAID expects to assist more than 140,000 rural households during FY 2013. Key interventions will include improved productivity of agribusinesses and producer organizations and dissemination of improved labor and time-saving production technologies. Agriculture programs will expand not only private sector actors' roles in augmenting key staple food chains, but also increase regional trade and market penetration, improve Ugandan analytical agricultural research capacity, and support the development of agriculture research institutions.

U.S. assistance will also be used to augment Uganda's capacity to protect precious biodiversity, as already hazardous oil exploration operations threaten Uganda's Albertine Rift and other areas. U.S. -financed biodiversity activities will improve Ugandan biodiversity monitoring, strengthen environmental laws and regulations, promote eco-tourism as a vehicle for biodiversity conservation, increase tourism revenues, and improve revenue management. Supporting Uganda's National Adaptation Program of Action, Global Climate Change funds will be used to support a number of adaptation activities, such as on-station research on technologies and management practices for developing banana and disease- and drought-tolerant cassava and introducing adaptive, coping cultivation techniques to farmers.

Food for Peace Title II: Programs will strengthen livelihoods and enhance resiliency among pastoralists, agro-pastoralists, and farming households in the highly food-insecure region of Karamoja. Karamoja suffers frequent drought and is characterized by insecurity and violence; Food for Peace interventions will diversify livelihood assets and opportunities, and improve natural resource management in order to assist beneficiaries in managing risks and responding to shocks to food security from a variety of sources (natural disasters, inflation, weather, etc.). Activities will train farmers in appropriate and sustainable farming practices; provide initial inputs for vulnerable households during the first farming cycle; reconstruct tertiary roads and supplement food supplies through Food for Work schemes; and rehabilitate secondary roads to improve market access. Long-term goals will be reached through capacity building, technology transfer, and improved markets for targeted crops and linkages to commercial markets for producer organizations.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: During FY 2011, USAID conducted four performance evaluations to determine program effectiveness and help develop USAID's 2011-2015 Country Development Cooperation Strategy (CDCS) and the Feed the Future strategy. USAID/Uganda also conducted sector level studies: a 2011 Democracy and Governance (DG) Assessment, conducted after Uganda's 2011 election, the first such assessment since 2005; the Uganda Demographic Health Survey (DHS), the first since 2006, conducted with other donors through a direct grant to the government's statistical agency; as well as contributions to the Afrobarometer 2011 survey and the Uganda AIDS Indicator Surveys. Seven additional evaluations, including an impact evaluation, will be started and/or completed in FY 2012.

To assess and manage broader program performance, pipeline, and procurement plans, Uganda held semi-annual programmatic and quarterly financial and procurement reviews, introducing USAID's OpsMaster system as an especially helpful pipeline management tool. In FY 2011 and FY 2012, USAID is developing new, outcome-oriented 2011-2015 Performance Management Plans (PMP) for managing implementation of Uganda's new CDCS and is introducing District Operational Plans to improve district-level coordination and monitoring.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Conducted after Uganda's 2011 elections, the 2011 DG Assessment cited Uganda's deteriorating political environment and recommended that the USG adopt a stronger focus on political and human rights. Based on this recommendation, the Democracy and Governance section of the CDCS was revised and designs of new programs to support human rights, rule of law, and political processes will reflect this assessment's recommendations. The recommendations will also be considered in governance programs, including a stronger focus on increasing participation and accountability to improve service delivery in other sectors such as health, education, and agriculture.

Recommendations from the mid-term evaluation of USAID's key agricultural program, Uganda Livelihoods and Enterprises for Agricultural Development, have been used to focus its interventions and maximize its impact by addressing fewer critical commodity value-chains, reducing the geographic focus from nation-wide to a limited number of districts and adopting a more facilitative approach to the development of the value-chains.

A critical final evaluation of the Northern Uganda Water Supply Services program provided key lessons learned, which are already being implemented in the new Kitgum and Pader water program.

Relating Past Performance to FY 2013 Plans: New PMPs and more rigorous evaluations (such as three impact evaluations that will be well underway by FY 2013) are expected to greatly increase USAID's ability to understand the impact of interventions and make ongoing programming decisions to increase program effectiveness, through a new methodology called "adaptive management." New District Operational Plans implemented in Mission-focus districts are expected to improve alignment and performance at the local level.

Zambia

Foreign Assistance Program Overview

United States assistance to Zambia supports the goals of reducing widespread poverty and building and sustaining a democratic, well-governed country that contributes positively to regional stability. In spite of its immense potential, Zambia ranks low on the Human Development Index, with child malnutrition and rural poverty levels among the highest in the world. U.S. assistance promotes agriculture-led economic growth and food security; expands and improves the quality of health and education opportunities; fights HIV/AIDS; strengthens democratic and accountable governance; and builds Zambian capacity to promote regional peace, security, and stability.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**379,701**	**368,097**	**380,030**	**11,933**
Development Assistance	36,226	28,726	26,700	-2,026
Food for Peace Title II	6,598	-	-	-
Global Health Programs - State	283,661	283,661	295,930	12,269
Global Health Programs - USAID	52,794	55,375	57,100	1,725
International Military Education and Training	422	335	300	-35

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Zambia	**379,701**	**368,097**	**380,030**	**11,933**
1 Peace and Security	**422**	**335**	**300**	**-35**
International Military Education and Training	**422**	**335**	**300**	**-35**
1.3 Stabilization Operations and Security Sector Reform	422	335	300	-35
2 Governing Justly and Democratically	**1,626**	**1,126**	**2,500**	**1,374**
Development Assistance	**1,626**	**1,126**	**2,500**	**1,374**
2.4 Civil Society	1,626	1,126	2,500	1,374
3 Investing in People	**352,309**	**353,636**	**362,550**	**8,914**
Development Assistance	**14,600**	**14,600**	**9,520**	**-5,080**
3.1 Health	4,600	4,600	3,120	-1,480
3.2 Education	10,000	10,000	6,400	-3,600
Food for Peace Title II	**1,254**	**-**	**-**	**-**
3.1 Health	1,254	-	-	-
Global Health Programs - State	**283,661**	**283,661**	**295,930**	**12,269**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
3.1 Health	283,661	283,661	295,930	12,269
Global Health Programs - USAID	**52,794**	**55,375**	**57,100**	**1,725**
3.1 Health	52,794	55,375	57,100	1,725
4 Economic Growth	**23,958**	**13,000**	**14,680**	**1,680**
Development Assistance	**20,000**	**13,000**	**14,680**	**1,680**
4.5 Agriculture	15,000	8,000	8,000	-
4.7 Economic Opportunity	-	-	1,680	1,680
4.8 Environment	5,000	5,000	5,000	-
Food for Peace Title II	**3,958**	**-**	**-**	**-**
4.5 Agriculture	3,958	-	-	-
5 Humanitarian Assistance	**1,386**	**-**	**-**	**-**
Food for Peace Title II	**1,386**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	990	-	-	-
5.2 Disaster Readiness	396	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Zambia	**379,701**	**368,097**	**380,030**	**11,933**
1 Peace and Security	**422**	**335**	**300**	**-35**
1.3 Stabilization Operations and Security Sector Reform	422	335	300	-35
2 Governing Justly and Democratically	**1,626**	**1,126**	**2,500**	**1,374**
2.4 Civil Society	1,626	1,126	2,500	1,374
3 Investing in People	**352,309**	**353,636**	**362,550**	**8,914**
3.1 Health	342,309	343,636	356,150	12,514
3.2 Education	10,000	10,000	6,400	-3,600
4 Economic Growth	**23,958**	**13,000**	**14,680**	**1,680**
4.5 Agriculture	18,958	8,000	8,000	-
4.7 Economic Opportunity	-	-	1,680	1,680
4.8 Environment	5,000	5,000	5,000	-
5 Humanitarian Assistance	**1,386**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	990	-	-	-
5.2 Disaster Readiness	396	-	-	-
of which: Objective 6	**25,892**	**3,627**	**3,901**	**274**
6.1 Program Design and Learning	13,419	1,100	1,464	364
6.2 Administration and Oversight	12,473	2,527	2,437	-90

Peace and Security

Zambia's history of stability, democratic elections, respect for human rights, and contributions to peacekeeping all validate U.S. engagement in building capacity in the peace and security sector. U.S. assistance seeks to increase military professionalism among mid- and senior-level officers of the Zambia Defense Force (ZDF); professionalism and technical capacity of Zambian law enforcement; ZDF and Zambian law enforcement ability to meet regional security commitments; and the ZDF's ability to fulfill multilateral peacekeeping commitments.

International Military Education and Training (IMET): IMET funding will concentrate on providing professional military education courses to mid- and senior-level ZDF officers, including through such schools as the U.S. military war colleges and Industrial College of the Armed Forces.

Governing Justly and Democratically

Democratic and transparent governance is a key U.S. foreign policy priority in Zambia. Sound governance facilitates functioning free markets, enhances delivery of social services, ensures civil society participation in decision-making, and maximizes the welfare of Zambian communities and individuals. A democratic and accountable government is necessary to ensure Zambia's development, stability, and reliability as a mutually beneficial partner for the United States. U.S. assistance will strengthen democratic institutions that support effective stewardship and development of Zambia's natural resources and human capital, and ensure long-term stability and broad-based economic growth.

Development Assistance (DA): Civil society programs to strengthen democratic and accountable governance will complement economic growth, health, and education interventions by increasing transparency and accountability through broad-based stakeholder participation in government service delivery. U.S. assistance will enhance citizen oversight and engagement to improve the quality of government services such as health and education. Funding will support analysis and debate that will lead to policies that respond to the needs of Zambians, streamline government business processes, and increase transparency. U.S. assistance seeks to improve accountability by helping Zambian institutions achieve high service standards through transparent operations.

Investing in People

In 2011, Zambia was ranked 164 out of 187 countries on the United Nations Development Program's Human Development Index. Human capital is a cross-cutting constraint in Zambia. Health and education service delivery remain inadequate, and these deficiencies are a barrier to sustainable economic development. Better health and improved education contribute to economic development through increased worker productivity and reduced costs to government and business.

Global Health Programs (GHP):

Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership. Interventions under GHI will improve the quality of health services, strengthen health systems, and promote healthy behaviors that benefit the lives and health of all Zambians, with a special focus given to women and girls. U.S. assistance will strengthen the Zambian health system's ability to provide services to its population. An integrated service delivery approach emphasizing family planning, maternal and child health care, and nutrition will: improve district health-worker management, leadership, and clinical skills critical to improving health outcomes; increase the continuum of care from communities to facilities, and allow prompt action to address safe motherhood, infant mortality, and malnutrition; and improve essential drug and medical supply distribution and logistics systems that match increasing demand for services with a ready supply of commodities. Integrated

behavior and social change communication activities will garner national level support for preventive measures and promote healthy practices.

- Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR) – GHP-State and USAID: Zambia will receive significant support to build partnerships to provide integrated prevention, care, and treatment programs throughout the country and support orphans and vulnerable children.

- Tuberculosis (TB): Resources will contribute towards implementation of the National TB Strategic Plan which aims to successfully treat 85% of all TB cases by 2015. Activities comprise detection, management, and treatment of TB, including multi-drug resistant TB as well as infection prevention. TB service delivery efforts will continue to be integrated with HIV services to reduce the spread and impact of the TB/HIV co-morbidity in Zambia.

- President's Malaria Initiative (PMI): U.S. assistance under the PMI will expand efforts to scale-up proven preventive and treatment interventions toward achievement of 85 percent coverage among vulnerable groups and support the PMI goal of reducing malaria-related morbidity by 50 percent by 2015. The FY 2013 request level for Zambia does not include the total projected funding for the PMI. Decisions on allocations of centrally-managed funds will be made at the time that the FY 2013 operating year budget is set.

- Maternal and Child Health: Funds will focus on supporting the Government of Zambia to address the leading causes of maternal, newborn, and child deaths. Activities will include health care provider training, increasing access to essential medicines, community outreach, and strategic engagement of the private sector to expanding access to services. Funds will support accelerating collective action to reduce maternal mortality, saving mothers and newborns, by delivering focused and high impact interventions during a mother's most critical 24-hour period around labor, delivery, and post-partum. Assistance programs will emphasize a whole of government approach that fosters stronger country ownership and sustainability and will be coordinated with other donors.

- Family Planning: Activities will emphasize decreasing the unmet need for family planning services focusing on procurement of family planning commodities, improved method mix, integration of services, health care provider training, and communications for behavioral change. Outreach activities will target hard to reach populations, particularly in rural areas. The combination of these efforts will continue to support Zambian couples' ability to determine the number and timing of their pregnancies and expand access to high-quality family planning services and information.

Development Assistance (DA): U.S. assistance will focus on broadening access to clean water and sanitation and improving the quality of education for underserved populations.

Water Supply and Sanitation: Access to safe water and sanitation remains an enormous challenge throughout Zambia. Only 43 percent of the population in urban areas and 13 percent in rural areas have adequate access to an improved drinking water supply. U.S. support to water sanitation and hygiene education programs will build or repair water and sanitation facilities and promote hygienic practices in more than 800 underserved rural schools. Girls are more likely to attend school and complete their education in establishments with adequate sanitation facilities. In addition, improved water sanitation facilities and practices attract qualified teachers, improve the school learning environment, and strengthen student performance.

Basic Education: In alignment with the new USAID Education Strategy, U.S. assistance will improve the quality of education for underserved populations, including girls and orphaned children, in the worst

academic performing regions of the country. The United States' will partner with the Ministry of Education to prioritize system strengthening, policy development, research analysis, community outreach, and critical school-based technical interventions to improve student performance in core areas such as early grade reading and math. Assistance will empower communities to participate in their children's education through support to the growing community school system, as well as direct parental engagement in the local school system.

Economic Growth

Despite a decade of strong economic growth, the majority of Zambians live in rural areas where poverty levels have remained virtually unchanged at 80 percent. In order to generate more equitable growth, U.S. assistance will focus on improving agricultural productivity and market access that will increase food security.

Development Assistance (DA): U.S. assistance will support nongovernmental organizations, farmer cooperatives, trade organizations, international agricultural research institutions, local civil society, and Zambian Governmental organizations to increase agricultural productivity and expand economic opportunity. U.S. support will promote diversification of crops and livestock products that small farmers produce in order to improve diets and opportunities for income. Using a whole-of-government approach, programs will be coordinated to link health, economic growth, and environmental approaches to improve food security. In addition, the United States will enhance the capacity of the Zambian government to monitor and respond to food security threats due to natural disasters.

- Feed the Future: As part of the President's Global Hunger and Food Security Initiative, Feed the Future, USAID will support the government of Zambia to refine and implement a country-led comprehensive food security strategy to reduce hunger and increase economic growth through market-led agricultural development. United States programs will support agricultural research and promote adoption of crops high in Vitamin A. In addition, conservation farming and other technologies will sustainably improve agriculture productivity. In particular, U.S. assistance will also support partnerships between U.S. and Zambian agribusiness firms and non-governmental organizations to expand market and investment opportunities.

- Economic Opportunity: Funds will strengthen the ability of rural small and medium enterprises to engage in regional and international trade, including by improving access to financial and information services through electronic and other technologies.

- Global Climate Change: Environmental programs will support the Zambian government's ability to assess and manage the impact of global climate change, and promote community-based solutions to reduce high rates of deforestation. Assistance will also support a lower emissions development pathway for Zambia through an interagency U.S. government approach, including support from the U.S. Forest Service in spatial technology to monitor changes in forest cover.

Linkages with the Millennium Challenge Corporation

Zambia has been compact eligible since 2008, and in December 2011 the Millennium Challenge Corporation Board again selected Zambia for Compact eligibility. The Lusaka Water Supply, Sanitation, and Drainage Project remains on track: a master planning exercise is complete, and feasibility studies and an environmental and social impact assessment are underway. The completed Compact proposal should be ready for a final decision by the MCC Board in March 2012. A robust water and sanitation system in the greater Lusaka area will complement health and education support by reducing such water-borne diseases as diarrhea and cholera, as well as malaria.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Several monitoring and evaluation actions were undertaken during FY 2011 in Zambia:

- Data quality assessments for support in malaria, nutrition, economic growth, and orphans and vulnerable children confirmed the accuracy of data collection methods and ensured that statistics on program performance are reliable.
- The Longitudinal Orphans and Vulnerable Children (OVC) Study in Zambia examined changes in the disparities and vulnerabilities between program participants and a community comparison sample to demonstrate a sustained impact of the Faith-based Regional Initiative for OVC program.
- The Gender-Based Violence (GBV) Program Evaluation examined GBV-related assistance activities to assess program performance and to provide lessons to inform future GBV activities.
- An Early Grade Reading Assessment in 2011 demonstrated that over 90 percent of the second-graders tested could not recognize a single word in their language of instruction.
- Provincial Water and Sanitation Facilities and Hygiene Education assessments examined infrastructure available in government schools.
- An economic growth program review consisted of a series of evaluations of four U.S.-funded activities. Conclusions confirmed the market-based approach to be reaching smallholder farmers with productivity-enhancing technologies; however, an evaluation of the Zambia Agribusiness Technical Assistance Center Copperbelt Out-Grower Initiative project revealed poor management of an investment fund.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: U.S. programs are able to draw important conclusions and take targeted actions based on the evaluation work noted above:

- Verification of data quality is a critical step to ensuring effective stewardship of government resources.
- Conclusions from the longitudinal OVC study informed the design of the successor OVC support program, which included a greater emphasis on systems strengthening and sustainability in addition to service delivery; capacity-building at the central, provincial, and district levels alongside community-level interventions; and age and gender-specific programming.
- The new GBV program will incorporate recommendations from the evaluation, including a focus on strengthening existing services, building a sustainability plan from the beginning, and enhancing advocacy among policy makers.
- Early Grade Reading Assessment results will serve as a baseline to measure education program outcomes and will inform funding allocations and future education programming directions.
- Knowledge of the distribution of water and sanitation facilities among government schools will inform distribution of resources for latrines and water points to complement other education investments.
- Lessons learned from previous economic growth programs have informed the design of Feed the Future investments currently in procurement. For example, the new program will: integrate both the production and marketing sides of smallholder value chains to ensure that clients are served on both fronts, place a greater emphasis on enlisting private sector partners, and channel agricultural finance through Development Credit Agreements with established financial institutions.

Relating Past Performance to FY 2013 Plans: U.S. assistance programs consider past performance, the new Country Development Cooperation Strategy (CDCS), and a changing country context. Five programs are being evaluated in FY 2012, with programmatic results to be incorporated in FY 2013. New programs will emphasize the role that civil society can play in ensuring the quality of government service delivery, in health and education in particular. Recent discussions under the new PEPFAR Partnership Framework with the Government of Zambia resulted in an increase of activities in HIV/AIDS prevention and greater host country commitment to taking on the longer-term treatment costs associated with the disease.

Zimbabwe

Foreign Assistance Program Overview

U.S. assistance to Zimbabwe seeks to support the development of a stable, healthy, democratic, and market oriented country. To achieve this goal, the United States focuses on promoting democracy and governance, health, and economic growth. The United States works to ensure the transparency of democratic processes, support civil society, and protect human rights. U.S. assistance also provides humanitarian and livelihoods assistance to improve food security; enhances productivity and incomes through agricultural activities; and reduces morbidity and mortality rates while strengthening health service delivery. Programs complement other donor support, particularly in the area of health, to advance Zimbabwe as a more stable and accountable member of the southern African community.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**147,455**	**101,408**	**130,205**	**28,797**
Economic Support Fund	25,578	25,578	23,600	-1,978
Food for Peace Title II	45,088	-	30,000	30,000
Global Health Programs - State	39,330	34,330	38,605	4,275
Global Health Programs - USAID	37,459	41,500	38,000	-3,500

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Zimbabwe	**147,455**	**101,408**	**130,205**	**28,797**
2 Governing Justly and Democratically	**14,000**	**13,756**	**14,500**	**744**
Economic Support Fund	**14,000**	**13,756**	**14,500**	**744**
2.1 Rule of Law and Human Rights	5,100	550	2,200	1,650
2.2 Good Governance	1,700	2,060	4,000	1,940
2.3 Political Competition and Consensus-Building	2,780	3,800	2,500	-1,300
2.4 Civil Society	4,420	7,346	5,800	-1,546
3 Investing in People	**76,789**	**75,830**	**76,605**	**775**
Global Health Programs - State	**39,330**	**34,330**	**38,605**	**4,275**
3.1 Health	39,330	34,330	38,605	4,275
Global Health Programs - USAID	**37,459**	**41,500**	**38,000**	**-3,500**
3.1 Health	37,459	41,500	38,000	-3,500
4 Economic Growth	**11,578**	**11,822**	**39,100**	**27,278**
Economic Support Fund	**11,578**	**11,822**	**9,100**	**-2,722**
4.1 Macroeconomic Foundation for Growth	2,458	300	3,000	2,700

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.5 Agriculture	9,120	4,000	4,000	-
4.7 Economic Opportunity	-	7,522	2,100	-5,422
Food for Peace Title II	**-**	**-**	**30,000**	**30,000**
4.5 Agriculture	-	-	30,000	30,000
5 Humanitarian Assistance	**45,088**	**-**	**-**	**-**
Food for Peace Title II	**45,088**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	45,088	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Zimbabwe	**147,455**	**101,408**	**130,205**	**28,797**
2 Governing Justly and Democratically	**14,000**	**13,756**	**14,500**	**744**
2.1 Rule of Law and Human Rights	5,100	550	2,200	1,650
2.2 Good Governance	1,700	2,060	4,000	1,940
2.3 Political Competition and Consensus-Building	2,780	3,800	2,500	-1,300
2.4 Civil Society	4,420	7,346	5,800	-1,546
3 Investing in People	**76,789**	**75,830**	**76,605**	**775**
3.1 Health	76,789	75,830	76,605	775
4 Economic Growth	**11,578**	**11,822**	**39,100**	**27,278**
4.1 Macroeconomic Foundation for Growth	2,458	300	3,000	2,700
4.5 Agriculture	9,120	4,000	34,000	30,000
4.7 Economic Opportunity	-	7,522	2,100	-5,422
5 Humanitarian Assistance	**45,088**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	45,088	-	-	-
of which: Objective 6	**8,763**	**5,604**	**6,883**	**1,279**
6.1 Program Design and Learning	3,114	390	490	100
6.2 Administration and Oversight	5,649	5,214	6,393	1,179

Governing Justly and Democratically

The political environment in Zimbabwe remains fragile. Since the formation of the transitional government in 2009, democratic actors within the government and civil society have struggled to make real reforms before the next elections, which will likely occur in 2012 or 2013.

Economic Support Funds (ESF): U.S. assistance in Zimbabwe is focused on promoting the country's transformation from a severely repressed and deeply impoverished nation to one in which the government respects democratic freedoms, encourages equitable growth, and meets the needs of its people. The United States Government will continue to promote transparency and protect human rights by supporting democratic reformers, including those adversely affected by government abuses.

- Funds focused on rule of law and human rights will continue targeted efforts to protect and empower human rights defenders.

- Resources will continue good governance programs through work with the new parliament concentrating on the provision of technical assistance to key committees. Assistance will improve the technical knowledge of committees about legislative and budget processes and build support for amendments to legislation, private members' bills, and changes in budget allocations.

- Resources will help establish a fair, well-documented electoral process in which the winners of the election take office. U.S. assistance will help to empower democratically elected leaders in the executive and legislature along with civil society to govern democratically.

Local civil society organizations will provide technical advice to committees on key reforms such as opening the media, for example, while others will serve as a watchdog over government to monitor ongoing democratic reforms and lobby for their enactment and implementation. Programs will also link citizens' voices to national policy priorities through interventions such as public hearings. New activities will include assistance to the women's caucus in parliament and support to develop the independent media sector, previously dominated by the government. Under USAID Forward, this effort will focus on more direct grants to Zimbabwean partners that emphasize organizational and technical capacity development. Assistance will also aim to increase media independence, including social media.

Investing in People

With a 13.6 percent HIV prevalence rate and maternal mortality of 725 per 100,000, Zimbabwe continues to face formidable health challenges. National efforts to revitalize health services are beginning to show progress. The Zimbabwe Ministry of Health recently developed and launched a comprehensive health strategy and investment plan. HIV prevalence continues to decline (down from a high of 29.3 percent in 1997) and annual AIDS deaths, although still unacceptably high, have fallen from 92,300 in 2007 to 63,700 in 2011 as more AIDS patients are placed on life-prolonging antiretroviral therapy. Participation in prevention efforts, particularly male circumcision and prevention of mother-to-child transmission, has increased as well: 30,000 men were circumcised in Zimbabwe in 2011, up from 12,000 in 2010. By 2010, 84 percent of eligible pregnant women received some form of ARV prophylaxis. Despite decreases in malaria cases from 1.8 million in 2006 to approximately 600,000 in 2010 and a sharp decrease in primary nursing vacancies from 50 percent in 2010 to 12.1 percent in 2011, significant gaps in Zimbabwe's national malaria program remain. Staff shortages are still a major issue, and community-based health services remain weak, particularly in rural areas. Working closely with other donors such as the United Kingdom Department for International Development, U.S. assistance to strengthen national drug distribution systems has improved the availability of essential drugs and health care supplies. In 2011, 83 percent of Zimbabwe's health facilities had at least 70 percent of essential medicines in stock. This is a staggering increase from 2009, when only 25 percent of the nation's health facilities met that standard. However, the overall health system is almost totally dependent upon donor funding; for instance, 98 percent of all drugs are procured with donor support.

Global Health Programs (GHP): Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership.

- Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR) – GHP-State and USAID: Zimbabwe will receive significant support to build partnerships to provide integrated prevention, care and treatment programs throughout the country and support orphans and vulnerable children. U.S. assistance will provide antiretroviral prophylaxis to approximately 40,000 HIV-infected

pregnant women; expand male circumcision services to reach 150,000 adolescents and young men; promote behavior change through mass media and interpersonal communication; provide voluntary counseling and testing and post-test services; fund the purchase and distribution of male and female condoms; provide anti-retroviral drugs for 80,000 patients; deliver a minimum of at least one type of service (health, education, life-skills) to 130,000 orphans and vulnerable children; and strengthen the health sector's supply chain management.

- Tuberculosis (TB): U.S. assistance will help increase the availability of TB services, including drug supply chain management and case detection and management. Programs will focus on strengthening the central reference laboratory and infection control systems, scaling-up TB training in all eight provinces and three major cities, improving the management of childhood TB, strengthening management of multiple-drug-resistant TB, and improving service supervision.

- President's Malaria Initiative (PMI): U.S. assistance under PMI will expand efforts to scale up proven preventive and treatment interventions toward achievement of 85 percent coverage among vulnerable groups to support the PMI goal of reducing malaria-related morbidity by 50 percent. The FY 2013 request level for Zimbabwe does not include the total projected funding for the PMI. Decision on allocations of centrally–managed funds will be made at the time that the FY 2013 operating year budget is set.

- Maternal and Child Health: U.S. assistance will support immunization, updating health care protocols, training public health care providers in basic and emergency obstetric and newborn care, and improving the quality of maternal and child health services at selected health care facilities. At the national level, the United States will provide technical assistance to the Ministry of Health to improve critical reproductive and child health policies and develop evidence-based strategic plans to strengthen program implementation. Activities are coordinated with other donors on maternal, newborn, and child health activities.

- Family Planning and Reproductive Health: U.S. assistance will extend family planning services in rural areas through nongovernmental organizations and improve access to underutilized methods of contraception, such as long-acting and permanent methods, and will provide high-quality, voluntary family planning services. Programs will stress the integration of family planning and reproductive health services with other health services.

Economic Growth

The Zimbabwean economy continues to recover from years of mismanagement, with growth in real terms of 9.3 percent in 2011, up from 8.1 percent in 2010. The government expects the economy to grow further by 9.4 percent in 2012, with expansion mainly in the mining and agriculture sectors. Zimbabwe's formal non-farm employment rose to just over 805,000 in March 2010 (the latest date for which data are available), or approximately 15 percent of the total labor force. Between 60 and 70 percent of the population engages in subsistence agriculture and ekes out a living in the informal sector. Most rural families, while extremely poor, have incomes from several sources including agricultural crop production, livestock sales, casual labor, and remittances. Urban families survive with income from combination of formal and informal jobs, trading, and remittances. The multifaceted economic and political crisis has caused many professionals as well as skilled and non–skilled laborers to migrate to neighboring countries. Since the highly politicized and often violent land reform program, many former commercial farms continue to lie fallow while others have been converted to subsistence agriculture. The food security situation is improving, with food assistance declining from seven million beneficiaries in 2009, to 1.2 million projected for 2011/12. However, smallholder farmers lack liquidity, training, and access to markets. Donors

address these gaps through agricultural inputs, technical assistance, business and market linkages to smallholder farmers. Even with the agricultural recovery and donor support, the overall production of food crops is still below the national requirement.

Economic Support Funds (ESF): Funds will support economic reform and recovery in Zimbabwe. Programs will target rural youth and women with agricultural and other livelihood programs designed to provide increased economic opportunities. The U.S. Government coordinates closely with other donors, including the United Kingdom's Department for International Development and the Germany's Deutsche Gesellschaft für Internationale Zusammenarbeit, the World Bank, the European Commission, and the Swiss Development Corporation to provide appropriate assistance as Zimbabwe transitions from a country in need of humanitarian aid to one in which sustainable development activities best meet the population's needs.

- To promote economic recovery and inclusive growth, assistance will support Zimbabwe's development and implementation of better macro and microeconomic policies that will enable the private sector to drive growth. The United States will provide targeted technical assistance and capacity building to key governmental institutions (including the Ministry of Finance) to strengthen their capacity to develop and implement inclusive growth policy reforms and make better use of budgetary resources in productive and social sectors.

- U.S. agriculture programs in Zimbabwe are part of the Feed the Future initiative. Programs are designed to improve rural living standards and phase out food assistance by helping small scale farmers to improve their productivity, process their crops and market surplus production; spur rural development by improving the competitiveness of key agricultural value chains; promote food security and nutrition; and increase rural incomes. Additionally, the United States will continue to lead a group of donors engaged in policy discussions with the GOZ on resolving the problems created by the chaotic land reform process.

- Funds will support inclusive growth in Zimbabwe by increasing revitalization and stability of the economy to the benefit of those dispossessed and marginalized over the past decade. Programs will create jobs in rural and peri-urban areas by building business and entrepreneurial skills and developing market linkages in small-scale processing, services, and manufacturing sectors.

Food for Peace Title II: Food for Peace Title II resources will support a combination of activities that will meet immediate household food needs, and build household assets to improve food and income security. Programs will work to stabilize access to food through payment in food and cash for work on productive community assets such as community gardens, irrigation schemes, and livestock dip tanks to improve animal health. Nutrition interventions will decrease incidents of stunting through trainings on household and community gardens and nutrition, and by engaging community health workers. Programs will also engage these households in advanced water and dry-land management through training in conservation agriculture and water harvesting. Training in Farming as a Family Business, improved animal health care through access to extension services, and assistance for small-scale producers to find markets will increase sales from agriculture.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Agriculture-related studies and assessments include an assessment of Market Mechanisms to Achieve Food Security, a Gender Analysis and Assessment for Feed the Future programming, a Demand and Supply Study of Value Chain Finance focused on sectors that have the potential to positively impact the smallholder farmer, and an evaluation of a Livelihood Grants program.

Health focused activities include a review of the PEPFAR program in Zimbabwe and a midterm review of the HIV/AIDS prevention of mother-to-child transmission program and annual assessments related to condom pricing, behavior change communication, and the quality of HIV/AIDS services. Behavior change assessments determine the effectiveness of behavior change communication activities related to HIV/AIDS. Such assessments inform implementation planning and contribute to program management decision-making for health sector assistance. U.S. assistance supported Zimbabwe's 2010/11 Demographic and Health Survey, the results of which are expected early in 2012 and will provide valuable information on progress toward health sector goals.

Performance monitoring of democracy activities showed the impact of U.S. support to the legislature. Performance information highlighted the first introduction of private members bills in Zimbabwe's history as well as an increase in questioning the executive by oversight committees in Parliament. Another recent evaluation showed both the importance of support for human rights defenders and the impact of human rights assistance to date.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Following the review of the above-mentioned assessments and evaluations, lessons learned and best practices are being used to improve program outcomes. For example, results show that the agriculture and rural development sectors are the most appropriate areas for intervention to achieve stability and inclusive growth. The United States is refining programming focused on ways to sustainably increase rural incomes and achieve food security, even in areas where traditional crop production is not viable. Further, performance information reveals that poor economic policies and the lack of reliable data to inform programming decisions undermines all U.S. activities, and reinforces the need for assistance to the GOZ for evidence-based macroeconomic policy development.

An assessment of the results achieved to date under a local governance service delivery program resulted in the decision to stop working in this subsector. Similarly, given performance information verifying the increased capacity of Zimbabwean civil society partners, more resources will be programmed though direct grants to these partners in FY 2013. Monitoring of progress made in increasing the effectiveness of committees in the legislature, led to a determination to focus and concentrate legislative assistance on key committees to build on achievements to date.

Relating Past Performance to FY 2013 Plans: Across the portfolio, efforts achieved significant impact in FY 2011, despite a difficult operating environment. Because of this success, FY 2013 funding is targeted to continue the highest priority programs, with the expectation of realizing a significant impact in each program area. Democracy, human rights, and governance funding will help enhance Zimbabwe's system of checks and balances. Human rights defenders will remain protected and empowered. Targeted parliamentary committees will more consistently exercise their oversight function. Civil society will receive support to serve its watchdog function, publish accurate performance information, and continue to lobby for critical democratic reforms. Health funding will help revive a recovering health care system and reduce morbidity and mortality. Economic growth funding will help to restore agricultural production and productivity and will generate employment in the private sector.

African Union

Foreign Assistance Program Overview

U.S. assistance to the African Union (AU) focuses on supporting the AU's diplomatic and non-military approaches to advocacy and lobbying, policy harmonization and coordination, strategic communication for political engagement, and resource mobilization and partnership. By building the capacity of the AU the U.S. Mission to the African Union (USAU) program aims to accelerate the transition of the AU to a continental and inter-regional pacesetter. The AU's mission is to be an efficient and value-adding institution driving the African integration and development process in close collaboration with African Union Member States, the Regional Economic Communities (REC), and African citizens. The development of the AU's public diplomacy tools and strategic communication abilities can drive reform across African countries and help prevent, manage, and resolve conflict and accelerate investment throughout the continent. FY 2013 U.S. resources will assist the AU in strengthening its institutional capacity to undertake greater leadership on these issues in Africa.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**760**	**760**	**900**	**140**
Economic Support Fund	760	760	900	140

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
African Union	**760**	**760**	**900**	**140**
2 Governing Justly and Democratically	**760**	**760**	**900**	**140**
Economic Support Fund	**760**	**760**	**900**	**140**
2.3 Political Competition and Consensus-Building	760	760	900	140

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
African Union	**760**	**760**	**900**	**140**
2 Governing Justly and Democratically	**760**	**760**	**900**	**140**
2.3 Political Competition and Consensus-Building	760	760	900	140
of which: Objective 6	**400**	**200**	**200**	**-**
6.1 Program Design and Learning	-	100	100	-
6.2 Administration and Oversight	400	100	100	-

Governing Justly and Democratically

USAU is committed to supporting the AU's strategic pillars: Peace and Security; Development, Integration, and Cooperation; Shared Values (Democracy and Governance); and Institution and Capacity Building. The AU's long-term goal of building capacity to promote free, fair, and transparent elections and effective, equitable, transparent, and accountable governance of the AU itself, RECs, member states, the private sector, and civil society will remain a core focus of U.S. assistance.

Economic Support Funds (ESF): Given the AU's commitment to principles of democratic and sound governance, peace and security, and sustainable development, the U.S. Government has an interest in supporting the AU's efforts to play a meaningful, positive role, and strengthening its capacity to do so. FY 2013 assistance will strengthen the AU's capacity to assist African member states, RECs, and African citizens in improving institutions that drive the African regional integration and development process, with an emphasis on processes related to the African Charter on Democracy, Elections and Governance. Specific activities will contribute to promoting stable societies through investments in youth as well as science and technology, fostering democratic and transparent elections, building inclusive governing institutions, and improving the effectiveness of civil society and private sector engagement. These efforts will ensure broad participation, good governance, and the development of democratic cultures and practices, which will help create political environments that attract investment and encourage economic development across Africa.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: A review of U.S. assistance to the AU's Democracy and Electoral Assistance Unit (DEAU) found that the program objective was met; namely, that the DEAU was established and was successfully executing its mandate. Furthermore, the program's five intermediate objectives were substantially attained. The objectives included enhanced AU elections monitoring and observation, establishment and effective operations of a special fund for the DEAU, establishment of an elections expert network, development of electoral process standards, and development of a public relations management strategy. An FY 2012 assessment of the African Union Commission (AUC) internal financial, procurement, management and personnel systems helped identify capacity building needs of the AUC and appropriate ways to provide assistance. To complement the United States Agency for International Development (USAID) reviews, financial and performance assessments of multiple donors have been used by USAID and theAU to inform programming modalities and sequencing of assistance.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The U.S. Government and the AU were able to draw important conclusions and focus on targeted actions drawing on the assessments and monitoring and evaluation efforts noted above. Based on the identified gaps and needs, USAID will assist the DEAU to conduct additional election observer trainings, as well as expand the use of the election observer database across the continent, including the preparation for and monitoring of upcoming elections. Funding will also support activities that promote the implementation of the African Charter on Democracy, Elections, and Governance that, when entered into force, will provide adopting countries a legally binding framework for democratic and economic governance, including free and fair elections. This will help ensure that ratifying states' laws, regulations and policies are aligned with the Charter provisions.

For the African Charter on Democracy, Elections, and Governance, monitoring of planned support by other partners and the evolving ratification process led to the re-focusing of planned U.S. Government assistance on support to implementation of the Charter by governments to complement other partners' support for private sector and civil society engagement.

Relating Past Performance to FY 2013 Plans: U.S. assistance for the AU is aligned to leverage past results to help the progress of African integration. Priorities for FY 2013 funding will focus on expanding support for departments of the AUC that have departmental strategic plans in place. Evidence to date indicates that these characteristics are most likely to enable achievement of results.

State Africa Regional (AF)

Foreign Assistance Program Overview

The Department of State's Bureau for African Affairs (AF) uses regional resources primarily to implement programs that cross geographic boundaries and address regional issues, typically in African countries that do not receive bilateral assistance. State Africa Regional programs promote peace and security, good governance and democracy, and economic growth in sub-Saharan Africa. These regional resources support projects that demonstrate the U.S. Government's strong commitment to key foreign policy priorities such as regional security, combating terrorism, and promoting the empowerment of women in sub-Saharan Africa.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**57,517**	**80,400**	**79,315**	**-1,085**
Overseas Contingency Operations	**-**	**10,000**	**-**	**-10,000**
Peacekeeping Operations	-	10,000	-	-10,000
Enduring/Core Programs	**57,517**	**70,400**	**79,315**	**8,915**
Economic Support Fund	16,089	20,000	18,400	-1,600
Foreign Military Financing	3,635	2,000	3,400	1,400
International Narcotics Control and Law Enforcement	4,933	22,350	17,500	-4,850
Nonproliferation, Antiterrorism, Demining and Related Programs	16,900	16,900	18,015	1,115
Peacekeeping Operations	15,960	9,150	22,000	12,850

Request by Program by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
State Africa Regional (AF)	**57,517**	**80,400**	**79,315**	**-1,085**
Africa Conflict Stabilization and Border Security (ACSBS)	**6,000**	**7,150**	**9,000**	**1,850**
Peacekeeping Operations	6,000	7,150	9,000	1,850
Africa Maritime Security	**3,635**	**4,000**	**4,000**	**-**
Foreign Military Financing	3,635	2,000	2,000	-
Peacekeeping Operations	-	2,000	2,000	-
Africa Military Education Program	**-**	**-**	**1,000**	**1,000**
Peacekeeping Operations	-	-	1,000	1,000
Partnership for Regional East Africa Counter-terrorism (PREACT)	**20,299**	**21,800**	**22,523**	**723**
Economic Support Fund	2,039	2,000	2,000	-

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
International Narcotics Control and Law Enforcement	-	2,000	2,000	-
Nonproliferation, Antiterrorism, Demining and Related Programs	8,300	7,800	8,523	723
Peacekeeping Operations	9,960	10,000	10,000	-
Horn Of Africa /Combating Weapons of Mass Destruction	**300**	**300**	**270**	**-30**
Nonproliferation, Antiterrorism, Demining and Related Programs	300	300	270	-30
Safe Skies for Africa	**1,000**	**1,000**	**1,000**	**-**
Economic Support Fund	1,000	1,000	1,000	-
Trafficking in People (TIP)	**500**	**1,050**	**900**	**-150**
Economic Support Fund	500	1,000	900	-100
International Narcotics Control and Law Enforcement	-	50	-	-50
Trans Sahara Counter-Terrorism Partnership (TSCTP)	**14,300**	**16,300**	**15,222**	**-1,078**
Economic Support Fund	3,500	4,000	3,500	-500
International Narcotics Control and Law Enforcement	2,500	3,500	2,500	-1,000
Nonproliferation, Antiterrorism, Demining and Related Programs	8,300	8,800	9,222	422
West Africa Regional Security Initiative (WARSI)	**2,433**	**16,800**	**13,000**	**-3,800**
International Narcotics Control and Law Enforcement	2,433	16,800	13,000	-3,800
Africa Regional Democracy Fund	**4,300**	**4,300**	**4,300**	**-**
Economic Support Fund	4,300	4,300	4,300	-
Anti-Piracy Incentive Fund	**-**	**1,300**	**1,300**	**-**
Economic Support Fund	-	1,300	1,300	-
Women, Peace, and Security (WPS)	**2,750**	**2,750**	**2,750**	**-**
Economic Support Fund	2,750	2,750	2,750	-
Conflict Minerals	**-**	**650**	**650**	**-**
Economic Support Fund	-	650	650	-
Kimberley Process	**2,000**	**3,000**	**2,000**	**-1,000**
Economic Support Fund	2,000	3,000	2,000	-1,000
Africa Regional Counter Terrorism (ARCT)	**-**	**-**	**1,400**	**1,400**
Foreign Military Financing	-	-	1,400	1,400

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
State Africa Regional (AF)	**57,517**	**80,400**	**79,315**	**-1,085**
1 Peace and Security	**48,899**	**61,750**	**62,965**	**1,215**
Economic Support Fund	**8,689**	**9,150**	**8,550**	**-600**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.1 Counter-Terrorism	6,539	6,500	6,000	-500
1.3 Stabilization Operations and Security Sector Reform	825	825	825	-
1.5 Transnational Crime	500	1,000	900	-100
1.6 Conflict Mitigation and Reconciliation	825	825	825	-
Foreign Military Financing	**3,635**	**2,000**	**3,400**	**1,400**
1.3 Stabilization Operations and Security Sector Reform	3,635	2,000	3,400	1,400
International Narcotics Control and Law Enforcement	**3,715**	**14,550**	**11,000**	**-3,550**
1.3 Stabilization Operations and Security Sector Reform	3,715	14,500	11,000	-3,500
1.5 Transnational Crime	-	50	-	-50
Nonproliferation, Antiterrorism, Demining and Related Programs	**16,900**	**16,900**	**18,015**	**1,115**
1.1 Counter-Terrorism	16,600	16,600	17,745	1,145
1.2 Combating Weapons of Mass Destruction (WMD)	300	300	270	-30
Peacekeeping Operations	**15,960**	**19,150**	**22,000**	**2,850**
1.3 Stabilization Operations and Security Sector Reform	15,960	19,150	22,000	2,850
2 Governing Justly and Democratically	**5,518**	**13,400**	**12,100**	**-1,300**
Economic Support Fund	**4,300**	**5,600**	**5,600**	**-**
2.1 Rule of Law and Human Rights	-	1,300	1,300	-
2.2 Good Governance	1,600	1,600	1,870	270
2.3 Political Competition and Consensus-Building	2,700	2,700	2,430	-270
International Narcotics Control and Law Enforcement	**1,218**	**7,800**	**6,500**	**-1,300**
2.1 Rule of Law and Human Rights	1,218	7,800	6,500	-1,300
3 Investing in People	**1,100**	**1,100**	**1,100**	**-**
Economic Support Fund	**1,100**	**1,100**	**1,100**	**-**
3.3 Social and Economic Services and Protection for Vulnerable Populations	1,100	1,100	1,100	-
4 Economic Growth	**2,000**	**4,150**	**3,150**	**-1,000**
Economic Support Fund	**2,000**	**4,150**	**3,150**	**-1,000**
4.2 Trade and Investment	-	500	500	-
4.6 Private Sector Competitiveness	2,000	3,650	2,650	-1,000

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
State Africa Regional (AF)	**57,517**	**80,400**	**79,315**	**-1,085**
1 Peace and Security	**48,899**	**61,750**	**62,965**	**1,215**
1.1 Counter-Terrorism	23,139	23,100	23,745	645
1.2 Combating Weapons of Mass Destruction (WMD)	300	300	270	-30

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.3 Stabilization Operations and Security Sector Reform	24,135	36,475	37,225	750
1.5 Transnational Crime	500	1,050	900	-150
1.6 Conflict Mitigation and Reconciliation	825	825	825	-
2 Governing Justly and Democratically	**5,518**	**13,400**	**12,100**	**-1,300**
2.1 Rule of Law and Human Rights	1,218	9,100	7,800	-1,300
2.2 Good Governance	1,600	1,600	1,870	270
2.3 Political Competition and Consensus-Building	2,700	2,700	2,430	-270
3 Investing in People	**1,100**	**1,100**	**1,100**	**-**
3.3 Social and Economic Services and Protection for Vulnerable Populations	1,100	1,100	1,100	-
4 Economic Growth	**2,000**	**4,150**	**3,150**	**-1,000**
4.2 Trade and Investment	-	500	500	-
4.6 Private Sector Competitiveness	2,000	3,650	2,650	-1,000
of which: Objective 6	**-**	**2,680**	**1,050**	**-1,630**
6.2 Administration and Oversight	-	2,680	1,050	-1,630

Peace and Security

Given the high levels of state fragility, conflict, and transnational issues across the continent, the promotion of peace and security remains a high priority in sub-Saharan Africa. State Africa Regional funds will support programs focused on counterterrorism, stabilization operations and security sector reform, transnational crime, and combating weapons of mass destruction. These programs continue under the auspices of a number of regional efforts, including the Trans-Sahara Counterterrorism Partnership (TSCTP) and the Partnership for Regional East Africa Counterterrorism (PREACT). TSCTP focuses on increasing individual country and regional capacity to address counterterrorism threats in the Sahel region. PREACT is a multi-disciplinary program in East Africa focused on building the counterterrorism capacity of member countries. Other targeted regional peace and security efforts include the Safe Skies for Africa (SSFA) program, the new Africa Regional Counterterrorism (ARCT) program, the Africa Maritime Security Initiative (AMSI), the West Africa Regional Security Initiative (WARSI), the Africa Conflict Stabilization and Border Security (ACSBS) program, the Women, Peace, and Security-Africa Initiative (WPS-AF) (formerly, the Women's Justice and Empowerment Initiative), and the new Africa Military Education Program (AMEP).

Economic Support Funds (ESF): Resources will continue to support cross-border peace and security efforts through the TSCTP, PREACT, SSFA program, and WPS-AF Initiative; and through activities to address human trafficking problems.

- TSCTP and PREACT programs focus on activities that provide mainstream alternatives to violent extremist influence and messaging, increase educational and vocational opportunities for at-risk youth, and increase economic and social links between responsible government authorities and isolated communities.

- Resources for SSFA will promote sustainable improvement of aviation safety and security in the region, which helps combat terrorism, narcotics trafficking, trafficking-in-persons, and smuggling, and thereby improving the safety and security of U.S. citizens at home and abroad.

- Targeted program resources will also be used to address the serious trafficking-in-persons problem in sub-Saharan Africa that includes involuntary domestic servitude, forced child labor, sex trafficking and prostitution, child sex tourism, and child soldiering.

- The WPS–AF Initiative, under the U.S. National Action Plan on Women, Peace, and Security, will accelerate support for women as key enablers of peace and stability in countries affected by conflict. Activities fall under four pillars: Participation, Protection, Relief and Recovery, and Prevention. Assistance will promote women's participation in peace processes and their representation in formal and informal decision-making bodies, and will help mainstream gender perspectives into all conflict prevention activities toward the development of effective gender-sensitive early warning mechanisms and institutions to prevent violence.

Foreign Military Financing (FMF): Funds will support the AMSI and the new ARCT program. Assistance through the AMSI will be used to respond to challenges posed by terrorists, pirates, and other illicit maritime activities by providing equipment, spare parts, and equipment training to select African countries to increase their capacity to protect the region from illicit fishing, oil bunkering, and illegal trafficking of arms and persons. AMSI FMF-funded equipment complements AMSI training requested under the Peacekeeping Operations (PKO) account below. ARCT FMF funding will also provide equipment, training, and/or advisory support to sustain counter-terrorism support received primarily under the TSCTP program.

International Narcotics Control and Law Enforcement (INCLE): Programs will support stabilization operations and security-sector reform efforts, and address transnational crime, including counter-narcotics activities. TSCTP and PREACT programs will focus on enhancing security and criminal justice sector performance, and promoting systematic change in partner countries to reinforce their ability to provide security, enable institutional reform, support conflict mitigation, and deepen strategic relationships.

Resources requested for WARSI will be used to enhance the ability of West African states to prevent, deter, and disrupt transnational organized crime, including counter-narcotics activities. so that it does not threaten stability, good governance, or public health in the region, and to partner effectively with the U.S. Government to protect U.S. national interests.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): Requested resources will support regional counterterrorism programs and efforts to combat weapons of mass destruction. TSCTP and PREACT programming will focus on specialized courses on enhanced crisis response, explosives countermeasures, antiterrorism crime scene investigations, and dignitary protection; improving law enforcement leaders' crisis management skills and awareness of counterterrorism policies and procedures; and enhanced land, maritime, and air border-security management. Resources will also be used to develop and strengthen African TSCTP and PREACT host-nation capacities to track and deter terrorist travel across borders, in order to deny terrorists the tools needed for long-term survival, leadership sustainment, and safe havens for training and operational planning. Finally, requested funds will be used to counter the proliferation of weapons of mass destruction and strengthen border controls.

Peacekeeping Operations (PKO): Requested resources will support stabilization operations and security-sector reform initiatives focused on defense, military, and border management control, reform, and operations under the auspices of four regional programs: PREACT, ACSBS, AMSI, and AMEP.

PKO will fund the military component of PREACT for bilateral training and equipping activities with partner nations to enhance their counterterrorism capabilities. Training will focus on logistics, infantry, border security, military intelligence, and communications and will support activities that foster cooperation among PREACT partner countries. Funding will provide equipment such as vehicles,

communications, and individual equipment, and may also support modest refurbishment of facilities and advisory support.

ACSBS PKO resources will augment existing regional efforts to respond to conflicts and instability in several parts of a still fragile continent, such as in the Great Lakes region in Central Africa (including against rebel groups like the Lord's Resistance Army), the Mano River region in West Africa, the Horn of Africa, Chad and the Central African Republic where there is spillover from the conflict in Sudan. Funds will support monitoring teams, advisory assistance, training, logistical support, infrastructure enhancements, and equipment procurement. Resources will also be used to continue support for defense sector reform and confidence-building activities between former belligerents.

PKO funds requested for AMSI will support the training component of U.S. Africa Command's Africa Partnership Station and Africa Maritime Law Enforcement Programs. AMSI is an example of the Department of State and the Department of Defense (DOD) leveraging each other's capabilities, funds, and authorities to implement foreign assistance programs. While DOD funds will support the movement of ships and some personnel, AMSI resources will support training activities with foreign militaries and coast guards. In addition, sustained engagement may also include institutional capacity building, support for maritime security centers of excellence, and individually-tailored programs for a given country.

PKO resources for the new Africa Military Education Program (AMEP) will enhance the capacity of African military training and education institutions. Activities will include: planning support for the development of African indigenous professional military education institutions; curriculum development; and critical communications and infrastructure support. Program resources will also support the fielding of subject matter experts to work in African officer training institutions, staff colleges, and war colleges. AMEP PKO funds will complement International Military Education and Training (IMET) programs, which train individual military personnel, primarily in the United States.

Governing Justly and Democratically

Strengthening democratic institutions and the rule of law is the U.S. Government's highest foreign policy priority in sub-Saharan Africa. Assistance through the Africa Regional Democracy Fund (ARDF) will support democracy and governance activities in African countries that do not typically receive bilateral assistance for programs included under the Governing Justly and Democratically foreign assistance objective. Resources will enhance democracy strengthening programs conducted by sub-regional organizations, including the Southern African Development Community and the African Union. Resources will also strengthen anti-piracy initiatives in the region and enhance the ability of West African states to respond to transnational crime threats.

Economic Support Funds (ESF): Programs will focus on: building the capacity of independent national electoral commissions to conduct free, fair, and transparent elections; encouraging governing and opposition candidates and political parties to focus on service delivery and constructive, facts-based policy debate; and enhancing respect for the rule of law and basic human rights. Since elections in many countries have become flash points for conflict that can spill across national borders and destabilize neighboring countries, activities will focus on strengthening the electoral infrastructure of countries in the region.

ARDF resources will facilitate the establishment of governing structures that are accepted by citizens and that serve as a solid foundation for successful democratic elections and effective government. Programs will focus on efforts to support peaceful political competition and negotiation of disputes through a democratic and representative political process and to support accountable, well-governed states that are responsive to their citizens.

The Anti-Piracy Incentive Fund will focus on efforts to strengthen the capacity of governments in the region to accept, prosecute, convict, and jail pirates under local and international laws.

International Narcotics Control and Law Enforcement (INCLE): Resources will support the security sector reform and rule of law component of the WARSI, by promoting the rule of law, strengthening justice systems, and enhancing systematic civil and criminal justice sector performance.

Investing in People

Programs will support key social services for women and girls.

Economic Support Funds (ESF): Resources will support activities under WPS-AF pillars of Protection, and Relief and Recovery by promoting equal access to aid distribution mechanisms and services and ensuring services specific to the needs of women and girls are accessible.

Economic Growth

Economic growth and effective democratic governance are fundamental to peace and stability, as well as to achieving sustainable economic development in African states. Regional funds will support African efforts to advance economic growth and development through programs that promote cross-border and international trade and investment, expand private sector competitiveness, and minimize the adverse effects of conflict minerals, including diamonds.

Economic Support Funds (ESF):
Requested resources will support the SSFA program that promotes sustainable improvement of aviation safety, security, and air navigation in sub-Saharan Africa as a means of advancing economic development, and combating terrorism, narcotics trafficking, trafficking-in-persons and smuggling. SSFA also encourages economic integration and growth, and facilitates the expansion of aviation links, expanding opportunities for business travel, tourism, and cargo movements.

Assistance through the Kimberley Process Certification Scheme will continue to focus on arresting the flow of conflict diamonds and enhancing private sector competitiveness within the diamond trading community. Activities will focus on strengthening land tenure and property rights for alluvial diamond miners in select west and central African countries, and are aimed at improving policies, laws, regulations and practices affecting the private sector's ability to compete nationally and internationally. These efforts seek to bring more alluvial diamonds into the formal chain of custody and increase the benefits accruing to local communities from diamond production. Resources also support field reconnaissance, mapping, and archival research to assess diamond production capacity and mining intensity.

ESF resources will also support a program to assist African countries to address the problems of conflict minerals in eastern Democratic Republic of the Congo. The funds will be used to strengthen and sustain an inter-agency process and promote coordination among international donors.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The State Africa Regional program makes policy-level decisions regarding programming directions and provides regional resources to bilateral and functional Operating Units (OUs) for program management and implementation. Detailed performance data are compiled by recipient OUs.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The Bureau for African Affairs carefully considers the performance of programs funded with State Africa Regional resources when formulating programming and budgeting plans. The results, achievements, and challenges of programs funded with State Africa Regional resources inform the development of programming plans and decisions, including the FY 2013 resource request. Assessments of performance and results also form the basis for expansion, reduction, or other adjustments to program activities, in order to maximize program results.

Economic Support Fund resources that support ARDF, PREACT, TSCTP, and trafficking-in-persons programs are allocated through competitive processes. As part of the selection process, the Bureau solicits proposals from U.S. Missions and considers past performance and results when choosing specific activities to support to ensure the best use of funds.

Since the Property Rights and Artisanal Diamond Development (PRADD) project's inception in 2008 through the Kimberley Process Certification Scheme, PRADD has identified claims, mapped sites leading to the issuance of property rights certificates, and rehabilitated exhausted mining sites for other livelihood purposes. The impact of these interventions is dramatic: reported conflicts over resources have decreased from 142 in 2008 to only four in 2011; legal diamond production in provinces where PRADD operates rose significantly, from 4.1 percent of national diamond production in 2009, to 27.5 percent in 2011; and household incomes in PRADD project areas are five times higher than they were one year ago. Based on the strength of results of the program in the Central African Republic, PRADD expanded to Liberia in FY 2011.

Relating Past Performance to FY 2013 Plans: Requested FY 2013 resources will help to reinforce progress made to date addressing key U.S. priorities in Africa. Investments will strengthen efforts to enhance democratic institutions and governance, counterterrorism, peace and security, and economic growth. State Africa Regional resources will also continue to play an important role in supporting Bureau priorities and regional challenges that are most effectively addressed through regional rather than bilateral programs and activities.

USAID Africa Regional (AFR)

Foreign Assistance Program Overview

Sub-Saharan Africa offers a complex mix of opportunities and challenges for U.S. assistance. On one hand, more than a third of the region's 49 countries, including Ghana and Tanzania, have experienced political stability, rapid growth and poverty reduction. Conflict is at the lowest level in decades. Several African countries are thus poised to be among the most efficient users of foreign assistance to help them achieve middle income status. With continued good governance, these gains can be sustained well into the future. On the other hand, a number of key African countries such as Nigeria, the Democratic Republic of the Congo and South Sudan, are plagued by difficult governance problems and the effects of conflict. In addition, the continent is experiencing rapid change, characterized by, factors such as:

- Challenges in managing mineral wealth;
- High levels of urbanization;
- Sustaining high rates of economic growth;
- Managing natural resources that cross country boundaries;
- Disease and health systems challenges that transcend country borders;
- Rapid population growth;
- Increasing levels of foreign investment;
- Expanding African trade within and beyond Africa;
- The introduction of new bilateral partners including China, India, Brazil and a number of new foundations;
- New and growing stresses from climate change; and
- Non-traditional threats to stability such as violent extremism and narco-trafficking.

Many of these changes will enhance growth and poverty reduction, while others could increase instability. Africa is on the cusp of important changes, and the United States is poised to help the continent seize the opportunities created by them for optimal broad-based economic growth and development. Addressing these challenges through targeted and effective regional efforts – and expanding the capacity of African organizations -- will enhance growth and poverty reduction, and mitigate the impacts of instability.

The primary goal of the USAID Africa Regional program is to provide overall direction, guidance, and intellectual leadership to shape U.S. assistance programs in Africa, and to strengthen regional capacity to address the challenges facing the continent. The program cuts across African countries and sub-regions, including those countries in which there is no USAID presence on the ground. The program strengthens the capacity of African regional public and private institutions and organizations to promote democratic reforms; improves access to quality health and education systems; mitigates the effects of HIV/AIDS; promotes biodiversity conservation and environmental quality; mitigates the effects of climate change; improves food security; and expands trade-led investment and economic growth.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**86,971**	**68,398**	**77,116**	**8,718**
Development Assistance	68,850	50,566	50,566	-
Global Health Programs - USAID	18,121	17,832	26,550	8,718

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
USAID Africa Regional (AFR)	**86,971**	**68,398**	**77,116**	**8,718**
1 Peace and Security	**2,500**	**2,750**	**2,325**	**-425**
Development Assistance	**2,500**	**2,750**	**2,325**	**-425**
1.1 Counter-Terrorism	750	325	750	425
1.6 Conflict Mitigation and Reconciliation	1,750	2,425	1,575	-850
2 Governing Justly and Democratically	**5,000**	**4,750**	**4,750**	**-**
Development Assistance	**5,000**	**4,750**	**4,750**	**-**
2.1 Rule of Law and Human Rights	500	500	500	-
2.2 Good Governance	2,400	2,250	2,250	-
2.4 Civil Society	2,100	2,000	2,000	-
3 Investing in People	**55,210**	**34,412**	**38,430**	**4,018**
Development Assistance	**37,089**	**16,580**	**11,880**	**-4,700**
3.1 Health	4,080	4,080	4,880	800
3.2 Education	31,009	10,500	7,000	-3,500
3.3 Social and Economic Services and Protection for Vulnerable Populations	2,000	2,000	-	-2,000
Global Health Programs - USAID	**18,121**	**17,832**	**26,550**	**8,718**
3.1 Health	18,121	17,832	26,550	8,718
4 Economic Growth	**24,261**	**26,486**	**31,611**	**5,125**
Development Assistance	**24,261**	**26,486**	**31,611**	**5,125**
4.2 Trade and Investment	2,000	3,706	6,961	3,255
4.3 Financial Sector	-	3,500	3,500	-
4.4 Infrastructure	5,700	5,000	7,000	2,000
4.5 Agriculture	2,000	2,000	2,000	-
4.6 Private Sector Competitiveness	1,561	1,000	2,000	1,000
4.8 Environment	13,000	11,280	10,150	-1,130

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
USAID Africa Regional (AFR)	**86,971**	**68,398**	**77,116**	**8,718**
1 Peace and Security	**2,500**	**2,750**	**2,325**	**-425**
1.1 Counter-Terrorism	750	325	750	425
1.6 Conflict Mitigation and Reconciliation	1,750	2,425	1,575	-850
2 Governing Justly and Democratically	**5,000**	**4,750**	**4,750**	**-**
2.1 Rule of Law and Human Rights	500	500	500	-
2.2 Good Governance	2,400	2,250	2,250	-
2.4 Civil Society	2,100	2,000	2,000	-
3 Investing in People	**55,210**	**34,412**	**38,430**	**4,018**
3.1 Health	22,201	21,912	31,430	9,518
3.2 Education	31,009	10,500	7,000	-3,500
3.3 Social and Economic Services and Protection for Vulnerable Populations	2,000	2,000	-	-2,000
4 Economic Growth	**24,261**	**26,486**	**31,611**	**5,125**
4.2 Trade and Investment	2,000	3,706	6,961	3,255
4.3 Financial Sector	-	3,500	3,500	-
4.4 Infrastructure	5,700	5,000	7,000	2,000
4.5 Agriculture	2,000	2,000	2,000	-
4.6 Private Sector Competitiveness	1,561	1,000	2,000	1,000
4.8 Environment	13,000	11,280	10,150	-1,130
of which: Objective 6	**16,435**	**16,835**	**14,275**	**-2,560**
6.1 Program Design and Learning	2,768	1,605	1,300	-305
6.2 Administration and Oversight	13,667	15,230	12,975	-2,255

Peace and Security

The USAID Africa Regional program addresses a complex range of problems that undermines stability across the continent, with a focus on cross-border and trans-regional issues. For example, USAID is the interagency lead for the development components of counterterrorism activities from the Sahel to the Horn of Africa.

Development Assistance: The program coordinates with the Departments of State and Defense to explore how development assistance can help combat the growing impact of narcotics trafficking in the region. USAID Africa Regional also coordinates assistance on the continent to identify the causes of cross-border conflict and develop programs to mitigate and manage these conflicts. USAID Africa Regional program staff likewise provide technical guidance and support to missions for strategy development, analysis and activity design and implementation, and policy and program coordination among USAID, other U.S. government agencies, and the international donor community.

- Resources will support programs that address evolving, cross-border threats to security across the continent. Counter-extremism programs will fight extremist exploitation, reduce terrorist recruiting of targeted populations, and reduce the enabling environment for terrorists to operate.

- Funds will also support analysis and programming to build the capacity of African partners to prevent and manage conflict and promote stability, with a focus on cross-border and sub-regional peace building efforts. U.S. assistance will support continued analytic work and programming to address the social, economic, stability and governance related causes and consequences of drug trafficking.

Governing Justly and Democratically

Poor governance is a source of instability and one of the principal obstacles to Africa's development.

Development Assistance: U.S. assistance will promote good governance reforms, build the capacity of African civil society networks, and support research on democracy and governance trends in the region as a means of strengthening regional voices and institutions that hold leaders accountable and improve the conditions for poverty reduction and economic development.

- Funds will support a new generation of leaders in government and civil society who seek to end the legacy of corruption and poor governance that has prevented much of the continent from advancing to middle-income status.

- Resources will reinforce these human-scale investments by providing small grants to African civil society and human rights organizations to build organizational capacity, and thereby help networks of African civic activists become effective advocates for reform. Funds will also continue to support monitoring, evaluation, and learning tools that track democracy and governance trends in various African countries, through public opinion surveys and comparative studies on the operational context and capacity of civil society and the media.

Investing in People

Development throughout Africa is impeded by the world's highest rates of death and disease, especially among women and children. High fertility and rapidly growing population rates add to the challenge of providing basic services. Education is fundamental to a country's economic development, political and social transformation and stability, and is key to promoting and sustaining social changes in human and institutional capacity; especially among marginalized populations, girls, and youth. During FY 2013, the USAID Africa Regional program will continue its work to strengthen African capacity to plan, manage, and deliver quality health services and increase access to safe water and sanitation. It will also strengthen African education systems through support to host government-led reforms and capacity building. Staff will also provide technical and strategic guidance to higher education partnerships, youth, literacy, and education in conflict or fragile states, to address regional and national economic development priorities across all sectors.

Global Health Programs (GHP): The USAID Africa Regional program will continue to focus on supporting the principles of the Global Health Initiative by accelerating ongoing efforts to foster smart program integration, assure programs are woman-girl centered, and increase the likelihood that gains in health are sustained by strengthening the health systems that enable the effective delivery of basic services. The program will continue to identify innovative regional approaches to improving health and advance the priority given to those approaches in the Africa health agenda. The Africa Regional program will continue to support and work with African regional institutions toward this end, most notably, the Africa Regional Office of the World Health Organization and the African Union. Assistance provided through the GHP account will support the goals and principles of GHI to achieve major improvements in health outcomes through sustainable approaches and increased country ownership.

- Linkages to President's Emergency Plan for AIDS Relief (PEPFAR): USAID Africa Regional will receive funding to support the goals of PEPFAR. The USAID Africa Regional program will place an emphasis on supporting regional institutions to provide leadership and financing for national HIV/AIDS programs. The program will pay special attention to the Global Plan to Virtually Eliminate Mother to Child Transmission and Keep Mothers Alive program. In close coordination with the USAID's Office of HIV/AIDS, USAID Africa Regional staff work to ensure appropriate funding levels and policy decisions that will affect the African HIV/AIDS portfolios which are determined by the Office of the Global AIDS Coordinator which is responsible for implementing PEPFAR. Special attention will be given to assuring the seamless integration of the HIV/AIDS program with the other components of the Global Health Initiative.

- Tuberculosis (TB): To reverse the growing spread of tuberculosis in Africa, the USAID Africa Regional program will continue to improve treatment using the Directly Observed Treatment (DOT) short course, and develop the capacity of African countries to detect cases of the disease, with special attention given to the detection of co-infection with HIV/AIDS and to pediatric and adolescent TB. Efforts will continue to help countries develop systems for a rapid uptake of new diagnostic tools to measure and address the presence of multidrug-resistant tuberculosis and extensively drug-resistant tuberculosis.

- Malaria: The USAID Africa Regional program will continue to support the President's Malaria Initiative (PMI) to build on its remarkable success to date in reducing the burden of malaria in at-risk populations in sub-Saharan Africa. In particular, the program will support PMI efforts to promote adoption of community approaches to malaria treatment; strengthen commodities management capacity; build regional institutional malaria surveillance, monitoring, and evaluation capacity; and train host country national partners in strategic information management.

- Maternal and Child Health: Building on ongoing efforts to accelerate access to quality maternity care and to roll out essential newborn care, including resuscitation, the USAID Africa Regional program will focus on identifying best practices and assisting African countries to apply those best practices. Similarly, the program will focus on emerging evidence-based practices to address the very high rates of maternal mortality in Africa, including the active management of the third stage of labor and the management of pre-eclampsia/eclampsia. In the context of the Global Health Initiative, the program will not only continue to support increased coverage of proven interventions such as immunization and diarrheal disease control, but it will also promote innovative health service delivery approaches such as integrated community management of childhood illness, including diagnosis and treatment at the community level of pneumonia, malaria and diarrhea. Improving the quantity and quality of in-service midwife training will also be a focus, to address the critical gap of this cadre of health worker in most African countries. In response to the reappearance of polio cases in many African countries, the program will continue to strengthen the ability of countries to detect new cases and mount a swift and effective response. This will be done within the broader context of strengthening the integrated disease surveillance and response programs that exist throughout Africa. Finally, emphasis will be placed on further developing and supporting the underlying health systems (financing, labor, and logistics) required to plan, implement, evaluate and sustain disease prevention and treatment programs.

- Family Planning: The USAID Africa Regional program will continue to work in 20 African countries to expand access at the community level to established and innovative high-quality voluntary family planning services and information and reproductive health care on a sustainable basis. The program will address issues related to scaling-up effective approaches to community level programs; integrating family planning with other services; contraceptive security; and the expansion of the role of the private sector.

- Health Systems Strengthening: Given the Global Health Initiative's priority on health systems strengthening, the USAID Africa Regional program will continue to document, disseminate and strengthen innovative health financing approaches in Africa, including community and national health insurance models, performance based financing, and increased efficiencies of country health budget execution. The program will promote the role of the private sector in regards to increasing public and private sector partnerships and helping countries to change policies to ensure a positive environment for private sector investment. The program will continue to focus on health workforce issues including increasing the quantity and quality of in-service midwife training, and identifying and sharing best practices regarding community health workers, including costs and performance.

Development Assistance:

- Water Supply and Sanitation: Assistance directly supports the Paul Simon Water for the Poor Act of 2005 to meet the Millennium Development Goals of providing affordable and equitable access to safe water and sanitation, and to promote good hygiene practices. Programs actively seek ways to mobilize and efficiently use the resources of the full range of partners in the sector, including the private sector, the financial sector and other development partners. These activities include strong programs for capacity building and knowledge-sharing which help to root reforms in a way that can ensure sustainability.

- Basic Education: Resources provide ongoing technical support, guidance, and leadership to over 20 missions in strategy development, program design, performance monitoring, and oversight at the country level in order to successfully achieve the goals of the USAID Education Strategy. The education strategy is premised on the development hypothesis that education is both foundational to human development and critically linked to broad-based economic growth and democratic governance. The three global goals to be accomplished under the strategy by 2015 are 1) Improved reading skills for 100 million children in primary grades; 2) Improved ability of tertiary and workforce development programs to produce a workforce with relevant skills to support country development goals; and 3) Increased equitable access to education in crisis and conflict environments for 15 million learners.

Economic Growth

Economic growth is central to reducing poverty and generating the resources needed for providing key economic and social services. In Africa, increasing agricultural production and productivity, building resilience to climatic shocks, and linking producers to markets are central to accelerating poverty-reducing growth. Agriculture provides employment for 65 percent of Africans and comprises between 30 percent and 40 percent of the continent's gross domestic product. Sustained agricultural growth, small and medium enterprise development, and increased trade and investment are needed to stimulate economic growth, generate wealth, and reduce poverty. In many sectors, this growth is highly vulnerable to long-term climate change. Conserving Africa's natural resource base and promoting mitigation of, and adaptation to, climate change are critical to both the economic prosperity of the continent and the future of the world. Resources will support the Administration's Global Climate Change and Feed the Future Initiatives, as well as programs that support the Horn of Africa response, biodiversity, natural resources management, and the environment to promote sustainable regional food security, economic development, and climate change agendas.

Development Assistance: Agricultural assistance will create an enabling environment for agricultural and private investment, improve productivity, build resilience, and connect farmers to markets. The program will also help to build the capacity of African institutions to conduct economic research, analysis and knowledge sharing.

- Resources will support work with African and international private companies, local and international non-governmental organizations, farmer organizations, and national and regional agricultural research and trade organizations to build resilience to climatic shocks and increase agricultural productivity and production through coordination with development partners and capacity building of local and regional institutions. Regional trade in food staples will be increased through improvements to food staple market structures and to the operation of key trade and transport corridors. Sound market-based principles will be promoted to ensure that staple food systems are working effectively.

- Economic growth funding will support regional trade development that complements agricultural assistance by fostering policy, legal, and regulatory action to spur trade, investment and regional integration, build capacity, and improve the competitiveness of small and medium enterprises important for agricultural value chains. Infrastructure programs will continue to support effective interventions aimed at increasing access to energy and communications services through a variety of public and private partnerships, analysis and assistance interventions. In support of USAID Forward, infrastructure programs will include funding to enable the Africa Bureau to work with other donors, global service providers and central bankers to advance the potential of mobile banking.

- Assistance will also continue to support forestry and biodiversity conservation research, analysis and technical assistance via the Biodiversity Analysis and Technical Support program. Working with the U.S. Department of Agriculture Forest Service and other conservation partners, the program will provide analysis, capacity building and technical support to reduce biodiversity impacts from agriculture, extractive industries, and climate change and address natural resource governance issues to equitably manage conflicts, equip USAID field missions and African partners with understanding of experience gained, and facilitate dialogue on the future of biodiversity in Africa.

- The climate change program will focus both on reducing vulnerability to climate change and on encouraging low-carbon economic growth through investments in clean energy and improved land management. It will help develop the scientific and analytic expertise to identify vulnerable populations, sectors, and regions; build the necessary governance mechanisms to incorporate adaptation to climate change into policy and planning; and incorporate specific strategies to reduce vulnerability in development programs such as the Feed the Future initiative. In addition, climate change programs will reduce greenhouse gas emissions by helping overcome market barriers to increased private sector investment in clean energy and enhancing planning capacity for low emissions development, including land management as well as access to clean energy.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The USAID Africa Regional Program conducts an annual portfolio review of all activities, focusing on performance results, financial management, and evaluation findings. A mid-term evaluation of the International Foundation for Education and Self-Help (IFESH) American Educators for Africa (AEFA) program was conducted in FY 2011. AEFA provides experienced volunteer teachers to several African countries to improve teacher performance. The evaluation found that the American Volunteer Educators were having a positive impact on producing educational innovations in new course offerings, teacher training and policy/management interventions that enhanced basic education quality. However, many of these contributions were ad hoc and not institutionalized, although they were related to meeting specific host institutional needs. Nevertheless, IFESH is on target to meet or exceed most of the revised targets improving performance to produce sustainable evidence based on results of the program. The USAID Africa Regional program is working closely with IFESH to address the issues outlined in this evaluation and to ensure they are on track to meet revised targets improving performance to produce sustainable evidence based on results of the program.

A mid-term evaluation of USAID's countering violent extremism (CVE) activities in Niger, Chad and Mali under the Trans-Sahara Counterterrorism Partnership (TSCTP) was completed in FY 2011. The evaluation found that the program is having a modest yet significant impact, particularly on the socio-economic indicators across all countries. The evaluation also informed the next phase of CVE programming under TSCTP in Niger, Chad and Burkina Faso.

Nine impact studies of Initiative to End Hunger in Africa value chain development, trade facilitation, and food and income support activities were completed in FY 2011. The objectives of the impact studies were to quantify the effect of the activities on smallholder income and poverty status; to provide empirical validation or falsification of the causal pathways from intervention to poverty reduction and/or improved child nutritional status; and to learn lessons about what has made the activities most successful in augmenting smallholder income. The results demonstrate that successful activities impact significant numbers of smallholders through increased incomes, reduced poverty, and/or improved livelihood status. Successful projects are cost-effective relative to poverty reduction benchmarks and alternative investments.

The USAID Africa Regional education program is undertaking three evaluations in FY 2012: 1) a mid-term evaluation of the Alfalit International, Inc. literacy program in Angola, Liberia and Mozambique; 2) a final evaluation of the Textbooks and Learning Materials Program being implemented in five African countries; and 3) an evaluation of the C-Change gender-based violence program in the Democratic Republic of Congo.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The African Global Competitiveness Initiative (AGCI) that ended in FY 2011 facilitated over $100 million in African Growth and Opportunity Act exports, provided export capacity building assistance to almost 10,000 firms, trained 95,000 Africans in trade capacity building and saved $79 million in annual trade costs through improved customs clearances. The success of and lessons learned under AGCI informed the African Competitiveness and Trade Expansion (ACTE) initiative that commits to expand both U.S.-African and intra-African trade. ACTE will intensify and focus the work of the Regional Trade Hubs to improve Africa's participation in world trade by addressing supply-side constraints, including those related to trade facilitation.

An evaluation of the Les Aspin program was completed early in FY 2012. The evaluation's findings, which will inform the design of a new governance and leadership development program, point to a need for more explicit monitoring and evaluation requirements in overseeing the program's performance including improved follow-up with program participants to ensure learning.

The Africa Health project completed an assessment and technical brief related to improving adolescent HIV treatment, care and prevention, and family planning services in Africa. Building on this work, the AIDS Support and Technical Assistance resources project developed an evidence-based technical brief reviewing and synthesizing core programmatic components for youth-friendly care and treatment services at the clinical and community level.

Relating Past Performance to FY 2013 Plans: In FY 2013, the USAID Africa Regional will focus on overall management and oversight, and implementation of selected regional components of the Global Health, Feed the Future and Global Climate Change initiatives, the Partnership for Growth, and programs in democracy and governance, and education. It is expected that most new project designs will be completed and each initiative will be beginning to achieve overall goals and objectives for improved health, food security and climate change adaptation and mitigation.

USAID Central Africa Regional

Foreign Assistance Program Overview

The United States aims to conserve the unique and globally important biodiversity and vast, largely intact tropical rainforest of the Congo Basin. Rainforest conservation will also mitigate global climate change by reducing deforestation and forest degradation through land-based greenhouse gas emission reductions, improvement of community livelihoods, and building on the substantial U.S. investments made over the past several years. USAID will emphasize an improved policy environment, strengthened national government institutions, civil society organizations, and communities' capacities to manage forest resources and improve natural resources governance in the Congo Basin. These actions will protect Central Africa's biodiversity, mitigate climate change, and enhance the livelihoods of the 100 million inhabitants of the world's second largest tropical rainforest.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**21,150**	**21,000**	**19,174**	**-1,826**
Development Assistance	21,150	21,000	19,174	-1,826

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
USAID Central Africa Regional	**21,150**	**21,000**	**19,174**	**-1,826**
4 Economic Growth	**21,150**	**21,000**	**19,174**	**-1,826**
Development Assistance	**21,150**	**21,000**	**19,174**	**-1,826**
4.8 Environment	21,150	21,000	19,174	-1,826

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
USAID Central Africa Regional	**21,150**	**21,000**	**19,174**	**-1,826**
4 Economic Growth	**21,150**	**21,000**	**19,174**	**-1,826**
4.8 Environment	21,150	21,000	19,174	-1,826
of which: Objective 6	**2,500**	**2,100**	**2,300**	**200**
6.2 Administration and Oversight	2,500	2,100	2,300	200

Economic Growth

USAID's Central Africa Regional Program for the Environment (CARPE) will promote the sustainable management of natural resources, conserve biodiversity, mitigate climate change, and improve livelihoods

for inhabitants of the Congo Basin. Because a low-emissions development pathway in Central Africa will depend on rational natural resource management and conservation, the U.S. program will help the six targeted Central African countries to create a foundation for future development while protecting the world's second largest rainforest and its globally important biodiversity. The program will place an increased emphasis on building the human and institutional capacity of key resource management institutions and strengthen the enabling policy and legal framework for sustainable natural resource management.

Development Assistance: U.S. assistance will build on the extensive and important CARPE achievements in natural resource management, biodiversity conservation, and climate change mitigation of previous years. On-the-ground conservation activities focus on bilateral and regional efforts in 12 large bio-diverse tropical forest landscapes in six countries: Cameroon, the Central African Republic, the Democratic Republic of the Congo, Equatorial Guinea, Gabon, and the Republic of the Congo. Activities will support strengthened national policies and regional policy harmonization for transparent and effective natural resource management and improved forest governance. Most of these targeted landscapes extend across two or more countries, which require unprecedented consultation and cooperation among national governments, thereby fostering regional collaboration. U.S. assistance will improve forest and biodiversity governance by increasing information for management decision-making as well as improving policy through advocacy. Highly participatory and science-based technologies such as monitoring deforestation trends using satellites and monitoring biodiversity will be deployed. National and local governments will receive assistance to support the legal compliance of industrial and artisanal logging, natural resource policy reform, civil society policy advocacy, participatory community resource management, local benefit sharing of forest resources, and the regional harmonization of natural resource policies. Funding will support the U.S. regional policy objectives under the Congo Basin Forest Partnership and U.S. objectives of biodiversity conservation, climate change mitigation, and tropical forest management.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The USAID/Central Africa Regional Mission (USAID/CAR) implements rigorous performance management which includes a comprehensive monitoring and evaluation system based on a multi-year Performance Management Plan (PMP). USAID/CAR conducts annual data quality assessments against pre-determined targets, and then allocates its budget among up to 20 distinct activities according to performance. An annual portfolio review covering activity performance and pipeline analysis was undertaken in November 2011. An external evaluation of CARPE Phase II was completed in FY 2011 which validated the technical strategy and approach, assessed program performance, and made technical and management recommendations for the third phase of CARPE. The third phase begins in FY 2012 with its design informed by the Phase II final evaluation, U.S. policies on climate change and biodiversity conservation, and the priorities expressed by regional governments through the Central Africa Forests Commission's Convergence Plan.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The findings of the external evaluation showed that the landscape approach and landscape-level land use planning is one of CARPE's greatest achievements, which brought diverse stakeholders together to develop a common vision for their forests and a set of strategies and plans for their realization. The success of this approach has leveraged substantial additional financing from other donors. The management of protected areas has been strengthened, illegal logging has been reduced, and the area of humid forest under certified forest management plans has increased to six million hectares in 2011 from zero in 2008. In addition, USAID has been exceptionally successful in fostering international agreements among Central African states on the collaborative management of trans-boundary landscapes and protected areas. Progress on

community-based natural resource management has been constrained because of inadequate legal frameworks, so a greater effort will be mounted during Phase III of CARPE to reform land and resource ownership policies and to align these with national Reducing Emissions from Deforestation and Forest Degradation (REDD+) strategies and action plans and low emission development strategies (LEDS). USAID has also contributed to a wide range of policy and regulatory reforms which have been informed by a whole new collection of environmental information on the forests and their biodiversity from USAID-funded on-the-ground surveys, remote-sensing-based forest cover change monitoring systems, and standardized biodiversity population monitoring, all published in the biennial State of the Forest Report. Human capacity-building efforts have trained over 50,000 men and women in conservation-related subjects. In FY 2011, USAID approved a Regional Development Cooperation Strategy through FY 2020 for a new CARPE III. Phase III will "institutionalize" biodiversity and forest conservation in the six heavily forested Central African countries. CARPE III will also support forest monitoring and modeling related to climate change, as well as the necessary enabling environment to promote the equitable allocation of anticipated future forest carbon revenue that respects the rights of indigenous peoples and local communities.

Relating Past Performance to FY 2013 Plans: According to the 2011 CARPE II evaluation, the performance of CARPE has been particularly strong in fostering a large, landscape approach to conservation and forest management. The paradigm and approach to conservation has been implemented at a very large scale across roughly 60 million hectares of tropical rainforest, an area larger than the state of Texas. In addition to consolidating the achievements in long-term resource management and biodiversity conservation, FY 2013 funds will substantially expand climate change mitigation activities through national and sub-national processes and programs and complementary regional engagement. The policy and regulatory environment for NRM and global climate change will improve as countries develop their national strategies and action plans for REDD+ and LEDS. By the end of FY 2013, CARPE's goal is to ensure that roughly 70 million hectares of tropical forests will be under improved management; deforestation mapping of the entire Congo Basin forest through remote sensing technologies will be completed and updated annually; all logging concessions will be monitored for legal compliance; and thousands more Central Africans will be trained in a wide variety of subjects related to NRM, biodiversity conservation, governance, and climate change. CARPE has a solid record of performance which includes the local monitoring of forest carbon stocks and early detection of trends in land use change related to drivers of deforestation and forest degradation. This investment has been leveraged several times over through contributions from other bilateral and multilateral donors, national governments, and the private sector.

USAID East Africa Regional

Foreign Assistance Program Overview

The East and Central Africa (ECA) region encompasses the Horn of Africa and the Great Lakes. This sub-region has seen progress in recent years, along with tremendous challenges caused by food insecurity, economic crisis, lack of quality health services, conflict, and corruption. U.S. assistance to the ECA region will facilitate African-led regional approaches and solutions in the areas of private sector development, health, economic growth, and democratic peace and security. Programs in FY 2013 will continue to expand trade and economic opportunities, improve the health status of vulnerable people, mitigate cross-border conflicts, and reduce opportunities for cross border corruption. U.S. will also focus on meeting the goals of three Presidential initiatives: Global Health Initiative (GHI), Feed the Future (FTF), and Global Climate Change (GCC).

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**56,773**	**66,100**	**55,442**	**-10,658**
Development Assistance	47,449	45,500	45,150	-350
Economic Support Fund	-	10,000	-	-10,000
Global Health Programs - State	800	800	692	-108
Global Health Programs - USAID	8,524	9,800	9,600	-200

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
USAID East Africa Regional	**56,773**	**66,100**	**55,442**	**-10,658**
1 Peace and Security	**4,350**	**10,000**	**4,300**	**-5,700**
Development Assistance	**4,350**	**-**	**4,300**	**4,300**
1.6 Conflict Mitigation and Reconciliation	4,350	-	4,300	4,300
Economic Support Fund	**-**	**10,000**	**-**	**-10,000**
1.1 Counter-Terrorism	-	10,000	-	-10,000
2 Governing Justly and Democratically	**650**	**-**	**700**	**700**
Development Assistance	**650**	**-**	**700**	**700**
2.1 Rule of Law and Human Rights	-	-	700	700
2.2 Good Governance	650	-	-	-
3 Investing in People	**11,324**	**12,600**	**10,292**	**-2,308**
Development Assistance	**2,000**	**2,000**	**-**	**-2,000**
3.1 Health	2,000	2,000	-	-2,000
Global Health Programs - State	**800**	**800**	**692**	**-108**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
3.1 Health	800	800	692	-108
Global Health Programs - USAID	**8,524**	**9,800**	**9,600**	**-200**
3.1 Health	8,524	9,800	9,600	-200
4 Economic Growth	**40,449**	**43,500**	**40,150**	**-3,350**
Development Assistance	**40,449**	**43,500**	**40,150**	**-3,350**
4.2 Trade and Investment	5,365	11,200	11,550	350
4.3 Financial Sector	2,033	1,600	1,600	-
4.4 Infrastructure	3,051	-	-	-
4.5 Agriculture	20,000	20,000	20,000	-
4.8 Environment	10,000	10,700	7,000	-3,700

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
USAID East Africa Regional	**56,773**	**66,100**	**55,442**	**-10,658**
1 Peace and Security	**4,350**	**10,000**	**4,300**	**-5,700**
1.1 Counter-Terrorism	-	10,000	-	-10,000
1.6 Conflict Mitigation and Reconciliation	4,350	-	4,300	4,300
2 Governing Justly and Democratically	**650**	**-**	**700**	**700**
2.1 Rule of Law and Human Rights	-	-	700	700
2.2 Good Governance	650	-	-	-
3 Investing in People	**11,324**	**12,600**	**10,292**	**-2,308**
3.1 Health	11,324	12,600	10,292	-2,308
4 Economic Growth	**40,449**	**43,500**	**40,150**	**-3,350**
4.2 Trade and Investment	5,365	11,200	11,550	350
4.3 Financial Sector	2,033	1,600	1,600	-
4.4 Infrastructure	3,051	-	-	-
4.5 Agriculture	20,000	20,000	20,000	-
4.8 Environment	10,000	10,700	7,000	-3,700
of which: Objective 6	**9,066**	**5,748**	**8,312**	**2,564**
6.1 Program Design and Learning	2,770	290	1,604	1,314
6.2 Administration and Oversight	6,296	5,458	6,708	1,250

Peace and Security

The ECA region continues to confront sources of insecurity. The Great Lakes region is on a path of fragile post-conflict recovery with stability in Rwanda and Burundi, as well as continued progress in northern Uganda. However, seriously flawed 2011 elections in the Democratic Republic of the Congo (DRC), increased violence in Burundi due to political tensions, and endemic violence and insecurity in eastern DRC

fed, in part, by conflict mineral profits, make it clear that peace is not consolidated. In the Horn of Africa, newly independent South Sudan is plagued by internal tribal conflict, while multiple separation issues between South Sudan and the Republic of Sudan, including the fate of Abyei, remain unaddressed. Political instability within the Republic of Sudan has increased with fighting between the government and Sudan People's Liberation Movement-North and popular protests sparked by an economic downturn. In Somalia, the Transitional Federal Government, African Union Mission in Somalia, Ethiopia, and Kenya continue to fight against al Shabaab. Political tension in Kenya is rising during the lead up to its 2012 elections, which will directly elect governors for the first time to serve in the newly created counties. Pastoralist conflict in the Horn – both internal and cross-border – has intensified with the emergence of commercial cattle theft. Regional economic communities, national governments, and civil society are actively engaged in mitigating these conflict and instability issues. Early warning and response systems continue to expand and mature, with an emphasis on improving the effectiveness of response and prevention. New regional mechanisms to coordinate and improve cooperation in fighting organized crime are being established. Local-level civil society has a growing voice in addressing these issues and is effectively intervening to prevent small disputes from escalating into community conflict.

Development Assistance (DA): FY 2013 resources will be used to increase the impact of regional conflict mitigation and stability activities. U.S. assistance will provide local capacity building and technical assistance on addressing complex conflict issues to civil society, local governments, and regional intergovernmental organizations, such as the Intergovernmental Authority on Development's Conflict Early Warning and Response Mechanism in the Horn of Africa and the International Conference on the Great Lakes Region efforts in the Great Lakes. Programs will also facilitate linkages among regional bodies, national governments, civil society organizations, and local peace actors.

Governing Justly and Democratically

Democratic development in the ECA region faces multiple challenges, including widespread corruption, struggling social service delivery, constraints on civil liberties, hotly contested elections with the ever-present risk of political violence, and poor performing judicial and security sectors. ECA regional institutions are increasingly attentive to the importance of promoting and encouraging democratic reform and improved governance in order to advance economic integration and address cross-border security.

Development Assistance (DA): In FY 2013 U.S. efforts will focus on cross-country learning to enable best practices and innovations from leading ECA countries to be applied in other countries in the region. DA resources will provide technical assistance and institutional capacity building to regional bodies, such as the East African Community (EAC), to develop and implement regional programs that address issues such as, strengthening the protection of human rights, reducing corruption and improving transparency, and respecting the rule of law.

Investing in People

Despite huge investments in health by countries in the region, the countries of East and Central Africa face daunting challenges, including high rates of malnutrition and maternal and child mortality. Tuberculosis (TB) and HIV/AIDS continue to decimate populations in the region, not only creating a heavy burden on the countries' health systems but also undermining the wellbeing and development of the region's populations.

Global Health Programs (GHP): Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative to achieve major improvements in health outcomes through sustainable approaches and increased country ownership. U.S. assistance will continue to identify and capitalize on unique opportunities to address the critical HIV/AIDS, TB, maternal and child health, and family planning needs of vulnerable and marginalized populations. This will be done in partnership with

regional African organizations, along the region's transport corridors and in selected underserved locations in the region. Coordinating closely with bilateral missions, U.S. assistance will continue to strengthen African leadership in the advocacy and harmonization of policies that improve access to health information and services. U.S. resources will also support the development of state of the art tools and training to facilitate rapid diffusion of transformational innovations that build on lessons learned and maximize sustainable results. In addition, U.S. assistance will support health systems strengthening activities to help make long-lasting improvements in the quality of health care in the region.

- Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR)-GHCS State and USAID: The United States intends to increase country ownership by shifting activities to African regional organizations and building their capacity to implement activities among high risk mobile populations on the region's transport corridors. Intergovernmental entities and private sector actors will be engaged to address the needs of populations impacted by increased cross border trade in the region. U.S. assistance will support regional African organizations in the use of quality improvement techniques that strengthen retention, linkage and referral systems with a particular focus on the prevention-of- mother-to-child-transmission services.

- Family Planning: U.S. assistance will support the implementation of innovative, evidence-based activities that expand access to voluntary family planning services. African regional organizations will be engaged to facilitate coordination and dissemination of best practices and lessons learned in effective and sustainable integration of population, health and environment programs. This will enhance and promote African leadership, maximize efficiencies, and promote the institutionalization of integration for long-term sustainability. Continued support will be given to regional African organizations to develop regional health policies that support voluntary family planning and reproductive health services and to address the prevention and treatment of gender-based violence.

- Maternal and Child Health: U.S assistance will support regional activities targeted at helping countries scale-up proven interventions that focus on the immediate postpartum and neonatal periods to improve maternal and newborn health. In addition, activities will integrate essential nutrition interventions in partnership with the regional FTF initiative.

- Tuberculosis: U.S. resources will continue to lead the policy dialogue on TB as a re-emerging threat to the continent, especially with the increased prevalence of multi-drug resistant TB (MDR-TB). Support will be given to a regional supranational reference laboratory and a Center of Excellence in managing MDR-TB by strengthening their capacity to provide state of the art services to the region. Regional African partners will continue to be trained on improving the quality of first-line diagnosis and treatment through professional networks in multiple countries.

Economic Growth

Regional economic growth in East Africa is inhibited by a poor business climate, high transportation and energy costs, low agricultural productivity, and an increasingly threatened natural resource base. In five EAC countries alone (Burundi, Kenya, Rwanda, Tanzania, Uganda), more than 80 percent of the population has no access to modern energy services, and agriculture employs over 60 percent of the population. Lack of economic diversity and inadequate institutional capacity suggest that African countries are among the most vulnerable to the impacts of climate variability and change, whose shocks can further impede economic and livelihood advancement as recently demonstrated in the Horn of Africa drought crisis. Through FTF and GCC initiatives, U.S. assistance aims to address these compounding issues by promoting economic growth and climate resilience through regional integration, reducing barriers and the cost of trade, increasing agricultural productivity, and strengthening natural resource management. Through U.S. programming, strategic African partners, such as, the EAC and the Common Market for Eastern and

Southern Africa (COMESA) are engaged to increase the availability of staple foods in integrated regional markets, improve farmer access to regional and global markets, and provide technologies to increase productivity and competitiveness. U.S. funded programming promotes the development and use of clean and renewable energy technologies and implements climate change adaptation activities.

Development Assistance: U.S. assistance for regional activities will complement bilateral programs, effectively leveraging regional stability and growth. Improved harmonized policies and regulations will continue to advance the enabling environment and promote sustainability. Local capacity building to key African-led intergovernmental institutions will continue to advance Africa-led priorities and policies in FY 2013. U.S. funded activities in trade, agriculture, and environment will continue to provide benefits to women, as well as employ mechanisms for mainstreaming gender equality by encouraging African regional partners to empower and improve women's social status, decision making roles, and resource allocation capacities in program and policy interventions. U.S. resources will promote contributions to science, technology, and innovation by building the technical capacity of African regional partners to improve knowledge management, make innovative agricultural technologies available at the farm level and along regional value chains, and translate climate change modeling and prediction expertise into functional decision-making tools for adaptation planning.

- Agriculture: As part of the President's FTF initiative, assistance will promote expanded access to regional markets; mitigate risks associated with drought, disaster, and disease; and build the long-term capacity of regional organizations. The United States will continue coordinating with African institutions and governments, as well as other development partners, within the framework of the Africa-led Comprehensive Africa Agricultural Development Program (CAADP). Strengthening of regional institutions and the harmonization of health standards for livestock will build regional value chains, as well as the resilience of producers in drought-affected areas in the Horn of Africa. Continued support will be provided to increase trade flows of staple foods in the region, focusing on strategic transit corridors.

- Trade and Investment: The United States will work closely with other donors to increase efficiencies along the major trade corridors, streamlining procedures to cut down the time and cost of moving goods across regional borders, and facilitating the free movement of food from surplus to deficit areas. Programs will also build upon the successes of the African Growth and Opportunity Act and continue to assist African firms to access regional and international markets.

- Financial Sector: U.S. resources will continue to help increase access to finance in support of trade, food security, and competitiveness in the region. U.S. assistance will also help the region's primary economic communities, the EAC and COMESA, to harmonize financial policies that are open, transparent, and conducive to trade. Activities will include collaboration with policy makers, regional trade associations, and banks to support development of regional aggregation and trade models.

- Environment: Through the President's GCC initiative, U.S. assistance will strengthen the climate resilience of economic development in East Africa through improved science based technical capacity and policy leadership. In order to integrate climate change, biodiversity conservation, and water sector resources, focus will be placed on the design and implementation of dynamic, long-term information management and planning mechanisms to help African decision-makers prepare for and manage the threats and uncertainties that climate change poses for regional food security, livelihoods, and environmental quality. Clean energy programs will enhance exploitation of renewable energy resources, as well as activities that improve energy efficiency, enhance regional trade in renewable energy technologies, promote the sharing of best practices from the region and abroad, build the capacity of both private investors and public institutions, and improve the enabling environment for clean energy investments.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: USAID uses evaluations, performance management plans, data quality assessments, portfolio reviews, pipeline reviews and joint donor/partner working sessions to inform mission-wide understanding of performance results and impact. In FY 2011, external performance evaluations were completed for the Market Linkages Initiative and the Association for Strengthening Agricultural Research in Eastern and Central Africa (ASARECA). An internal evaluation was done for the Competitiveness and Trade Expansion (COMPETE) regional trade hub program.

In FY 2012, USAID plans to conduct a performance evaluation of the community-level cross-border peace-building program (PEACE II). In addition, assessments and evaluations of the regional health programs will be conducted in FY 2012. Targeted strategic assessments for capacity building and technical assistance to African regional organizations, in line with the Global Health and FTF Initiatives are also planned in FY 2012.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The evaluation of the community-level cross-border peace-building program will inform procurement and implementation of a new peace-building program. The assessment of the regional health programs will identify regional priorities and U.S. comparative advantages in advancing key priorities of GHI over the next five years.

Building on the internal evaluation of COMPETE, a new regional trade hub program will begin in FY 2013. Lessons learned from an external performance evaluation of Market Linkages Initiative in 2011 are informing the design and management of regional programs to enhance access to regional markets. The evaluation of ASARECA carried out in close coordination with four other donors focused on improved mechanisms to speed up the regional diffusion of improved technologies and knowledge.

USAID invested in establishing a methodology and baseline for its highest level FTF indicator: “Percent change in the volume and value of intra-regional trade in targeted agricultural commodities.” Continued investment in FY 2013 will provide detailed analysis of trends and factors influencing observed changes in agriculture and climate change, as well as strengthen the capacity of African institutions to improve and harmonize data collection in the region.

Relating Past Performance to FY 2013 Plans: Focus and scale of assistance to regional intergovernmental partners is targeted based on past performance, reinforcing institutional comparative advantages and strengthening performance management systems. The planned support to regional conflict mitigation mechanisms in FY 2013 will be an expansion of the complementary approach that has produced the strongest cross-border conflict mitigation gains to date.

Regional technical reviews and discussions have identified the need for an increased focus on information and communication technology in health and the interaction between climate change and population. USAID will be exploring opportunities to work with regional bodies and the private sector in these areas as a means of improving access to services and making substantial contributions to mitigating adverse effects of population dynamics on natural resources.

FY 2013 funding allows USAID to provide regional leadership and harmonization in the FTF and GCC initiatives. USAID is encouraging greater African leadership and direction on regional integration within the EAC and COMESA. The United States will use this unique opportunity to use these Presidential Initiatives to support African-led regional integration agendas and to influence other development partners in the process.

USAID Southern Africa Regional

Foreign Assistance Program Overview

The 15 member states of the Southern African Development Community (SADC) are diverse in economic, political, and human development terms, yet they share many challenges and common resources that are most effectively managed through regional cooperation. While there has been significant economic growth in southern Africa, the results have not been felt evenly, and high tariffs and transaction costs still inhibit trade. The number of people living in poverty in the region has grown over the past two decades. More than half of the populations of nine SADC countries live on less than $1.25 per day. Botswana, Lesotho, Namibia, and South Africa have some of the highest levels of income inequality in the world. Compounding the issues surrounding poverty in the region is the HIV/AIDS pandemic. The region is the global epicenter of HIV/AIDS, which has a devastating impact on the social, economic, and political stability of the area. The impact of HIV/AIDS will continue to negatively impact all sectors of society and the economy, and will produce a drag effect on gross domestic product growth.

Central to the goal of U.S. assistance is regional integration, which benefits individual countries through synergies in regional approaches and effectively addresses development challenges that are truly regional in nature. Regional integration is achieved through cross-cutting programs that address food security and climate change; the role of migrant populations, regional networks, and health systems in the fight against HIV/AIDS; rule of law and human rights issues that are regional in nature or too politically sensitive to handle on a bilateral level; and quality administrative and support services, technical assistance, and human capacity development that supports operations and greater non-governmental organization (NGO) capacity across the region. Many of these programs will capitalize on the United States' strategic partnership with the Government of South Africa as a regional success and donor nation in its own right.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**31,130**	**28,130**	**27,192**	**-938**
Development Assistance	27,530	24,530	23,700	-830
Global Health Programs - State	1,600	1,600	1,492	-108
Global Health Programs - USAID	2,000	2,000	2,000	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
USAID Southern Africa Regional	**31,130**	**28,130**	**27,192**	**-938**
2 Governing Justly and Democratically	**2,900**	**-**	**1,130**	**1,130**
Development Assistance	**2,900**	**-**	**1,130**	**1,130**
2.1 Rule of Law and Human Rights	2,400	-	1,130	1,130
2.3 Political Competition and Consensus-Building	500	-	-	-
3 Investing in People	**5,130**	**5,130**	**5,022**	**-108**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Development Assistance	**1,530**	**1,530**	**1,530**	**-**
3.1 Health	1,530	1,530	1,530	-
Global Health Programs - State	**1,600**	**1,600**	**1,492**	**-108**
3.1 Health	1,600	1,600	1,492	-108
Global Health Programs - USAID	**2,000**	**2,000**	**2,000**	**-**
3.1 Health	2,000	2,000	2,000	-
4 Economic Growth	**23,100**	**23,000**	**21,040**	**-1,960**
Development Assistance	**23,100**	**23,000**	**21,040**	**-1,960**
4.2 Trade and Investment	6,600	6,250	6,000	-250
4.5 Agriculture	7,000	7,000	7,000	-
4.8 Environment	9,500	9,750	8,040	-1,710

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
USAID Southern Africa Regional	**31,130**	**28,130**	**27,192**	**-938**
2 Governing Justly and Democratically	**2,900**	**-**	**1,130**	**1,130**
2.1 Rule of Law and Human Rights	2,400	-	1,130	1,130
2.3 Political Competition and Consensus-Building	500	-	-	-
3 Investing in People	**5,130**	**5,130**	**5,022**	**-108**
3.1 Health	5,130	5,130	5,022	-108
4 Economic Growth	**23,100**	**23,000**	**21,040**	**-1,960**
4.2 Trade and Investment	6,600	6,250	6,000	-250
4.5 Agriculture	7,000	7,000	7,000	-
4.8 Environment	9,500	9,750	8,040	-1,710
of which: Objective 6	**5,538**	**4,303**	**3,693**	**-610**
6.1 Program Design and Learning	194	815	925	110
6.2 Administration and Oversight	5,344	3,488	2,768	-720

Governing Justly and Democratically

Democratic backsliding and corruption are becoming more prevalent in southern Africa. Although elections that are regarded as free and fair are occurring more regularly in the region, their significance is diminished when conducted in countries where only one viable political party exists. More often than not, governments in the region are overriding or disregarding constitutional provisions, dictating constitutional changes to compliant parliaments, or harassing political oppositions and civil society groups. Genuine democratic consolidation rests on sharing power among government branches, sectors, institutions, and organizations that are capable of serving the interests of the public and acting as a check on the power of the executive branch.

Development Assistance (DA): Judicial branches, which theoretically can provide checks and balances to strong executives, are heavily influenced regarding judgments favorable to the ruling party. In countries like Zambia, this has hindered the ability of opposition political parties to receive fair hearings, and has resulted in the routine dismissal of legitimate cases of corruption against ruling-party officials. In Mozambique, while mid-level government officials (many of whom are also ruling party members) are pursued on corruption charges, the most senior officials are rarely prosecuted. In these political environments, there is a great demand for assistance that allows lawyers and activists to build cases that meet international standards and helps them to understand and access domestic, regional, and supra-regional judicial legal options. Assistance is also needed to help judges and legal associations to further judicial independence and impartiality at home.

Funding for rule of law programs will provide technical assistance to judicial actors in the region, encouraging them to facilitate more impartial, independent, and accountable judiciaries, and to NGOs, lawyers, and advocates regarding legal protections for human rights.

Investing in People

With nine out of the 10 countries with the highest HIV-prevalence-rates in the world, southern Africa is the epicenter of the HIV/AIDS pandemic. The United States will continue to encourage private, government, and civil society commitment to provide strong, sustained, and effective leadership of national and regional responses to HIV/AIDS.

Water scarcity is a growing concern throughout southern Africa. Inadequate planning and poor distribution, losses, diversions, and contamination of water threaten to limit economic growth in the region and deprive populations' access to safe drinking water. Shared basins represent approximately 70 percent of available surface water in southern Africa.

Global Health Programs (GHP):
Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership.

- Linkages to the President's Emergency Plan for AIDS Relief (PEPFAR) – GHP-State and USAID: Resources will provide technical expertise throughout the region to maximize the contributions of PEPFAR programs, and will continue to work to increase the commitments of the southern Africa private sector, governments, and local civil society to provide strong, sustained, and effective leadership of national and regional responses to HIV/AIDS. In particular, funding will continue building the SADC HIV/AIDS Unit's capacity to address HIV in southern Africa's migrant populations by more effectively implementing their Global Fund grant.

Development Assistance (DA):
Water Supply and Sanitation: Programs will work in shared river basins that run through Angola, Botswana, and Namibia to ensure that trans-boundary water resource management sustains various needs for the water, including human consumption and use.

Economic Growth

A sustainable model of regional economic growth in southern Africa requires a multi-faceted approach that addresses structural constraints to growth, trade and investment while helping to protect the natural resource base upon which the region's long-term success critically depends. Southern Africa accounts for only one percent of global merchandise trade. While tariffs for intra-regional trade have been brought down significantly, high protective non-tariff barriers to trade, restrictions on foreign investment and high

transaction costs continue to greatly impede regional growth. Given the small size of most domestic markets, increased regional and global trade are essential for economic growth and stability.

Development Assistance (DA): U.S. assistance aims to promote sustainable economic growth in targeted areas by increasing agricultural productivity and trade, ensuring sound natural resources management, and addressing the impacts of climate change in multiple technical areas. Programs will address policy barriers to the movement of goods and services across borders, including those related to agriculture; facilitating regional-level research related to agriculture and also climate change; promoting an enabling environment for clean energy and trans-boundary natural resource management; and supporting evidence-based decision making across sectors for improved development outcomes.

- Trade: Efforts to reduce tariffs and non-tariff barriers will be combined with initiatives to address the overall regional economic integration as a path for increasing global competitiveness. These initiatives include improving the trade and investment-enabling environment; facilitating regional and global market access; reducing the time and cost of trading across borders, particularly along targeted corridors and regional transport systems; and addressing customs, non-tariff barriers and human, animal, and plant safety (e.g. sanitary and phyto-sanitary standards), as well as constraints to regional trade caused by variations in regional standards. Assistance in this area supports southern African countries to benefit from the African Growth and Opportunity Act legislation. Technical assistance, through the Southern Africa Trade Hub and other mechanisms, will assist governments, the private sector, and civil society organizations throughout the SADC region, to realize the advantages of greater regional and global trade linkages and export-oriented business development. Programs will also help increase the trade capacity of regional value chains in selected sectors.

- Agriculture: Southern Africa has high levels of food insecurity and low levels of agricultural production. Poor coordination and implementation of regional and national-level policies are contributing to this food insecurity. Improved agricultural production technologies do not reach a majority of rural farmers, and non-tariff barriers pose constraints to market access and improved rural livelihoods. As part of the President's Global Hunger and Food Security Initiative, Feed the Future (FTF), USAID will promote expanded access to regional markets; mitigate risks associated with drought, disaster, and disease; and build long-term capacity of regional organizations to address regional challenges.

  Based on careful consultation and design of a new regional Feed the Future Strategy, assistance will support work with African and international companies through public-private partnerships to leverage U.S. resources, NGOs, regional farmer organizations, and regional agricultural research and trade organizations to increase agricultural productivity, production and intra-regional trade. Emphasis will be placed on intra-regional trade in certain corridors to facilitate trade from food surplus to food deficit areas. Agriculture programs will support the efforts of regional agricultural policy and research networks to conduct food, agriculture, and natural resources policy research and analysis; monitor regional agriculture trends and targets under the Comprehensive Africa Agriculture Development Plan; implement regional seed agreements and regional sanitary and phyto-sanitary standards and protocols; and improve the policy environment for agricultural trade in goods, and inputs.

  Programs will increase regional trade in food staples through improvements to food staple market structures and warehousing, inspection and product standard certifications, select key trade and transport corridors, commodity exchanges, farmer organizations, and trade information systems through partnerships with the regional private sector. In addition, programs will promote sound market-based principles to help staple food systems work more effectively.

- Environment: The Southern Africa region is highly dependent on its natural resources, including water, biodiversity, soil and energy for its economic development. U.S. assistance programs aim to ensure that natural resources are not overexploited and that healthy ecosystem functions are maintained in the face of climatic change. Programs focus particularly on integrated approaches to the management of priority shared river basins, supporting evidence-based approaches to water resource governance, threat-focused biodiversity conservation measures, and overall climate resiliency. Technical assistance and capacity building support for improved policy, planning and management of water, biodiversity and other critical natural resources at regional and local levels to ensure equitable and lasting economic development while mitigating conflict over scarce resources.

- Climate Change: Climate change has the potential to be a major stressor limiting economic growth potential in decades to come. It is likely to exacerbate threats and introduce new complexities for ensuring socially and environmentally sound development. In particular, water resource management will be critical for the long-term advancement of the region. The United States invests in improving regional capacities to understand and address the impacts of climate change within priority river basins and sectors that are particularly vulnerable to climate change. Resources support work with communities, government officials, and civil society to develop and implement adaptation strategies and enhance skills that will make resource management more climate-resilient in priority regions. Programs also integrate climate change science and adaptation strategies into its agricultural research and regional extension support.

- Energy: Approximately 30 percent of the population, as compared to the world average of 75 percent, has access to electricity. Programs will refocus to take into account clean energy priorities of the region, supporting regional energy bodies, national departments of energy, and the private sector to promote cleaner energy development pathways within the region, with an emphasis on supporting an enabling environment for increased investment in renewable energy. This will include support for energy sector structural reforms, strengthening renewable energy planning capacity, training of regulators, linking renewable energy projects to financing, and fostering deployment of clean energy technologies, projects, and investments across the region.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: U.S. assistance programs undergo yearly portfolio reviews to examine program achievements, challenges, and corrective action proposed for follow-up by technical teams.

At the beginning of the Country Operational Plan development process, each in-country PEPFAR team conducts an interagency portfolio review. This review, which involves program, technical, and strategic Information staff, provides key qualitative and quantitative data. The review examines all partners' accomplishments against targets, cost per target, cost per achievement, funding pipelines, work plans, absorptive capacity, and quality of the results being achieved. The interagency team then uses this information to inform its budget allocation process.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The new regional strategy, which focuses on regional economic integration through increased sustainable economic growth, improved rule of law and human rights, and reduced impact of HIV and AIDS, is based on the results of past performance evaluations, assessments, donor coordination and sector analyses.

Drawing from experience and lessons learned of earlier trade work, USAID's trade and investment programs will increase international competitiveness, intra-regional trade, and food security in the SADC region by promoting regional integration through harmonization of policies, facilitating investment, and enhancing the performance of priority regional value chains – aligning U.S. priorities in trade and regional food security.

Relating Past Performance to FY 2013 Plans: FY 2013 resources will continue to support successful work with the private sector, government, and civil society to provide leadership on the national and regional responses to HIV/AIDS. FY 2013 funds will be used to continue technical assistance and training in support of the trade and infrastructure projects, as well as successful institutional capacity building in the environment, health and agricultural sectors.

USAID West Africa Regional

Foreign Assistance Program Overview

The U.S. Government's foreign assistance goals for West Africa are to support regional development, integration, and stability through programs in agriculture, trade and investment, environment and climate change, counterterrorism, governance, and health. U.S. assistance will be used to strengthen the capacity of public and private West African institutions to address major development constraints. The U.S. Agency for International Development (USAID) West Africa Regional Mission implements activities in 23 countries.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**81,917**	**78,082**	**72,900**	**-5,182**
Development Assistance	68,832	64,582	58,500	-6,082
Global Health Programs - USAID	13,085	13,500	14,400	900

Request by Program by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
USAID West Africa Regional	**81,917**	**78,082**	**72,900**	**-5,182**
Trans Sahara Counter-Terrorism Partnership (TSCTP)	**18,000**	**10,000**	**8,000**	**-2,000**
Development Assistance	18,000	10,000	8,000	-2,000
Other	**63,917**	**68,082**	**64,900**	**-3,182**
Development Assistance	50,832	54,582	50,500	-4,082
Global Health Programs - USAID	13,085	13,500	14,400	900

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
USAID West Africa Regional	**81,917**	**78,082**	**72,900**	**-5,182**
1 Peace and Security	**20,000**	**12,000**	**8,000**	**-4,000**
Development Assistance	**20,000**	**12,000**	**8,000**	**-4,000**
1.1 Counter-Terrorism	18,000	10,000	8,000	-2,000
1.6 Conflict Mitigation and Reconciliation	2,000	2,000	-	-2,000
2 Governing Justly and Democratically	**2,000**	**332**	**6,850**	**6,518**
Development Assistance	**2,000**	**332**	**6,850**	**6,518**
2.2 Good Governance	-	-	2,500	2,500

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
2.3 Political Competition and Consensus-Building	1,000	-	2,000	2,000
2.4 Civil Society	1,000	332	2,350	2,018
3 Investing in People	**19,085**	**20,000**	**19,500**	**-500**
Development Assistance	**6,000**	**6,500**	**5,100**	**-1,400**
3.1 Health	6,000	6,500	5,100	-1,400
Global Health Programs - USAID	**13,085**	**13,500**	**14,400**	**900**
3.1 Health	13,085	13,500	14,400	900
4 Economic Growth	**40,832**	**45,750**	**38,550**	**-7,200**
Development Assistance	**40,832**	**45,750**	**38,550**	**-7,200**
4.2 Trade and Investment	6,632	6,000	5,300	-700
4.3 Financial Sector	700	-	700	700
4.5 Agriculture	20,000	20,000	20,000	-
4.8 Environment	13,500	19,750	12,550	-7,200

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
USAID West Africa Regional	**81,917**	**78,082**	**72,900**	**-5,182**
1 Peace and Security	**20,000**	**12,000**	**8,000**	**-4,000**
1.1 Counter-Terrorism	18,000	10,000	8,000	-2,000
1.6 Conflict Mitigation and Reconciliation	2,000	2,000	-	-2,000
2 Governing Justly and Democratically	**2,000**	**332**	**6,850**	**6,518**
2.2 Good Governance	-	-	2,500	2,500
2.3 Political Competition and Consensus-Building	1,000	-	2,000	2,000
2.4 Civil Society	1,000	332	2,350	2,018
3 Investing in People	**19,085**	**20,000**	**19,500**	**-500**
3.1 Health	19,085	20,000	19,500	-500
4 Economic Growth	**40,832**	**45,750**	**38,550**	**-7,200**
4.2 Trade and Investment	6,632	6,000	5,300	-700
4.3 Financial Sector	700	-	700	700
4.5 Agriculture	20,000	20,000	20,000	-
4.8 Environment	13,500	19,750	12,550	-7,200
of which: Objective 6	**4,920**	**10,856**	**7,118**	**-3,738**
6.1 Program Design and Learning	1,821	3,233	2,188	-1,045
6.2 Administration and Oversight	3,099	7,623	4,930	-2,693

Peace and Security

The USAID West Africa Regional Mission will continue to support peace and security in West Africa by countering the threat of extremist ideologies and their destabilizing effects through the Trans-Sahara Counterterrorism Partnership (TSCTP). TSCTP is a joint undertaking of three U.S. Government entities: the Department of Defense, the Department of State, and USAID.

Development Assistance (DA): There is growing concern that terrorist groups such as al Qaeda in the Islamic Maghreb are expanding in West Africa, and that their influence among at-risk populations is increasing. In order to decrease the influence of extremist groups, USAID will use FY 2013 funds to support and expand new and existing programs in Niger, Chad, Burkina Faso, and Mauritania. TSCTP activities focus on improving the capability of governments and local partners to delegitimize extremist and terrorist ideology and establish strategic partnerships with disaffected populations in key urban centers and isolated areas. Programs will fund income generation, media development and moderate messaging, community outreach, peace-building, and good governance activities. These will create alternative opportunities and increased participation in legitimate civic and democratic political processes, particularly for youth.

Governing Justly and Democratically

Many countries in West Africa continue to face challenges related to governance, rule of law, democratic political processes, low public participation rates, and weak civil society organizations. To address these challenges, USAID is increasingly implementing activities to improve the ability of governments in the region to govern justly and democratically.

Development Assistance (DA): In collaboration with ECOWAS and relevant organizations, U.S. assistance will support regional efforts to strengthen civil society and elected representatives to promote transparency, accountability, and public participation. FY 2013 funds will support activities designed to build regional and local advocacy capacity to help spur local-level processes that promote positive economic and social development.

Investing in People

The overall objective of the regional health program is to enable West African countries to develop, plan, and implement coordinated, high-impact health policies and quality health programs.

Development Assistance (DA):

- Water Supply and Sanitation: USAID will scale-up a major effort that began in FY 2009 to increase access to sustainable safe water and environmental sanitation services among poor and vulnerable populations, emphasizing prevention of diarrheal illnesses and water-borne disease through evidence-based hygiene behavior change and provision of potable water.

Global Health Programs (GHP) – State and USAID: In FY 2013, USAID will continue to implement a regional health program that emphasizes state-of-the-art, community-based interventions in voluntary family planning, HIV/AIDS prevention and care, and maternal and child health. USAID will provide integrated and targeted technical assistance to the West African Health Organization (WAHO) to strengthen its ability to serve as the lead advocate for health data in West Africa. USAID will develop and implement health program activities that will include management and leadership development, marketing and outreach, monitoring and evaluation, and data and knowledge management. Assistance provided through the GHP account will support the goals and principles of GHI to achieve major improvements in health outcomes through sustainable approaches and increased country ownership.

- President's Emergency Plan for AIDS Relief (PEPFAR): West Africa will receive funding to support the national HIV/AIDS strategies of Cote d'Ivoire and Cameroon and the goals of PEPFAR.

- Maternal and Child Health: USAID will help West African countries develop and implement policies and best practices that promote effective maternal and child health interventions.

- Family Planning and Reproductive Health: USAID will continue to help countries forecast their needs for contraceptives and plan for contraceptive security, as well as supply contraceptives to certain countries. USAID will begin implementing a regional family planning program focused on increasing the access and use of voluntary family planning services in urban and peri-urban areas.

- HIV/AIDS: USAID will help West African countries implement supportive policies and programs to provide a minimum package of HIV prevention and care support services to marginalized populations. USAID will also provide targeted technical assistance to countries and regional institutions so they can maximize assistance from the Global Fund for AIDS, Tuberculosis, and Malaria, estimated at around $2.3 billion in the region.

Economic Growth

As part of the President's Global Hunger and Food Security Initiative, Feed the Future Initiative (FTF), USAID will improve agricultural productivity, increase regional trade for key staple crops, and build long-term capacity of regional and local organizations to address regional challenges in food security.

Improving food security, promoting trade, and addressing climate change are the principal focus areas under economic growth. USAID will continue to work with regional institutions to promote the adoption and implementation of trade and pro-growth policies and practices, particularly at borders and ports, as well as address environmental issues through the harmonization of regional and national environmental policies.

In FY 2013, strengthening the capacities of regional industry associations such as the Africa Cashew Alliance, the Borderless Alliance, and the West African Grains Council will be among the highest priority. USAID will build on its success in developing Africa's cashew industry in other value-added exports including Shea, home décor, apparel, and specialty foods. Moreover, USAID will work with counterparts to address key trade barriers at borders and along the Dakar-Niamey and Ougadougou-Tema corridors that are hindering regional trade. These efforts are expected to improve regional trade competitiveness and enhance food security.

Development Assistance (DA): USAID will increase sustainable agricultural productivity, increase regional trade (which includes improving access to markets), and build capacity of regional and local organizations as part of the FTF initiative. Activities will focus on promoting the trade of food staples, as increasing the production and marketing of such products will reduce food prices and increase household incomes. U.S. assistance will also be used to strengthen market-based mechanisms for the provision of agricultural inputs (seeds and fertilizers), reduce trade and transport barriers for key food staple value chains such as cereals and livestock, improve capacity to respond to nutritional issues through improved information dissemination, and promote climate-smart agriculture through partnerships with organizations such as the U.S. Peace Corps. Lastly, funding will strengthen the regional policy and regulatory environment for agriculture with West African sub-regional institutions, especially ECOWAS, the Permanent Interstate Committee for Drought Control in the Sahel (CILSS), and the West and Central African Council for Agricultural Research and Development (CORAF).

The U.S. Government is one of the few donors to support exports of manufactured products from West Africa to the global marketplace, thanks in large measure to the technical assistance provisions of the Africa Growth and Opportunity Act. With assistance from the USAID West Africa Trade Hub, firms increased exports from around $1 million in 2005 to more than $98 million in 2011. USAID will build on these

results in FY 2013, strengthening linkages between West African and U.S businesses to address constraints that impede competitiveness in the region. Additionally, USAID will focus on improving trade along key regional corridors. This will require fuller implementation of ECOWAS' trade liberalization scheme and reform of West Africa's transportation sector. USAID will continue to address finance constraints, targeting resources that enable export-ready companies to obtain working and investment capital at competitive rates and finding innovative solutions to unlock credit to promote greater exports.

Another key constraint to competitiveness in West Africa is a lack of infrastructure. As businesses continue to struggle with erratic electricity supplies, USAID will provide funding to the regional West Africa Power Pool to attract additional international financing for critical energy production and transmission projects. U.S. assistance activities will also provide funding to document, analyze, and publish information on renewable West African energy sources, principally wind, solar, and hydro, in an effort to increase clean energy usage throughout the region. In addition, efforts will be directed at promoting the capture and transmission of flared natural gas, a by-product of regional oil drilling processes, to eliminate harmful carbon emissions while making available an additional energy source for increased electricity generation.

In FY 2013, U.S. assistance will be used to scale-up successful work on regional biodiversity conservation and climate change response as part of the Global Climate Change initiative. In some instances, resources will be combined, jointly funding projects used to increase impact and improve livelihoods in key ecosystems, coastal zones, and fisheries. In other cases, climate-change adaptation resources will be used to link suppliers and users of climate information and support services to inform decision-making. Other climate change funds (sustainable landscapes) will be used to scale-up the development and application of a community-based carbon-monitoring methodology that is linked to USAID's support for the Reduced Emissions from Deforestation and Forest Degradation agenda among select West African states. U.S. assistance will also support implementation of new region-wide biodiversity activities in national park and wildlife management; and critical monitoring and assessment of rapidly changing forest and land use/land cover resources across the Sahel and selected multi-country landscapes in West Africa.

Linkages with the Millennium Challenge Corporation

USAID will implement parts of two Millennium Challenge Corporation (MCC) programs in West Africa: (1) the $28.8 million education component of the MCC Compact for Burkina Faso, which seeks to increase enrollment at the primary level, for girls in particular, and (2) the remainders of the girls' education and bore hole drilling components of the MCC Threshold Program in Niger, which was started in 2008, shut down in 2009 as a policy response to the Tandja government's extra-constitutional actions, and then restarted in 2011 with the advent of a new civilian-elected government. The Burkina Faso program, launched in July 2009, is a continuation of the successful MCC Threshold Program that USAID also managed there. USAID's West Africa agriculture and trade and investment programs coordinate with MCC programs in Ghana and Mali to maximize the impact of USAID transportation and trade promotion programs.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: USAID conducted several evaluations of its West Africa Regional Program in FY 2011. Those evaluations included a performance evaluation of WAHO, covering USAID's assistance over the last eight years; a review of USAID's trade program in West Africa, which included the West Africa Trade Hub, the Agri-business and Trade Promotion project, and the Extended Agri-business and Trade Promotion project; and a final evaluation of USAID's counter-extremism programming in West Africa, the Peace through Development project. In addition, three USAID West Africa regional partner institutions (ECOWAS, CORAF, and CILSS) were assessed in FY 2011 to determine their institutional strengths and weaknesses.

For FY 2012, planned evaluations include a midterm evaluation of The Gambia-Senegal Sustainable Fisheries project and an impact evaluation of the Mission's principal health project. The information gleaned from these evaluations will be used to guide program direction and document lessons learned for future programs. Additionally, the Mission is developing more robust monitoring and evaluation mechanisms, which will help overall progress, especially in the achievement of higher level results and support evidenced-based program development. It is expected that these mechanisms will be awarded in FY 2012.

Three of the Mission's sector teams updated their results frameworks and developed other strategic planning tools in FY 2011, as part of an effort to improve strategic planning and monitoring efforts. For instance, the Mission finalized an office-level Results Framework for the Environment Office through collaboration with implementing partners in an interactive Monitoring and Evaluation workshop. The same process will occur for the remaining teams in FY 2012. In line with USAID Forward principles to strengthen monitoring and evaluation, USAID is instituting a performance management system to guide sector teams to improve effectiveness in performance monitoring and management.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The USAID West Africa Regional Mission has specific management tools to ensure that performance information is used to inform project management design and strategic direction. Portfolio reviews are conducted semiannually and pipeline analyses are included to identify project-specific financial issues. Findings and follow-up recommendations and actions are part of the review process.

Findings from the WAHO evaluation influenced the decision to continue to support WAHO as a key regional partner and will also guide new strategy planning and organizational capacity activities as part of future activities. It also informed the decision to conduct a financial assessment of WAHO. This assessment determined WAHO's readiness to receive funding under the advance –liquidation system.

Based on the findings of the review of regional partner institutions, USAID decided to continue to support efforts to increase institutional capacity and assist regional organizations in achieving greater impact and more effective leadership roles in support of regional FTF goals and objectives.

Key findings of the extremism program evaluation included the importance and popularity of radio programming, the importance of local level conflict prevention activities, the need for flexible responses to changing circumstances, and a recommendation that the program be refocused toward strengthening community resilience against violent extremist ideologies. These findings directly influenced the design of the new USAID Peace through Development II program, which was awarded in early FY 2012.

Relating Past Performance to FY 2013 Plans: Findings from the assessments of three USAID West Africa regional partner institutions have influenced the FY 2013 request. With FY 2013 funds, USAID expects to continue its support to develop short and long-term institutional capacity development plans for these regional organizations to enable them to address priority human resource gaps. This will enable the organizations to target resources for activities that create tangible results in food security and support positive achievements of the Comprehensive Africa Agriculture Development Program.

USAID's findings from assessments of past performance influenced plans for the use of FY 2013 funding, which is anticipated to contribute to the following achievements:

- Stronger and enduring business relationships between international buyers (Americans in particular) and West African manufacturers which will result in an increase in the value of exported manufactured goods;

- Increased capacity of regional energy and regulatory institutions to leverage investments and complete interstate power connections, which will substantially increase transfers of electrical power from one national grid to another;
- Increased local and regional food production through more efficient transfer of technology to expand the food supply;
- Substantial increases in the number of hectares of land under improved natural resource management;
- Increased civil society participation in democratic political processes, which will lead to greater democratic governance and fewer incidents of conflict;
- Increased participation by youth in local community development initiatives in key geographic zones within Sahelian countries at risk for extremism;
- Increased number of clients receiving an integrated package of family planning, child health, and HIV/AIDS services;
- Strengthened advocacy ability of WAHO, enhanced WAHO capacity to harmonize policies at the regional level, and assurance that WAHO remains a leader in health in the West Africa Region.

East Asia and Pacific Regional Overview

Foreign Assistance Program Overview

In November 2011, the President and Secretary of State articulated a strategy to support investment in "America's Pacific Century." In order to advance the Administration's pivot to East Asia and the Pacific, the U.S. Government will maintain a presence in the region as a preeminent trade and investment partner, security guarantor, and example of democracy and good governance. This new strategy for the Asia-Pacific region will guide the Bureau's activities, including reinvigorating already strong relations with treaty allies, building new partnerships with emerging powers in the region, engaging with multilateral institutions, expanding trade and investment, forging a broad-based military presence, and advancing democracy, human rights, and the rule of law.

The United States will support these priorities in the Asia-Pacific region through strategic investments in bilateral relationships and through the Global Climate Change (GCC) Initiative, the Global Health Initiative (GHI), and the Feed the Future Initiative (FTF). While the East Asia and Pacific (EAP) region boasts the world's largest concentration of terrestrial and marine resources, it also includes two of the world's top greenhouse gas (GHG) emitters: China and Indonesia. GHG emissions from the region are projected to approach half the world's total by 2030. EAP populations are especially susceptible to the impacts of climate change because many live in low-lying and coastal areas. In addition, weak health systems coupled with high population density has caused infectious diseases to proliferate. Cambodia is a priority country under the FTF Initiative in order to reduce hunger and increase growth through market-based agricultural development. All Initiative programs will help increase government and civil society capacity to initiate, implement, and sustain systemic reforms across all sectors.

The United States will also enhance engagement with various multilateral bodies including the Association of Southeast Asian Nations (ASEAN) and the Asia Pacific Economic Cooperation forum (APEC) to bolster economic growth, trade facilitation, environment, and disaster preparedness programs. In addition, the United States seeks to shape an evolving architecture of regional multilateral institutions by participating in the East Asia Summit. These multilateral institutions, particularly ASEAN and the ASEAN Regional Forum, will continue to provide a platform for significant dialogue and reinforce efforts to advance regional economic and political integration, security cooperation, and humanitarian relief.

The United States will also continue to support strategic, high-level partnership programs, including the Indonesia Comprehensive Partnership and the Philippines Partnership for Growth (PFG). The Indonesia Comprehensive Partnership aims to improve economic growth, security, and leverage science and technology advancements. The PFG supports the Government of the Philippines' efforts to accelerate economic growth and combat conflict, corruption, and weak governance. As the Government of Burma continues to show signs of reform, including the release of political prisoners and taking steps to end ethnic conflict, the United States will provide health, education, and democracy-related support to bolster these efforts.

In the rest of the region, overall efforts aim to undergird social and economic progress as well as sustain democratic gains. In Vietnam and Mongolia, programs aim to consolidate economic reforms and to strengthen governance. Reducing conflict and improving democratic institutions is critical to maximizing gains in Thailand. Regional efforts continue to address the most acute environmental degradation through mitigation and adaption strategies that are coordinated with international organizations and protocols conducted in partnership with established regional actors. Recent successes in the capture and conviction of terrorists highlight the need for intensified U.S. cooperation with nations in Southeast Asia, especially

Indonesia, and the Philippines. Greater collaboration is necessary to implement more effective counter-radicalization and prison-reform programs that reduce recruitment and recidivism.

U.S. assistance will also increase support to the Lower Mekong delta through the Lower Mekong Initiative (LMI) established in 2009. The LMI frames policies and initiatives to improve sustainable outcomes in the education, environment, health, and infrastructure sectors in the region. The U.S. Agency for International Development's regional development platform in Thailand will continue to address the transnational challenges including GCC, food insecurity, infectious disease, and transnational crime. The United States will continue to support efforts to achieve socio-economic development free from explosive remnants of war and prioritize the health and well-being of people living in UXO-contaminated areas. The United States is also committed to increasing its engagement in the Pacific through the new USAID Pacific Island Regional office in Port Moresby, Papua New Guinea to help mitigate the adverse impacts of GCC in the region.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**742,869**	**694,181**	**659,970**	**-34,211**
Development Assistance	318,877	285,990	299,749	13,759
Economic Support Fund	90,892	88,115	55,800	-32,315
Food for Peace Title II	8,979	-	-	-
Foreign Military Financing	39,202	35,658	35,488	-170
Global Health Programs - State	98,468	80,968	79,146	-1,822
Global Health Programs - USAID	130,899	135,750	133,250	-2,500
International Military Education and Training	9,291	8,740	8,135	-605
International Narcotics Control and Law Enforcement	17,885	24,645	18,682	-5,963
Nonproliferation, Antiterrorism, Demining and Related Programs	28,376	34,315	29,720	-4,595

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
East Asia and Pacific Regional Overview	**742,869**	**694,181**	**659,970**	**-34,211**
1 Peace and Security	**94,300**	**100,749**	**90,446**	**-10,303**
Development Assistance	**4,781**	**5,001**	**4,123**	**-878**
1.5 Transnational Crime	3,530	4,300	3,422	-878
1.6 Conflict Mitigation and Reconciliation	1,251	701	701	-
Economic Support Fund	**425**	**425**	**408**	**-17**
1.5 Transnational Crime	300	300	288	-12
1.6 Conflict Mitigation and Reconciliation	125	125	120	-5
Foreign Military Financing	**39,202**	**35,658**	**35,488**	**-170**
1.3 Stabilization Operations and Security Sector Reform	39,202	35,658	35,488	-170

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
International Military Education and Training	**9,291**	**8,740**	**8,135**	**-605**
1.3 Stabilization Operations and Security Sector Reform	9,291	8,740	8,135	-605
International Narcotics Control and Law Enforcement	**12,225**	**16,610**	**12,572**	**-4,038**
1.3 Stabilization Operations and Security Sector Reform	11,500	14,070	11,872	-2,198
1.4 Counter-Narcotics	725	2,540	600	-1,940
1.5 Transnational Crime	-	-	100	100
Nonproliferation, Antiterrorism, Demining and Related Programs	**28,376**	**34,315**	**29,720**	**-4,595**
1.1 Counter-Terrorism	17,691	17,050	15,160	-1,890
1.2 Combating Weapons of Mass Destruction (WMD)	4,525	4,825	4,560	-265
1.3 Stabilization Operations and Security Sector Reform	6,160	12,440	10,000	-2,440
2 Governing Justly and Democratically	**83,628**	**75,612**	**92,674**	**17,062**
Development Assistance	**49,355**	**46,457**	**71,597**	**25,140**
2.1 Rule of Law and Human Rights	15,034	8,861	16,199	7,338
2.2 Good Governance	22,446	16,532	31,232	14,700
2.3 Political Competition and Consensus-Building	2,103	8,394	6,873	-1,521
2.4 Civil Society	9,772	12,670	17,293	4,623
Economic Support Fund	**28,613**	**21,120**	**14,967**	**-6,153**
2.1 Rule of Law and Human Rights	7,790	9,525	5,503	-4,022
2.2 Good Governance	2,625	2,095	2,009	-86
2.3 Political Competition and Consensus-Building	3,880	-	-	-
2.4 Civil Society	14,318	9,500	7,455	-2,045
International Narcotics Control and Law Enforcement	**5,660**	**8,035**	**6,110**	**-1,925**
2.1 Rule of Law and Human Rights	5,660	8,035	6,110	-1,925
3 Investing in People	**309,540**	**311,033**	**285,764**	**-25,269**
Development Assistance	**68,635**	**85,015**	**65,691**	**-19,324**
3.1 Health	7,583	12,280	7,833	-4,447
3.2 Education	60,037	67,735	56,458	-11,277
3.3 Social and Economic Services and Protection for Vulnerable Populations	1,015	5,000	1,400	-3,600
Economic Support Fund	**11,538**	**9,300**	**7,677**	**-1,623**
3.2 Education	6,194	5,200	3,157	-2,043
3.3 Social and Economic Services and Protection for Vulnerable Populations	5,344	4,100	4,520	420
Global Health Programs - State	**98,468**	**80,968**	**79,146**	**-1,822**
3.1 Health	98,468	80,968	79,146	-1,822
Global Health Programs - USAID	**130,899**	**135,750**	**133,250**	**-2,500**
3.1 Health	130,899	135,750	133,250	-2,500
4 Economic Growth	**220,636**	**181,328**	**171,520**	**-9,808**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Development Assistance	**195,122**	**148,533**	**157,338**	**8,805**
4.1 Macroeconomic Foundation for Growth	2,600	4,750	9,220	4,470
4.2 Trade and Investment	6,882	3,050	8,798	5,748
4.3 Financial Sector	3,757	938	5,985	5,047
4.4 Infrastructure	10,457	10,741	16,000	5,259
4.5 Agriculture	26,540	15,200	15,200	-
4.6 Private Sector Competitiveness	14,831	14,854	18,652	3,798
4.7 Economic Opportunity	2,500	1,000	2,800	1,800
4.8 Environment	127,555	98,000	80,683	-17,317
Economic Support Fund	**25,514**	**32,795**	**14,182**	**-18,613**
4.2 Trade and Investment	6,400	6,400	6,136	-264
4.6 Private Sector Competitiveness	950	1,200	450	-750
4.7 Economic Opportunity	600	700	450	-250
4.8 Environment	17,564	24,495	7,146	-17,349
5 Humanitarian Assistance	**34,765**	**25,459**	**19,566**	**-5,893**
Development Assistance	**984**	**984**	**1,000**	**16**
5.2 Disaster Readiness	984	984	1,000	16
Economic Support Fund	**24,802**	**24,475**	**18,566**	**-5,909**
5.1 Protection, Assistance and Solutions	23,627	23,300	17,439	-5,861
5.2 Disaster Readiness	1,175	1,175	1,127	-48
Food for Peace Title II	**8,979**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	8,979	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
East Asia and Pacific Regional Overview	**742,869**	**694,181**	**659,970**	**-34,211**
1 Peace and Security	**94,300**	**100,749**	**90,446**	**-10,303**
1.1 Counter-Terrorism	17,691	17,050	15,160	-1,890
1.2 Combating Weapons of Mass Destruction (WMD)	4,525	4,825	4,560	-265
1.3 Stabilization Operations and Security Sector Reform	66,153	70,908	65,495	-5,413
1.4 Counter-Narcotics	725	2,540	600	-1,940
1.5 Transnational Crime	3,830	4,600	3,810	-790
1.6 Conflict Mitigation and Reconciliation	1,376	826	821	-5
2 Governing Justly and Democratically	**83,628**	**75,612**	**92,674**	**17,062**
2.1 Rule of Law and Human Rights	28,484	26,421	27,812	1,391
2.2 Good Governance	25,071	18,627	33,241	14,614

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
2.3 Political Competition and Consensus-Building	5,983	8,394	6,873	-1,521
2.4 Civil Society	24,090	22,170	24,748	2,578
3 Investing in People	**309,540**	**311,033**	**285,764**	**-25,269**
3.1 Health	236,950	228,998	220,229	-8,769
3.2 Education	66,231	72,935	59,615	-13,320
3.3 Social and Economic Services and Protection for Vulnerable Populations	6,359	9,100	5,920	-3,180
4 Economic Growth	**220,636**	**181,328**	**171,520**	**-9,808**
4.1 Macroeconomic Foundation for Growth	2,600	4,750	9,220	4,470
4.2 Trade and Investment	13,282	9,450	14,934	5,484
4.3 Financial Sector	3,757	938	5,985	5,047
4.4 Infrastructure	10,457	10,741	16,000	5,259
4.5 Agriculture	26,540	15,200	15,200	-
4.6 Private Sector Competitiveness	15,781	16,054	19,102	3,048
4.7 Economic Opportunity	3,100	1,700	3,250	1,550
4.8 Environment	145,119	122,495	87,829	-34,666
5 Humanitarian Assistance	**34,765**	**25,459**	**19,566**	**-5,893**
5.1 Protection, Assistance and Solutions	32,606	23,300	17,439	-5,861
5.2 Disaster Readiness	2,159	2,159	2,127	-32
of which: Objective 6	**58,172**	**45,455**	**40,595**	**-4,860**
6.1 Program Design and Learning	10,884	10,548	3,879	-6,669
6.2 Administration and Oversight	47,288	34,907	36,716	1,809

Peace and Security

The United States' foremost priorities in the EAP region are to protect vital national security interests and to promote regional stability and security. The strategic objectives are to defeat terrorist organizations, deter transnational crime, support peaceful resolution of internal conflicts, enhance maritime security, strengthen nonproliferation efforts, and support stabilization operations and security sector reform. Countries that receive the majority of support under this Objective include Indonesia, the Philippines, Thailand, Vietnam, Cambodia, and Laos. Funding is also devoted to region-wide programs in the EAP Regional budget. FY 2013 funds will support maritime security and counterterrorism efforts in the Philippines, build on successful counterterrorism and law enforcement programs in Indonesia, enhance maritime security cooperation, and develop countries' capacities to participate in peacekeeping operations.

Governing Justly and Democratically

The EAP region is home to several nations that have successfully transitioned to democracies, including Japan, South Korea, and Taiwan, and in more recent years, Mongolia, the Philippines, and Indonesia. The United States has a critical interest in helping the region institutionalize the democratic gains and continue on the path toward effective democratic governance, including human rights, rule of law, and vibrant civil societies. Good governance is linked to greater economic growth, a lynchpin of stability. In Indonesia and the Philippines, programs will focus on consolidating democracy and tackling persistent issues in corruption and institution-building, including building civil society, government ministries, legal

institutions, political parties, and local governments. In Burma, where the United States is closely monitoring nascent political reforms, grassroots programs supporting civil society, media, and microcredit institutions will continue to promote a democratic culture. The United States will promote an open, democratic Cambodia through support for civil society, rule of law, and transparent elections. Programs in Vietnam will help the government implement new policies to strengthen the rule of law and good governance. In Timor-Leste, programs will help reform the justice system and increase the capacity of civil society.

Investing in People

Infectious diseases and access to quality maternal, child health, and family planning services continue to pose serious regional challenges. Education remains weak, particularly higher education. All countries in the region are striving to meet Global Health Initiative (GHI) objectives, which seek to strengthen health systems by building capacity, improving metrics through monitoring and evaluation, and encouraging research and innovation. Indonesia is prone to disease and provides limited access to education, particularly among the poor. The United States will focus on health care, water and sanitation, and education reform. Programs in the Philippines and Cambodia will address health policy and system reform, community-level service delivery, and education. USAID/Vietnam will continue to implement a robust President's Emergency Plan for AIDS Relief HIV/AIDS program with the goal of increasing the sustainability of investments. USAID's regional health platform will focus on HIV/AIDS; tuberculosis (TB); Malaria; Avian Influenza in Thailand, Burma, China, and Laos; and efforts to prevent the production and distribution of counterfeit drugs. Additionally, USAID/Timor-Leste's health program will focus on increasing access to health services at the community level.

Economic Growth

In FY 2013, the United States will invest resources to consolidate economic reforms and competitiveness in countries that are emerging in the lower-middle income bracket, and help the poorest EAP nations reduce poverty. This includes addressing unemployment and underemployment in the region. Although Indonesia has experienced robust growth, 50 percent of its population still lives at or below the poverty line. Thus, U.S. assistance to Indonesia will encourage policies that increase competitiveness across a number of sectors and encourage labor-intensive economic activities. In the Philippines, the United States will address constraints to economic growth and investment, and increase opportunities in Mindanao. Programs in Vietnam will promote judicial reform and the implementation of World Trade Organization commitments. In Mongolia, programs will promote private sector competitiveness, financial sector growth, and mining industry reforms. In Cambodia and Timor-Leste, programs will promote agricultural production and enterprise development.

Several countries will implement Global Climate Change (GCC) programs in clean energy, sustainable landscapes, and adaptation, including Indonesia, the Philippines, Cambodia, Vietnam, and the Pacific Islands. To address the energy needs of growing populations while reducing GHG emissions, USAID will focus on assisting governments to set up policies and incentives for sustainable clean energy development. Notably, Indonesia and Cambodia still hold significant areas of forest. USAID will promote sound governance and the scaling-up of effective economic models in order to reduce emissions from deforestation. Given the large population living along coasts in countries such as Indonesia, the Philippines, and Vietnam, adaptation to climate change will focus on coastal communities. East Asia is also renowned for high levels of biodiversity. Therefore, USAID will continue efforts to protect species such as orangutans and tigers, reduce the illegal wildlife trade, and conserve critical marine and forest habitats.

Humanitarian Assistance

In FY 2013, the United States will continue providing life-saving humanitarian assistance to refugees and vulnerable populations. In Burma, humanitarian assistance will help Burmese refugees and internally displaced people along the Thai-Burma border, as well as train hospital workers and raise awareness of the dangers of land-mines in ethnic minority areas. In the Republic of the Marshall Islands and the Federated States of Micronesia, USAID will continue to implement disaster relief and reconstruction plans.

Burma

Foreign Assistance Program Overview

As Burma undergoes a fragile transition, moving from a repressive authoritarian military regime to a more participatory form of government, it enters this pivotal point in its history with extremely weak public institutions, an underdeveloped economy, and high levels of poverty. The U.S. Government's fundamental objective is to help the Burmese people firmly establish and consolidate a representative government that governs justly and democratically, respecting the rights of its diverse citizens. U.S. assistance programs aim to contribute to Burma's political transition by strengthening civil society, providing education and training to emerging leaders, and helping meet public health needs. The creation of a nominally civilian government and the entry of democratic opposition parties into national politics could lead to additional opportunities for engagement in governance and economic reform that ensure all Burmese people benefit from change.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**38,527**	**38,100**	**38,000**	**-100**
Economic Support Fund	36,427	35,100	27,200	-7,900
Global Health Programs - USAID	2,100	3,000	10,800	7,800

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Burma	**38,527**	**38,100**	**38,000**	**-100**
2 Governing Justly and Democratically	**9,500**	**8,500**	**7,455**	**-1,045**
Economic Support Fund	**9,500**	**8,500**	**7,455**	**-1,045**
2.4 Civil Society	9,500	8,500	7,455	-1,045
3 Investing in People	**5,400**	**6,300**	**13,106**	**6,806**
Economic Support Fund	**3,300**	**3,300**	**2,306**	**-994**
3.2 Education	3,300	3,300	2,306	-994
Global Health Programs - USAID	**2,100**	**3,000**	**10,800**	**7,800**
3.1 Health	2,100	3,000	10,800	7,800
5 Humanitarian Assistance	**23,627**	**23,300**	**17,439**	**-5,861**
Economic Support Fund	**23,627**	**23,300**	**17,439**	**-5,861**
5.1 Protection, Assistance and Solutions	23,627	23,300	17,439	-5,861

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Burma	**38,527**	**38,100**	**38,000**	**-100**
2 Governing Justly and Democratically	**9,500**	**8,500**	**7,455**	**-1,045**
2.4 Civil Society	9,500	8,500	7,455	-1,045
3 Investing in People	**5,400**	**6,300**	**13,106**	**6,806**
3.1 Health	2,100	3,000	10,800	7,800
3.2 Education	3,300	3,300	2,306	-994
5 Humanitarian Assistance	**23,627**	**23,300**	**17,439**	**-5,861**
5.1 Protection, Assistance and Solutions	23,627	23,300	17,439	-5,861
of which: Objective 6	**2,725**	**4,020**	**2,129**	**-1,891**
6.1 Program Design and Learning	145	110	125	15
6.2 Administration and Oversight	2,580	3,910	2,004	-1,906

Governing Justly and Democratically

Nearly 50 years of authoritarian rule in Burma have contributed to remarkably low scores on most socio-economic indicators. A durable transition to a democratic, representative government in Burma will require broad-based engagement by committed civic and political leaders who are able to guide and effect change. U.S. assistance programs promote democracy and human rights and strengthen grassroots capacities to allow Burma's population to contribute to, and sustain, political and economic change whenever and however it occurs. The goal is to create a network of future leaders that transcend regional, religious, and ethnic divides.

Economic Support Fund (ESF): U.S. assistance will advance civil society organizations to serve as foundations for a more democratic society and will establish community micro-credit institutions to promote local decision-making, increase community participation in the issues that affect their lives, and empower people to address household and community needs. The U.S. Agency for International Development (USAID) and the Department of State will continue to support training programs for independent journalists to provide accurate news and ensure the availability of diverse, balanced sources of information about events in Burma and the world. Funding will also be used to support an umbrella grant to an international non-governmental organization (INGO) capable of providing strategic and targeted technical assistance and funding to mid-sized local organizations. This grant will serve as an important mechanism to respond to civil society's evolving needs and opportunities.

Investing in People

While destruction, relocation, and abandonment of villages as a result of Burmese military campaigns in the border areas has decreased, the number of refugees, including internally displaced persons, and migrants remains near half a million. U.S. assistance will continue to provide the most vulnerable groups with essential commodities, health and social services, and other assistance required to meet basic human needs.

Global Health Programs (GHP): Assistance will support Global Health Initiative's (GHI) goals which include: strengthening health systems; leveraging key partnerships with private and multilateral organizations; improving monitoring and evaluation; and promoting research and innovation.

- Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR): U.S. assistance will build partnerships to provide integrated prevention, care, and treatment programs throughout the country.

- Tuberculosis (TB) and Malaria: Funds will help reduce infectious diseases of regional and global importance, such as TB and malaria.

- Maternal and Child Health (MCH): Funds will be used to increase access to safe delivery services, management and prevention of obstetric complications and promotion of newborn care and nutrition.

Economic Support Fund: USAID will support programs in basic and higher education, offering greater access to a wider variety of quality education opportunities to meet the needs of displaced Burmese in Thailand, including formal schooling and non-formal channels. Assistance will also focus on phased handover of activities to Burmese community-based organization (CBO) service providers to ensure sustainable provision of services, through technical assistance and training for teachers and school directors, training of trainers, and improved administration of the informal Burmese migrant education system. In eastern Burma, USAID promotes higher quality and more sustainable educational services through the development of quality curricula standardized across all ethnic groups.

- Basic Education: Programs will provide support for independent community-based schools that foster critical thinking, strengthen formal and informal independent teacher networks, strengthen parent-teacher organizations, encourage community participation in alternative educational institutions, and support quality basic education programs for IDPs, refugees, and migrants along the Thai-Burma border.

- Higher Education: Programs will provide distance learning and teacher training. Activities will include participatory learning, critical thinking, and respect for diversity through subject matter and training techniques.

Humanitarian Assistance

The Government of Burma's (GoB) underinvestment in social services such as healthcare and education, coupled with limited resources, demands that interventions are cost-effective and address the most vulnerable and poor communities in Central Burma. Livelihoods revolve around agricultural production, livestock raising, and casual labor and are largely insufficient to meet household demand for food and basic needs. Unsafe water conditions and lack of sewage disposal raise considerable humanitarian concerns.

Economic Support Fund: U.S. assistance will continue to raise living standards; decrease food insecurity; improve the health of vulnerable populations; decrease maternal, newborn and child mortality; and model transparency and community participatory processes.

USAID will continue humanitarian assistance in Central Burma through three coordinated interventions: maternal child health (MCH), livelihoods/food security, and water/sanitation/hygiene practices. Funds will also be used to strengthen community institutions through inclusive and participatory village decision making. The intent is to meet the pressing needs of a population debilitated by years of government abuse and neglect, while also creating opportunities for inclusive community participation, gender integration, and transparent, accountable decision-making.

USAID will also provide cost-effective humanitarian assistance along the Thailand-Burma border by building the technical, management, and leadership capacities of CBOs to deliver preventive and curative health, protection services, distribute food and cash transfers, and advocate for lasting positive change for displaced Burmese.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: While USAID's 2010 Burma Humanitarian Needs Assessment informed programming priorities for an expanded humanitarian program in Burma, the ongoing political transition may well require frequent adjustments due to the changing situation on the ground.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: USAID has used program monitoring and evaluation to fine-tune program activities to reflect changing priorities and needs, and to establish realistic targets for out-years. Future programming decisions must take into consideration the limitations in the ability to absorb financial assistance by CBOs in Burma. The Governing Justly and Democratically programs in FY 2011 incorporated lessons learned, such as improving the selection criteria of civil society leaders for training and changing the curriculum for distance education in order to better address the content needs of the students.

USAID used technical analyses and the findings of the "Burma Humanitarian Needs Assessment" to develop a phased strategy for effective, cost-efficient interventions that are feasible and can stop the decline of the most vulnerable and poor in these communities. The current expanded humanitarian assistance program supports the three key sectors as recommended in the assessment: maternal child health; livelihoods; and water/sanitation/hygiene (WASH).

Relating Past Performance to FY 2013 Plans: Portfolio and performance reviews determined that assistance programs that support the nascent civil society groups build a vital platform for future change in Burma. Because civil society groups, provide services the GoB neglects, they are well-positioned to advocate for the needs and rights of Burma's most marginalized populations. Even as the U.S. Government strives for near-term political change, it must be recognized that Burma's transition to democracy may be gradual and challenging in light of the complex political environment.

FY 2011 performance informed the program design and award of a new cooperative agreement to implement activities at the Thailand-Burma border as well as longer-term targets to carry out humanitarian assistance that addresses both the needs of beneficiaries in a protracted situation as well as those affected by sudden onset of increased conflict and displacement.

Cambodia

Foreign Assistance Program Overview

After decades of conflict, Cambodia is at peace, with strong economic growth that has lifted many Cambodians out of poverty. Approximately half the population is under age 24, presenting tremendous potential as well as challenges. Fundamental improvements in health care, education, food security, economic growth, natural resources management, and governance are still needed to secure the country's democratic transition and to provide a better future for the Cambodian people.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**75,408**	**76,050**	**73,526**	**-2,524**
Development Assistance	24,000	28,350	27,566	-784
Economic Support Fund	12,000	7,000	5,000	-2,000
Foreign Military Financing	748	800	1,000	200
Global Health Programs - State	3,000	3,000	3,000	-
Global Health Programs - USAID	32,460	32,500	34,000	1,500
International Military Education and Training	260	260	260	-
Nonproliferation, Antiterrorism, Demining and Related Programs	2,940	4,140	2,700	-1,440

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Cambodia	**75,408**	**76,050**	**73,526**	**-2,524**
1 Peace and Security	**5,298**	**6,550**	**5,310**	**-1,240**
Development Assistance	**1,350**	**1,350**	**1,350**	**-**
1.5 Transnational Crime	1,350	1,350	1,350	-
Foreign Military Financing	**748**	**800**	**1,000**	**200**
1.3 Stabilization Operations and Security Sector Reform	748	800	1,000	200
International Military Education and Training	**260**	**260**	**260**	**-**
1.3 Stabilization Operations and Security Sector Reform	260	260	260	-
Nonproliferation, Antiterrorism, Demining and Related Programs	**2,940**	**4,140**	**2,700**	**-1,440**
1.2 Combating Weapons of Mass Destruction (WMD)	-	200	200	-
1.3 Stabilization Operations and Security Sector Reform	2,940	3,940	2,500	-1,440
2 Governing Justly and Democratically	**12,594**	**12,500**	**14,716**	**2,216**
Development Assistance	**594**	**5,500**	**9,716**	**4,216**
2.1 Rule of Law and Human Rights	185	-	1,000	1,000

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
2.2 Good Governance	114	-	2,566	2,566
2.3 Political Competition and Consensus-Building	70	4,000	250	-3,750
2.4 Civil Society	225	1,500	5,900	4,400
Economic Support Fund	**12,000**	**7,000**	**5,000**	**-2,000**
2.1 Rule of Law and Human Rights	6,765	6,000	5,000	-1,000
2.2 Good Governance	530	-	-	-
2.3 Political Competition and Consensus-Building	2,880	-	-	-
2.4 Civil Society	1,825	1,000	-	-1,000
3 Investing in People	**37,016**	**38,500**	**37,000**	**-1,500**
Development Assistance	**1,556**	**3,000**	**-**	**-3,000**
3.2 Education	1,556	3,000	-	-3,000
Global Health Programs - State	**3,000**	**3,000**	**3,000**	**-**
3.1 Health	3,000	3,000	3,000	-
Global Health Programs - USAID	**32,460**	**32,500**	**34,000**	**1,500**
3.1 Health	32,460	32,500	34,000	1,500
4 Economic Growth	**20,500**	**18,500**	**16,500**	**-2,000**
Development Assistance	**20,500**	**18,500**	**16,500**	**-2,000**
4.5 Agriculture	10,000	8,000	8,000	-
4.6 Private Sector Competitiveness	500	-	-	-
4.7 Economic Opportunity	500	-	-	-
4.8 Environment	9,500	10,500	8,500	-2,000

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Cambodia	**75,408**	**76,050**	**73,526**	**-2,524**
1 Peace and Security	**5,298**	**6,550**	**5,310**	**-1,240**
1.2 Combating Weapons of Mass Destruction (WMD)	-	200	200	-
1.3 Stabilization Operations and Security Sector Reform	3,948	5,000	3,760	-1,240
1.5 Transnational Crime	1,350	1,350	1,350	-
2 Governing Justly and Democratically	**12,594**	**12,500**	**14,716**	**2,216**
2.1 Rule of Law and Human Rights	6,950	6,000	6,000	-
2.2 Good Governance	644	-	2,566	2,566
2.3 Political Competition and Consensus-Building	2,950	4,000	250	-3,750
2.4 Civil Society	2,050	2,500	5,900	3,400
3 Investing in People	**37,016**	**38,500**	**37,000**	**-1,500**
3.1 Health	35,460	35,500	37,000	1,500

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
3.2 Education	1,556	3,000	-	-3,000
4 Economic Growth	**20,500**	**18,500**	**16,500**	**-2,000**
4.5 Agriculture	10,000	8,000	8,000	-
4.6 Private Sector Competitiveness	500	-	-	-
4.7 Economic Opportunity	500	-	-	-
4.8 Environment	9,500	10,500	8,500	-2,000
of which: Objective 6	**3,198**	**2,910**	**5,422**	**2,512**
6.1 Program Design and Learning	931	811	1,864	1,053
6.2 Administration and Oversight	2,267	2,099	3,558	1,459

Peace and Security

Cambodia faces many challenges in securing its maritime and land borders, ensuring territorial integrity, and maintaining internal stability. Porous borders facilitate transnational crime, including trafficking in persons (TIP). The reform and professionalization of the security forces are critical to improving governance, reducing corruption, and deterring national and transnational security threats. Cambodia remains one of the most heavily mined countries in the world, with a high concentration of unexploded ordnance that continues to inflict civilian casualties and make otherwise economically viable areas inaccessible.

Development Assistance (DA): U.S. Agency for International Development (USAID) assistance will strengthen TIP prosecutions by encouraging victim testimonies, help ensure trafficking victims' rights are protected during rescue and rehabilitation, and train judges and law enforcement officials in the implementation of anti-trafficking laws. U.S. assistance will also continue to support anti-human trafficking activities with the Cambodian Government's Anti-Human Trafficking Committee and local civil society organizations in the areas of policy, prevention, protection, and prosecution. Assistance will include one or more direct grants to local civil society organizations.

Foreign Military Financing (FMF): The Department of State will support bilateral cooperation on defense reform, professionalization of forces, border and maritime security, civil military operations, and counterterrorism. Assistance will include support for a U.S. advisor to the Cambodian National Defense University's English-language program, as well as English-language training materials. The United States will improve the Royal Cambodian Navy operational processes and technical capacity and support the counter-terrorism and explosive ordnance disposal equipment for the National Counterterrorism Special Force. Funding will also improve the Royal Cambodian Air Force (RCAF) civil affairs training and ability to participate in humanitarian assistance and disaster relief activities.

International Military Education and Training (IMET): The Department of State will primarily fund RCAF participation in senior- and mid-level Professional Military Education (PME) courses directly supporting U.S. initiatives in maritime security, logistics, peacekeeping operations, counterterrorism, and civil-military operations.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): The Department of State will continue to address the threat posed by landmines and other explosive remnants of war (ERW), including work with women deminers. U.S. assistance will support the clearance of ERW with an overall goal of returning over five million square meters of demined land to productive use. NADR will work to

strengthen Cambodia's strategic trade control system, including appropriate regulatory, licensing, enforcement, and outreach measures.

Governing Justly and Democratically

Fundamental improvements in democracy and governance are critical to building a better future for the Cambodian people. U.S. assistance goals in this area include maintaining political space open for civil society groups advocating for policy reform, building youth leadership capacity, and promoting a democratic political culture of government accountability.

Development Assistance (DA): USAID programs will focus on increasing the Cambodian public's demand for democratic governance by supporting non-government organizations (NGOs) and media outlets in their efforts to promote democratic political processes, human rights, and accountability. U.S. assistance will support NGOs' development of issues-based campaigns, alliances and coalitions, and use of media to promote their views and mobilize citizens. This involves strengthening policy advocacy and organizational capacities of local civil society organizations.

U.S. assistance will promote accountability of elected officials and transparency on policy implementation by fostering dialogue between citizens and elected officials on community development and economic livelihood issues. U.S. assistance will support public opinion research and seek to improve the ability of civil society, government officials, and political parties to analyze and use public opinion data to formulate effective policies. Support for civic education of youth through democracy seminars and democracy festivals will aim to increase their knowledge of democratic principles and participation in policy development.

Economic Support Funds (ESF): The Department of State will provide funding to the Extraordinary Chambers in the Courts of Cambodia to bring to justice Khmer Rouge leaders and those most responsible for crimes during the Khmer Rouge era. U.S. assistance will support the trial of the four most senior surviving Khmer Rouge leaders, the successful conduct of which will be crucial to the legacy of the tribunal, and will support other tribunal initiatives such as victims support and public outreach and education.

Investing in People

Cambodia's public health system remains weak and highly fragmented and continues to be dependent on donor financing and coordination. Weak human capacity and leadership hampers service delivery. An inadequately trained workforce and lack of professional staff leave rural areas with few competent medical staff. Relationships and responsibilities between the public sector and a burgeoning but unregulated private sector are non-complementary and ill-defined. Considerable donor financing and a high level of commitment from the Ministry of Health, however, have resulted in significant achievements. The 2010 Cambodia Demographic and Health Survey confirmed that Cambodia has achieved its 2015 Millennium Development Goal targets for infant, under-five, and maternal mortality. Nevertheless, the country continues to lack an effective and efficient health system structure and suffers from an overall poor level of health. Cambodia is not yet on par with other countries in the region with similar levels of socio-economic development. Additional efforts are needed to sustain current momentum and to intensify the focus on neglected health indicators such as newborn health and nutritional status of women and children, which remain unacceptably high.

Global Health Programs (GHP): Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership. U.S. assistance will aim to improve national policy and health delivery systems, health-worker capacity, and adoption of healthy practices, in

addition to consolidating health-financing schemes, improving the quality of clinical services, and providing basic primary health care, including maternal and child care and family planning. USAID will work in the prevention and care of infectious diseases, such as HIV/AIDS, tuberculosis, and influenza-like illnesses, and will expand health interventions that generate significant reductions in mortality, especially for women, newborns, and children. U.S. health programs are closely linked with programs in other sectors, specifically the Feed the Future (FTF) Initiative. Cross-cutting, integrated programming will reduce malnutrition and address Cambodia's persistently poor nutrition indicators and strengthen civil society organizations' role and capacity to promote better nutrition. U.S. assistance will be consistent with the Royal Government of Cambodia's goals and mandate for health. Explicit interagency partnership among USAID, the U.S. Centers for Disease Control (CDC), the Department of Defense, and the U.S. Peace Corps is expected. The specific focus of U.S. health programs will include:

- Linkages with the U.S. President's Emergency Plan for HIV/AIDS Relief (PEPFAR): Cambodia will receive significant support to build partnerships to provide integrated prevention, care, and treatment programs throughout the country and support orphans and vulnerable children. U.S. assistance will focus on technical innovation and capacity building to improve the quality and delivery of integrated HIV prevention, care, support, and treatment services in clinical and community settings. Specifically, USAID and CDC will work to: 1) improve systems that provide information to guide Cambodia's national response to HIV/AIDS; 2) refine the focus of prevention interventions to address changing needs; 3) enhance the quality and cost-effectiveness of care and treatment programming; and 4) strengthen HIV-related health service delivery systems. Activities supported by USAID and CDC will help the Cambodian government and local civil-society partners better respond to the HIV epidemic and assist people living with HIV/AIDS and other program beneficiaries, as well as to become more inclusive in setting priorities and managing activities. USAID will explore using fixed obligation grants to directly fund local non-governmental organizations that have access to and expertise in working with very high-risk populations vulnerable to HIV. In support of USAID Forward, a new HIV evaluation project will conduct operations research to evaluate new models both in terms of their cost effectiveness as well as their impact on improving HIV testing, prevention and treatment.

- Tuberculosis (TB): Cambodia is one of the world's 22 high-burden countries for TB. USAID will increase access to quality TB diagnosis and care services by providing technical assistance to the National TB Program; expanding TB screening and treatment, particularly through the private sector and at the community level; and providing TB patients with increased access to HIV/AIDS counseling, testing, and treatment services. These programs will use strong community-level partnerships to increase detection and treatment rates among rural populations, focusing especially on children and other high-risk groups. Because TB is a major cause of mortality among people living with HIV in Cambodia, USAID and CDC will also strengthen TB diagnosis, prevention, and treatment among people at risk or living with HIV.

- Maternal and Child Health: USAID, in collaboration with other donors, will seek to reduce maternal and child mortality rates by strengthening Cambodia's health delivery system. Specifically, U.S. assistance will improve quality of care through training and better supervision of health providers. Funding will also help increase access to care through insurance plans and emergency referral systems. Specifically, programs will aim to foster demand for quality health services through community mobilization, education, and subsidized social marketing campaigns aimed at increasing awareness of health modalities such as Zinc/Oral Rehydration Therapy. USAID will work with both elected leaders and health care officials to increase community resources for health and accountability at the local level for quality service delivery. Small grants to local civil society partners will build sustainable Cambodian organizations that are able to provide quality maternal and child health care. In support of the GHI, USAID will identify opportunities within PEPFAR and

other health programs to better integrate health services for pregnant women and infants to reduce maternal and newborn mortality.

- Family Planning and Reproductive Health: USAID will improve training for health-care providers and expand access to high-quality reproductive health care and voluntary family-planning services, commodities, and information. These interventions will enhance the ability of couples to decide the number and spacing of births, including timing of first birth. These practices will also help reduce abortions as well as maternal and child mortality and morbidity. U.S. assistance will train village health volunteers to provide family planning counseling and awareness at the community level and make appropriate referrals to health services. In support of the GHI, USAID will increase coordination with other U.S. government agencies and continue to integrate reproductive health and family planning with HIV/AIDS programs to improve the sustainability of Cambodia's broader health delivery system and address maternal mortality and other health priorities including HIV prevention and treatment.

- Nutrition: USAID will strengthen its nutrition interventions to promote comprehensive nutrition practices in communities as well as at public-sector health facilities. The program will work closely with the Royal Government of Cambodia and other stakeholders to promote effective growth monitoring and support the Ministry of Health's efforts to improve complementary feeding practices, maintain continued breastfeeding until two years of age, and combat anemia among women and children through improved feeding practices and access to and consumption of better foods. USAID will employ a robust and structured policy agenda to advocate for improved nutrition policies, while assisting the Cambodian government to implement existing policies. Additionally, this assistance will strengthen Cambodia's public-sector institutional capacity in nutrition to produce competent food and nutrition experts, in support of the USAID Forward principles, to strengthen host-country systems.

Economic Growth

Cambodia is a predominantly rural country with more than 70 percent of the population reliant on agriculture, fisheries, and forest products for their livelihoods. While food availability and some health indicators have improved over the last decade, the 2011 Global Hunger Index notes Cambodia now faces "serious" levels of malnutrition and hunger. This categorization is an improvement over Cambodia's "alarming" status in 2010 and "extremely alarming" status in the 1990s and illustrates Cambodia's progress. Cambodia's predominantly rural farming, fisheries, and forest communities depend on the country's critical watersheds as well as its rich aquatic and terrestrial biodiversity. These natural resources, however, are increasingly under threat from forest loss and degradation, illegal logging, economic land concessions, overfishing, and climate change. Reducing rural poverty and malnutrition in Cambodia depends on maintaining natural resources, improving and diversifying food production, and generating income opportunities for rural populations.

Cambodia has a unique geography with rich biodiversity and is home to the largest lowland dry evergreen forest in mainland Southeast Asia, making certain forest landscapes ideal for sequestering high levels of forest carbon. The World Conservation Monitoring Center estimates 2.96 gigatons of carbon are stored in Cambodia's forest ecosystems. In addition to this high carbon-sequestration potential, Cambodia's diverse array of forest types includes many areas of regional and global biological significance. Further, adapting to and engaging in appropriate and equitable mitigation of climate change is critical to ensuring poverty rates do not worsen.

In support of USAID Forward, USAID will continue to support local Cambodian organizations' development through a grant mechanism to strengthen their technical knowledge as well as build their administrative and financial capabilities, and may undertake efforts to advance the potential of mobile

banking. Additional efforts include supporting on-going research by Public International Organizations and a pooled funding arrangement with bilateral and multilateral organizations to strengthen the Cambodian government's ability to measure progress and present an updated picture of the structure of agricultural activities from an economic, social, and environmental point of view.

Development Assistance (DA): As part of the President's Global Hunger and Food Security Initiative, Feed the Future, USAID will support the efforts of the Government of Cambodia to refine and implement a country-led, comprehensive food security strategy that reduces hunger and increases economic growth through market-led agricultural development. USAID will work with the public and private sectors to strengthen food security by increasing agricultural productivity, increasing the incomes of the rural poor, preparing the country to adapt and respond to climate change, and reducing the number of Cambodians suffering from malnutrition, especially women and children. Key actors include Cambodian national and local governments, farmers and farmer organizations, community-based fisheries, agribusiness, civil society, and local universities.

To increase availability of food, U.S. assistance will help Cambodian agribusinesses improve agricultural productivity, food safety, and market access, and decrease post-harvest losses by food-vulnerable populations. Additionally, assistance will help increase the availability of improved and more affordable seeds, fertilizers, value-added processing, agricultural technologies and practices, and plant protection products and services. Activities for this will continue to raise and diversify the incomes of the rural poor through support for micro-, small- and medium-sized enterprises (MSME) in various sectors related to food security and environment, such as rice, aquaculture, fisheries, horticulture, and non-timber forest products. USAID will continue to assist individuals and MSMEs to access loans guaranteed by the Development Credit Authority.

As part of the President's Global Climate Change Initiative, USAID will continue biodiversity conservation and climate change activities that encourage government and local communities to adopt practices to mitigate and adapt to climate change. Activities will support sustainable forest management, forest carbon sequestration (including establishing systems for Reducing Emissions from Deforestation and Forest Degradation (REDD+) investments and the rational and equitable management of natural resources. Services such as biodiversity conservation, watershed protection for flood control, and erosion prevention will continue building on successes achieved to date. Activities will support a lower emissions development pathway for Cambodia.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Notable monitoring and evaluation efforts during FY 2011 in Cambodia include the following:

- USAID conducted four limited financial reviews of implementing partners and plans two more for FY 2012, in addition to continuing to follow up on the six reviews conducted in FY 2010. Internal control systems have been strengthened as a result, and lessons learned shared with all implementing partners.

- The Department of Defense conducted on-site monitoring of military training programs, followed by continuous evaluation of participants' application of skills acquired.

- The Department of State monitored de-mining programs and tracked the work of the Cambodian government and other donors in this sector.

- The completion of the Cambodian Demographic Health Survey in FY 2011 provided valuable data on progress in health care, including confirmation of improvements in maternal and child health and a reduction in HIV adult prevalence. At the same time, this survey showed weakness in the areas of nutrition and anemia, especially among children and women. This is a key conclusion that will influence current strategy design processes.

- Several USAID mid-term and final evaluations helped focus programs, especially in the areas of counter-trafficking and governing justly and democratically.

- USAID evaluated maternal and child health implementing mechanisms at mid-term as a package of programs and similarly evaluated HIV/AIDS implementing mechanisms. This process illustrated the synergy that exists among USAID programs and implementing partners and provided key information on maternal/child health and HIV/AIDS challenges needed for preparation of the 2012-2016 Country Development Cooperation Strategy (CDCS), as well as information for future program approaches.

An assessment of new media, such as Internet social media sites and cell phone texting, will be conducted in FY 2012 in an effort to find ways to increase utilization of new technologies. For example, a Khmer-language font for cell phones has been developed, facilitating potential text message distribution. The assessment will seek to identify projects that could use new media to reach rural populations, potentially improving everything from business to health care, and help civil society function more effectively.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The Mission is currently preparing a CDCS using assessments and evaluations conducted in FY 2011 and prior years to inform strategic direction over the next five years. In addition to information from the above evaluation efforts, the Mission was able to draw important conclusions and take targeted actions based on evaluation efforts noted below:

- A global climate-change assessment – Sustainable Landscapes Assessment: Investment Opportunities in Sustainable Forest Management and REDD+ in Cambodia – provided information for program budgeting and design. In addition, the assessment identified a future gap in the sector as one leading development partner in this area is leaving Cambodia.

- The counter trafficking-in-persons evaluation shaped the design of a new anti-trafficking program.

The mid-term evaluation of a rule of law program led to a refocusing of program efforts in productive areas.

Relating Past Performance to FY 2013 Plans: Monitoring and evaluation activities are informing the future focus of U.S. programs to strengthen civil society since past performance was extremely strong. Health systems strengthening and nutrition programs will receive greater attention as a result of assessments and evaluations completed in FY 2011. Project successes in the innovative use of cell phone text messaging to facilitate communication around diagnosis, case management, and referrals between local, provincial, and national health facilities will be explored further to determine other applications and benefits.

China

Foreign Assistance Program Overview

As China continues its remarkable economic growth, the United States is engaging China primarily as a development partner with the resources to invest in its own future, not as an aid recipient. In pursuit of a long-term strategy vis-à-vis China to protect and promote U.S. national interests and values, the United States Government has targeted programs that promote the rule of law and strengthen the judiciary, address health issues, particularly the spread of pandemic and other emerging diseases, and address the degradation of the environment. U.S. assistance also promotes sustainable development and environmental conservation, and preserves cultural traditions in Tibetan communities.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**17,800**	**14,300**	**7,300**	**-7,000**
Development Assistance	7,000	-	-	-
Economic Support Fund	5,000	10,500	4,500	-6,000
Global Health Programs - State	5,000	3,000	2,000	-1,000
International Narcotics Control and Law Enforcement	800	800	800	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
China	**17,800**	**14,300**	**7,300**	**-7,000**
2 Governing Justly and Democratically	**3,850**	**3,800**	**800**	**-3,000**
Development Assistance	**3,050**	**-**	**-**	**-**
2.1 Rule of Law and Human Rights	3,050	-	-	-
Economic Support Fund	**-**	**3,000**	**-**	**-3,000**
2.1 Rule of Law and Human Rights	-	3,000	-	-3,000
International Narcotics Control and Law Enforcement	**800**	**800**	**800**	**-**
2.1 Rule of Law and Human Rights	800	800	800	-
3 Investing in People	**7,550**	**7,300**	**4,700**	**-2,600**
Economic Support Fund	**2,550**	**4,300**	**2,700**	**-1,600**
3.2 Education	200	200	180	-20
3.3 Social and Economic Services and Protection for Vulnerable Populations	2,350	4,100	2,520	-1,580
Global Health Programs - State	**5,000**	**3,000**	**2,000**	**-1,000**
3.1 Health	5,000	3,000	2,000	-1,000
4 Economic Growth	**6,400**	**3,200**	**1,800**	**-1,400**
Development Assistance	**3,950**	**-**	**-**	**-**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.8 Environment	3,950	-	-	-
Economic Support Fund	**2,450**	**3,200**	**1,800**	**-1,400**
4.6 Private Sector Competitiveness	950	1,200	450	-750
4.7 Economic Opportunity	600	700	450	-250
4.8 Environment	900	1,300	900	-400

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
China	**17,800**	**14,300**	**7,300**	**-7,000**
2 Governing Justly and Democratically	**3,850**	**3,800**	**800**	**-3,000**
2.1 Rule of Law and Human Rights	3,850	3,800	800	-3,000
3 Investing in People	**7,550**	**7,300**	**4,700**	**-2,600**
3.1 Health	5,000	3,000	2,000	-1,000
3.2 Education	200	200	180	-20
3.3 Social and Economic Services and Protection for Vulnerable Populations	2,350	4,100	2,520	-1,580
4 Economic Growth	**6,400**	**3,200**	**1,800**	**-1,400**
4.6 Private Sector Competitiveness	950	1,200	450	-750
4.7 Economic Opportunity	600	700	450	-250
4.8 Environment	4,850	1,300	900	-400
of which: Objective 6	**1,122**	**500**	**300**	**-200**
6.1 Program Design and Learning	265	20	-	-20
6.2 Administration and Oversight	857	480	300	-180

Governing Justly and Democratically

U.S. assistance provides academic, legal, and civic institutions support to strengthen the rule of law and economic governance, increase public involvement in government decision-making, and foster the development of civil society.

International Narcotics Control and Law Enforcement (INCLE): Since 2002, the Department of State has supported a Resident Legal Advisor (RLA) at the U.S. Embassy in China to provide expertise on criminal law and procedure to Chinese government officials, jurists, academics to promote long-term criminal justice reform in China consistent with international standards of human rights. The RLA works to foster and promote development in Chinese criminal procedure law and reform, with an emphasis on detention issues, including non-judicial detention by the public security services, search and seizure issues, coerced confessions, rights of defense lawyers, evidence at trial, and judicial independence. The RLA also works to foster U.S.-Chinese law enforcement cooperation, with an emphasis on narcotics enforcement, corruption, money laundering, counter-terrorism, computer crime and intellectual property rights enforcement. Most of the RLA's activities are conducted by the RLA alone or in cooperation with non-governmental organizations (NGOs). The RLA also engages various Chinese audiences, including courts and bar associations, on plea bargaining practices, presentation of evidence, and other prosecutorial techniques.

The Chinese have taken action to implement some reforms, mainly directed at improving review of capital convictions, pre-trial detention, rights of defense lawyers, and certain interrogation practices.

Investing in People

The HIV/AIDS program in China leverages USG inputs to foster nationwide scaling up of effective interventions by the Chinese government and other donor agencies with their own resources.
U.S. assistance for ethnic Tibetan communities in China aims to build sustainable livelihoods for ethnic Tibetans, alleviating poverty, and increasing local involvement in the preservation of Tibetan tradition and culture.

Global Health Program (GHP): U.S. assistance supports the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership. The Department of State HIV/AIDS program is part of a regional effort to increase capacity for effective responses to infectious diseases. The U.S. Mission, which includes the Department of State, the Centers for Disease Control, and the U.S. Agency for International Development (USAID), continues to support the Chinese government in implementing HIV/AIDS prevention, care, and treatment programs. While China provides over 80 percent of the funding for its national HIV/AIDS program, U.S. government technical assistance builds capacity in key technical areas in select high-prevalence areas for Chinese replication both in-country and throughout the region as a whole.

HIV/AIDS: Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR) — GHP State: China will receive support to build partnerships to provide integrated prevention, care, and treatment programs throughout the country and to support orphans and vulnerable children.

Economic Support Fund (ESF): U.S. assistance will preserve Tibetan cultural traditions, and promote sustainable development and environmental conservation in Tibetan communities in rural and urban areas.

Higher Education: USAID will increase the number of professional, qualified business leaders in the Tibetan communities by providing scholarships and internships to professionals and entrepreneurs to attend management training and Master's Degree programs in Business Administration, and developing curriculum and educational materials.

Social Services and Protection for Vulnerable Populations: USAID will fund innovative programs that address the social and economic needs of ethnic Tibetans, and strengthen Tibetan rangeland and agricultural production systems through income-generating activities and market-based mechanisms. Resources will also be used to establish and improve vocational training, promote the use of Tibetan language and local alliances, establish community libraries and cultural centers, restore cultural sites, preserve local arts, texts and music, and develop community-based eco-tourism.

Economic Growth

U.S. assistance for ethnic Tibetan communities in China aims to provide alternative rural employment and facilitate the formation of small businesses and microenterprises. Given the increasing environmental threats to the Tibetan plateau, U.S. assistance helps Tibetans manage natural resources in more sustainable ways to reduce vulnerability to the adverse affects of climate change.

Economic Support Fund: U.S. assistance will provide alternative rural employment and facilitate the formation of small businesses and micro-enterprises, including formation of herder cooperatives, as well as access to markets and information on prospective customers. U.S. assistance will also increase workforce readiness and expand opportunities for ethnic Tibetans to gain employment and receive higher incomes through job skills training, support for small business associations and establishment of business development centers. U.S. assistance will support participatory environmental conservation through

awareness campaigns, research and assessment, management plans for wetland conservation, rangeland co-management and grassland rehabilitation, climate change adaptation assessment, and pilot projects on climate change adaptation.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Several monitoring and evaluation efforts were undertaken during FY 2011 in China:

- A combined mid-term evaluation was completed for USAID's three bilateral environmental programs in China. Evaluation recommendations were communicated to partners and addressed in program modifications, work plan development, and program implementation. In particular, one of the recommendations calls for increased emphasis on sustainability, scalability, and replication of successful pilots. Subsequently, all programs have been developing plans for ensuring future sustainability.

- A formal program review was conducted for the China Rule of Law program, which included site visits and interviews with stakeholders. In addition, informal interviews were conducted by U.S. government personnel. The evaluation results will inform future efforts.

In FY 2012, a planned mid-term evaluation of the Tibet program will measure impact and inform future resource allocation decisions. In addition, a final performance evaluation of an environmental project focusing on sustainable buildings will be completed by the end of the fiscal year.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Based on the evaluation efforts noted above, the following actions were taken:

- As a result of the China Rule of Law programs review, resources will be shifted to projects that are more successful in achieving results and to working with local counterparts.

- In the environment sector, existing programs are in the process of shifting resources to expand programmatic impact and replication, ensure program sustainability beyond program completion dates, produce case studies and success stories, and promote gender issues.

Relating Past Performance to FY 2013 Plans: Portfolio and performance reviews determined that the active participation of local communities and organizations is integral to the success of the Tibet program. Community-based participatory methodologies help communities adapt their traditional systems to meet their needs in a rapidly changing world. Program reviews also indicated that the Tibet program has strengthened the networks of local NGOs, civil society organizations, and local government counterparts In FY 2013, U.S. government programs will continue to support the preservation of the Tibetan language and culture, promote economic opportunity and prosperity in Tibetan communities, and support natural resource protection of the Tibetan Plateau through a series of community-based natural resource management programs targeting both the household and village levels.

HIV/AIDS program reviews determined that the U.S. government contributed to improving the Comprehensive Prevention Package and facilitated the Continuum of Prevention, Care, and Treatment (COPCT) for people living with HIV. As a result, in FY 2011 the U.S. government expanded COPCT support to an additional site in Luzhai, Guangxi, and leveraged Government of China resources to replicate the model in other projects. As the result of performance evaluations and budgetary shifts, the HIV/AIDs program made several programmatic modifications in FY 2011 that led to increased focus on behavior change, education, and outreach services.

Indonesia

Foreign Assistance Program Overview

Indonesia is a stable, democratic nation committed to a comprehensive partnership with the United States. As Indonesia takes on greater international and regional leadership, it faces persistent domestic development challenges; uneven benefits from democratic and economic progress; fragile institutions that are unable to address people's needs; and risks from climate change and environmental degradation. The U.S.-Indonesia Comprehensive Partnership, recently re-affirmed by both countries' presidents, recognizes Indonesia's leadership role throughout the region and the importance it plays in issues of global significance. The Partnership focuses on a forward-looking agenda that promotes cooperation across a wide range of key development areas: strengthening education and professional ties, improving governance, building public support for shared values, improving trade and investment, advancing security, partnering on international issues, cooperating on health, and supporting environmental sustainability.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**205,727**	**180,000**	**180,276**	**276**
Development Assistance	123,995	105,000	112,000	7,000
Foreign Military Financing	19,960	14,000	14,000	-
Global Health Programs - State	5,250	3,250	250	-3,000
Global Health Programs - USAID	37,191	37,750	36,750	-1,000
International Military Education and Training	1,811	1,800	1,610	-190
International Narcotics Control and Law Enforcement	10,520	11,550	10,066	-1,484
Nonproliferation, Antiterrorism, Demining and Related Programs	7,000	6,650	5,600	-1,050

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Indonesia	**205,727**	**180,000**	**180,276**	**276**
1 Peace and Security	**36,891**	**31,505**	**29,026**	**-2,479**
Foreign Military Financing	**19,960**	**14,000**	**14,000**	**-**
1.3 Stabilization Operations and Security Sector Reform	19,960	14,000	14,000	-
International Military Education and Training	**1,811**	**1,800**	**1,610**	**-190**
1.3 Stabilization Operations and Security Sector Reform	1,811	1,800	1,610	-190
International Narcotics Control and Law Enforcement	**8,120**	**9,055**	**7,816**	**-1,239**
1.3 Stabilization Operations and Security Sector Reform	7,645	8,565	7,366	-1,199
1.4 Counter-Narcotics	475	490	450	-40
Nonproliferation, Antiterrorism, Demining and Related Programs	**7,000**	**6,650**	**5,600**	**-1,050**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.1 Counter-Terrorism	6,000	5,900	4,600	-1,300
1.2 Combating Weapons of Mass Destruction (WMD)	1,000	750	1,000	250
2 Governing Justly and Democratically	**25,438**	**22,617**	**32,951**	**10,334**
Development Assistance	**23,038**	**20,122**	**30,701**	**10,579**
2.1 Rule of Law and Human Rights	3,979	2,408	4,375	1,967
2.2 Good Governance	11,633	5,275	11,810	6,535
2.3 Political Competition and Consensus-Building	879	3,269	6,623	3,354
2.4 Civil Society	6,547	9,170	7,893	-1,277
International Narcotics Control and Law Enforcement	**2,400**	**2,495**	**2,250**	**-245**
2.1 Rule of Law and Human Rights	2,400	2,495	2,250	-245
3 Investing in People	**93,774**	**92,833**	**83,816**	**-9,017**
Development Assistance	**51,333**	**51,833**	**46,816**	**-5,017**
3.1 Health	6,333	6,333	6,333	-
3.2 Education	45,000	45,500	40,483	-5,017
Global Health Programs - State	**5,250**	**3,250**	**250**	**-3,000**
3.1 Health	5,250	3,250	250	-3,000
Global Health Programs - USAID	**37,191**	**37,750**	**36,750**	**-1,000**
3.1 Health	37,191	37,750	36,750	-1,000
4 Economic Growth	**49,624**	**33,045**	**34,483**	**1,438**
Development Assistance	**49,624**	**33,045**	**34,483**	**1,438**
4.1 Macroeconomic Foundation for Growth	1,000	-	1,000	1,000
4.2 Trade and Investment	2,786	-	4,092	4,092
4.3 Financial Sector	1,949	938	4,130	3,192
4.5 Agriculture	7,395	3,000	3,000	-
4.6 Private Sector Competitiveness	2,494	607	-	-607
4.7 Economic Opportunity	-	1,000	-	-1,000
4.8 Environment	34,000	27,500	22,261	-5,239

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Indonesia	**205,727**	**180,000**	**180,276**	**276**
1 Peace and Security	**36,891**	**31,505**	**29,026**	**-2,479**
1.1 Counter-Terrorism	6,000	5,900	4,600	-1,300
1.2 Combating Weapons of Mass Destruction (WMD)	1,000	750	1,000	250
1.3 Stabilization Operations and Security Sector Reform	29,416	24,365	22,976	-1,389
1.4 Counter-Narcotics	475	490	450	-40

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
2 Governing Justly and Democratically	**25,438**	**22,617**	**32,951**	**10,334**
2.1 Rule of Law and Human Rights	6,379	4,903	6,625	1,722
2.2 Good Governance	11,633	5,275	11,810	6,535
2.3 Political Competition and Consensus-Building	879	3,269	6,623	3,354
2.4 Civil Society	6,547	9,170	7,893	-1,277
3 Investing in People	**93,774**	**92,833**	**83,816**	**-9,017**
3.1 Health	48,774	47,333	43,333	-4,000
3.2 Education	45,000	45,500	40,483	-5,017
4 Economic Growth	**49,624**	**33,045**	**34,483**	**1,438**
4.1 Macroeconomic Foundation for Growth	1,000	-	1,000	1,000
4.2 Trade and Investment	2,786	-	4,092	4,092
4.3 Financial Sector	1,949	938	4,130	3,192
4.5 Agriculture	7,395	3,000	3,000	-
4.6 Private Sector Competitiveness	2,494	607	-	-607
4.7 Economic Opportunity	-	1,000	-	-1,000
4.8 Environment	34,000	27,500	22,261	-5,239
of which: Objective 6	**14,547**	**19,201**	**12,645**	**-6,556**
6.1 Program Design and Learning	266	6,657	-	-6,657
6.2 Administration and Oversight	14,281	12,544	12,645	101

Peace and Security

Building on Indonesia's notable success in combating terrorism while establishing a democratic society, U.S. investments will strengthen Indonesia's leading role in regional peace and security, and promote the development of professional security forces that support democracy.

Foreign Military Financing (FMF): FMF will support technical assistance, training, and equipment that will develop Indonesia's in-country maintenance capability for fixed and rotary wing airlift assets, which are key to humanitarian assistance and disaster relief operations. Funds will also target Indonesia's growing maritime security capability, which will contribute to an integrated and comprehensive regional maritime security infrastructure. Funding will support technical assistance and materials for the establishment of the Indonesian Defense University, with a focus on improving defense management and strategic planning. Additional programs include ongoing technical and tactical training, noncommissioned officer development, and English Language training.

International Military Education and Training (IMET): IMET will primarily target professional military education, civilian control of a professional Indonesian military, and core management processes within the military and defense departments.

International Narcotics Control and Law Enforcement (INCLE): Technical assistance, organizational development, training, and equipment will be provided to strengthen law enforcement capacities of the Indonesian National Police (INP) and other Government of Indonesia (GOI) non-military law enforcement agencies. This support will help GOI law enforcement entities use modern law-enforcement management

systems and investigative procedures, and implement national training reform. This assistance will increase forensic and environmental crime investigative capabilities well the capacity to manage ports of entry to prevent transnational criminal activity. Funds will also support multi-agency assistance to the maritime security sector and counter-narcotics.

Nonproliferation, Anti-Terrorism, Demining and Related Programs (NADR): U.S. assistance will improve INP and other GOI entities' capacity to investigate national and regional criminal acts of terrorism and to deter proliferation of weapons of mass destruction. Funds provided through the Department of State's Antiterrorism Assistance (ATA) Program will be used to train Indonesian law enforcement officials to manage security force organizations and build strong security institutions. The United States will continue training INP instructors so they can independently teach counterterrorism-related courses to members of their organization.

Governing Justly and Democratically

Having entered its second decade of reform, Indonesia has become a regional leader in efforts to promote democratic governance, and is maintaining peace and stability amidst great diversity and pluralism. The GOI has taken a number of concrete steps to address corruption and a lack of accountability within government. FY 2013 investments will continue supporting GOI reforms to strengthen critical institutions at both national and local levels. These investments are of particular importance with national Parliamentary and Presidential elections scheduled for 2014.

Development Assistance (DA): To increase the capacity of representative groups and institutions, the U.S. Agency for International Development (USAID) will build civil society organization capabilities to better represent their interests; fund independent analysis of legislation and policies that impact democratic governance; and work with Indonesia's key representative bodies to be more effective and transparent institutions.

USAID programs will strengthen national and local legislative bodies to be more representative, democratic, and inclusive, while strengthening their ability to develop, articulate, and advocate policies that represent their constituents' views and interests. In addition, the United States will support efforts to create more democratic and credible electoral processes.

USAID programs will improve the quality of services delivered by local governments. Technical assistance and training will be provided on incentive-based systems for delivering quality government services, especially in health and education. This assistance will develop innovative approaches for service delivery and replicate effective service delivery practices. A comprehensive monitoring and evaluation strategy will track project outcomes.

To improve the performance of Indonesia's justice system, USAID programs will continue technical assistance and training to the Supreme Court and the Attorney General's Office, with a focus on overall institutional reforms aimed at increasing transparency and public confidence in the rule of law. USAID will also support non-governmental institutions, think tanks, law schools, and professional groups, to improve their research, educational, and advocacy capacities to reform the judiciary.

International Narcotics Control and Law Enforcement (INCLE): In FY 2013, the U.S. government will continue its support to the Attorney General's Office (AGO), providing training and technical assistance in environmental crimes, anti-corruption, and transnational crimes, including terrorism and trafficking in persons (TIP). This assistance will strengthen the capacity of the AGO's network of 6,000 prosecutors throughout Indonesia. INCLE funding will support interagency legislative drafting and criminal procedure reform through workshops, study tours, and familiarization with international best practices.

Investing in People

U. S. investments will continue to expand access to quality health and education services, especially in the poorest communities in Indonesia, where the quality of health care and education remain low. In FY 2013, USAID programs will accelerate Indonesia's efforts to reach the Millennium Development Goals (MDGs) by reducing deaths of women during pregnancy and childbirth and of their newborn infants, and reducing infectious diseases of regional and global importance, such as tuberculosis (TB), Multi-Drug Resistant (MDR) TB, neglected tropical diseases, pandemic influenza, and HIV/AIDS. USAID will also expand health research and science and technology partnerships between the United States and Indonesia.

Expanding access to quality basic and higher education remains a top priority for both the Mission and the GOI. The Ministry of Education has embarked on an ambitious education reform program, and while there has been significant progress in increasing primary school participation rates, challenges remain with regard to access, equity, and quality. In FY 2013, investments in basic and higher education will increase institutional capacity, engagement with the private sector, science and technology research, and education.

Development Assistance (DA):

- Water Sanitation: Resources will expand sustainable and equitable safe water supply and sanitation services in urban Indonesia. This will be accomplished by increasing the demand for access to safe drinking water and improved sanitation and increasing public and private sector capacity to supply potable water and sanitation services.

- Basic Education: A new USAID program will help Indonesian children and youth become more successful pupils and complete primary and junior secondary school. The program will support both pre- and in-service teacher training and help the GOI replicate best practices and teaching methodologies in targeted regions. Development agencies such as the World Bank, European Union, the Australian Agency for International Development, and Asian Development Bank continue to work closely to coordinate and leverage basic education reform programs.

- Higher Education: USAID programs will help the GOI reform Indonesia's higher education system. The GOI seeks to provide institutions more autonomy and responsibility, improve regulations, and create incentives for private investment in tertiary education. USAID programs will stimulate linkages between American and Indonesian higher education institutions to improve the curriculum and teaching practices, enhance organizational management, and increase applied research in a variety of disciplines, especially in science and technology.

Global Health Programs (GHP): U.S. assistance will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health care through sustainable approaches and increased country ownership. USAID programs will help Indonesian and international partners improve the quality of service in public and private health care facilities, including management of complications for mothers and newborns, diagnosis and treatment of infectious diseases, and introduction of new technologies. USAID will also help civil society engage local and central government authorities to improve access to and quality of essential life-saving health services for mothers and newborns, for HIV/AIDS treatment and prevention, and for TB and MDR-TB patients at the community level. A USAID program will also build capacity of local authorities and civil society to expand delivery of health services in Papua and West Papua.

- Linkages with the Presidents Emergency Plan for AIDS Relief (PEPFAR) – GHP State and USAID: Indonesia will receive significant support to build partnerships to provide integrated prevention, care, and treatment programs throughout the country and support orphans and vulnerable children. In

addition, the program will improve the capacity of local governments and nongovernmental organizations (NGOs) to prevent HIV/AIDS among high-risk groups, and improve access to HIV/AIDS prevention and treatment services in Papua and West Papua where the HIV/AIDS epidemic is most severe.

- Tuberculosis (TB): USAID programs' technical assistance and training will strengthen TB detection and case management. This will include working with the national TB program to accelerate diagnosis and treatment of MDR-TB as well as early diagnosis, treatment, and research of TB through the introduction of new diagnostic technologies and improved management of TB drugs. Through direct grants to local NGOs, USAID will expand community level support for patients and improved diagnosis and identification of TB cases.

Maternal and Child Health: In support of the GOI national strategy for improving maternal and neonatal health, USAID programs will improve the quality of maternal and newborn care, particularly the management of complications during pregnancy and childbirth, ensuring appropriate implementation of international standards, reducing delays within the emergency obstetrical care referral system, and improving oversight.

Economic Growth

Despite Indonesia's sustained economic growth, widespread poverty continues to exist. Currently, over 100 million Indonesians, 43.3 percent of the population, survive on less than two dollars a day. U.S. assistance will help reduce poverty by promoting rapid, sustainable, and broad-based equitable growth that promotes enterprise, generates employment, and reduces poverty.

Agriculture employs over 40 percent of Indonesia's population and supplies 15 percent of its gross domestic product. Despite its importance, Indonesia's capacity to meet its food security goals is constrained by its low agricultural productivity, as yields and quality of staple foods and high-value export crops are frequently below regional averages and do not meet market requirements. U.S. assistance will accelerate growth in the agricultural sector through improved research, and market integration, as well as the expansion of credit systems, including mobile banking, to rural areas to allow farmers to invest in their own futures.

The natural resources sector is the largest source of employment in Indonesia. Indonesia's diverse forest and marine ecosystems are being degraded at an alarming rate, and deforestation is resulting in the emission of significant greenhouse gases. U.S. programs will strengthen the capacity of the GOI to sustainably manage Indonesia's terrestrial and marine resources and to catalyze its clean-energy development potential. All activities support GOI national strategies, including Indonesia's National Climate Change Action Plan.

<u>Development Assistance (DA):</u>
Agriculture: As part of the Feed the Future initiative, USAID programs will improve Indonesia's food security by developing key staple and high-value crops, raising yields, and producing higher quality foods for consumption and export. Agricultural assistance will include biotechnology, biosafety, integrated pest management, and the development of high value vegetables and vitamin A fortified rice as well as assistance to support Indonesia's next generation of scientists. The development of value chains for horticulture, and other high-value crops will improve rural livelihoods and provide income for millions of smallholder farmers. Programs aim to make improvements in post-harvest handling, processing, and integrating rural farmers with the larger markets, while providing incentives and access to credit.

Economic Growth: USAID programs will provide advisory services, scholarships, and research grants to promote research on economic policy reform issues and advocacy for pro-poor economic reforms. A

USAID program is assisting the Ministry of Trade, the National Development Planning Agency, the Supervisory Agency for Capital Markets and Financial Institutions, other GOI bodies, business associations, and research institutions and universities to improve economic analysis and policies. Particular attention will be given to improving policies in the areas of labor markets, trade, investment, business climate, and non-bank financial sector. USAID will work directly with the Poverty Unit under the Vice President's Office in developing poverty alleviation strategies. USAID programs also support the private sector initiatives to foster innovation and entrepreneurship.

Environment: USAID programs will strengthen sustainable forest and marine resource management, which supports community livelihoods, protects biodiversity, reduces carbon emissions, and promotes renewable alternative energy development. USAID will partner with government bodies at all levels, the private sector, and communities dependent on forest and marines resources. Assistance will focus on reducing threats, developing sustainable land and resource use, and increasing access to markets and financing for sustainably managed natural resource products. As part of the Global Climate Change Initiative (GCCI), USAID programs will strengthen selected communities' resilience to the effects of climate change while reducing the risks associated with disasters in highly vulnerable areas. Selected areas will include high conservation landscapes, orangutan habitats, and primary lowland forests, as well as critical marine protected areas and fisheries.

Linkages with the Millennium Challenge Corporation

The five-year, $600 million MCC compact signed in November 2011, will build on other foreign assistance programs that promote economic growth and reduce poverty. The compact will support the expansion of renewable energy and reduction of greenhouse gas emissions, leveraging the investments made by USAID in clean energy development and sustainable landscape management. MCC will also support improved nutrition in approximately 7,000 villages to reduce and prevent low birth weight, childhood stunting, and malnourishment in the targeted areas. This effort will build on the maternal and child health and food security programs supported by USAID. DA funds supporting the economic growth and GHP funds for maternal and child health will reinforce and leverage MCC investments without duplicating activities or efforts.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In FY 2011, USAID/Indonesia undertook several monitoring and evaluation activities, including:

- Data collection and analysis leading to the development of the Global Health Initiative strategy for Indonesia;
- Technical assistance to refine the questionnaire for the 2012 Indonesia Demographic and Health Survey;
- Joint External Monitoring Mission for the National TB program, a periodic assessment and evaluation of the national TB program, which informed adjustments to the national program and USAID's support. The Monitoring Mission was led by the World Health Organization with significant support from USAID and included USAID headquarters and local staff and international and local partners;
- Evaluation of the Mission's flagship agricultural program to assess impact and to inform the design of the follow-on food security program;
- Ongoing monitoring of Environment programs have identified sectors that require further assessment to determine whether the Mission should continue to invest in programs in those areas;

- Portfolio review and pipeline analysis of the Mission's programs and sectors informed Senior Management on the performance of programs, implementers, and progress against targeted results.

In FY 2012, USAID plans several evaluations of key programs, including democracy and governance (DG), health, education and economic growth programs to evaluate program performance and to inform implementation of ongoing activities.

Additionally, USAID will undertake other assessments that will inform the Country Development Cooperation Strategy process including assessments covering gender, biodiversity, tropical forests as well as an assessment of activities in Papua and West Papua.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The Mission's monitoring and evaluation results have informed the budget and programmatic choices for FY 2013:

- Data gathering and analysis for the GHI strategy informed the Mission's priority health programs, with a focus on catalyzing action to accelerate progress toward achievement of the health related MDGs; expanded use of data and evidence for policy and programs including expanded science partnerships; and expanded partnership between the U.S. and Indonesia to address global infectious disease threats;
- The food security program final evaluation informed the design of the follow-on food security program, including the selection of high-value crops and the inclusion of an access to finance component;
- Based on performance monitoring of environment programs that have not achieved expected results in FY 2011, the Mission has required substantial management changes with the implementer and expects these programs to soon start achieving results;

The portfolio review and pipeline analysis highlighted programs that were achieving greater results than anticipated and should be expanded or lengthened; projects that were failing to achieve anticipated results were also identified and are being assessed to determine whether the scope of the project should be reduced.

Relating Past Performance to FY 2013 Plans:

- Democracy and Governance: In the run-up to the 2014 presidential elections, FY 2013 will be a crucial year for democratic reform in Indonesia. U.S. assistance will continue support institutions that strengthen transparency, accountability, and good governance, especially civil society institutions and the media, as well as supporting improvements to the judicial system.
- Education: In FY 2013, U.S. assistance will support improved teaching, management, and governance of primary schools; improved management, research, and teaching in universities; partnerships between U.S. and Indonesian higher education institutions; and scholarships for Indonesian students to study in the United States. The programs will improve access to and quality of Indonesian primary schools and universities, as well as increase the number of Indonesians with the technical capacity, knowledge, and global understanding.
- Economic Growth: In FY 2013, the USG will continue its efforts to improve economic analysis and policies while supporting market-based, progressive reforms. U.S. assistance will also build Indonesia's food security capacity through improvement of selected value chains through new technologies, new market linkages, and credit.
- Environment: U.S. assistance will support Indonesia's efforts to reduce greenhouse gas emissions and protect biodiversity in its tropical forests and marine areas. Through partnerships with the GOI, private sector companies, civil society organizations, and local communities, the United States will

help preserve and manage existing natural resources and ecosystems, build community resilience to the impacts of climate change and natural disasters, adapt staple crops to climate change, and encourage policy reform efforts to protect the environment.

- Health: FY 2013 will be a key year for accelerating progress to achieve the Millennium Development Goals – the objective of the U.S. Global Health Initiative in Indonesia. Through partnerships with the GOI, private sector, professional associations, academic institutions, and local NGOs, U.S. assistance will focus on reducing maternal and infant deaths, improved control of infectious diseases such as TB, MDR-TB, pandemic influenza, neglected tropical diseases, and HIV/AIDS. U.S. assistance will also expand partnerships between U.S. and Indonesian research and academic institutions and provide support to Indonesian institutions to improve the use of high quality data for policy and programs.

Laos

Foreign Assistance Program Overview

While globalization and regionalization continue to drive the Government of Laos to open its economy, the Lao People's Revolutionary Party retains control over the political process that dictates the transition to a market-based system. The overarching policy goals for U.S. assistance to Laos are to improve Lao governance and increase the country's capacity to integrate fully within the Association for Southeast Asian Nations (ASEAN) and the global economy.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**7,224**	**7,550**	**7,550**	**-**
Development Assistance	1,455	1,350	1,350	-
Food for Peace Title II	1,669	-	-	-
Global Health Programs - USAID	1,000	-	-	-
International Military Education and Training	200	200	200	-
International Narcotics Control and Law Enforcement	1,000	1,000	1,000	-
Nonproliferation, Antiterrorism, Demining and Related Programs	1,900	5,000	5,000	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Laos	**7,224**	**7,550**	**7,550**	**-**
1 Peace and Security	**2,800**	**5,900**	**6,100**	**200**
International Military Education and Training	**200**	**200**	**200**	**-**
1.3 Stabilization Operations and Security Sector Reform	200	200	200	-
International Narcotics Control and Law Enforcement	**700**	**700**	**900**	**200**
1.3 Stabilization Operations and Security Sector Reform	450	450	650	200
1.4 Counter-Narcotics	250	250	150	-100
1.5 Transnational Crime	-	-	100	100
Nonproliferation, Antiterrorism, Demining and Related Programs	**1,900**	**5,000**	**5,000**	**-**
1.3 Stabilization Operations and Security Sector Reform	1,900	5,000	5,000	-
2 Governing Justly and Democratically	**300**	**300**	**100**	**-200**
International Narcotics Control and Law Enforcement	**300**	**300**	**100**	**-200**
2.1 Rule of Law and Human Rights	300	300	100	-200
3 Investing in People	**1,000**	**-**	**-**	**-**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Global Health Programs - USAID	**1,000**	**-**	**-**	**-**
3.1 Health	1,000	-	-	-
4 Economic Growth	**1,455**	**1,350**	**1,350**	**-**
Development Assistance	**1,455**	**1,350**	**1,350**	**-**
4.2 Trade and Investment	1,405	1,350	1,300	-50
4.8 Environment	50	-	50	50
5 Humanitarian Assistance	**1,669**	**-**	**-**	**-**
Food for Peace Title II	**1,669**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	1,669	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Laos	**7,224**	**7,550**	**7,550**	**-**
1 Peace and Security	**2,800**	**5,900**	**6,100**	**200**
1.3 Stabilization Operations and Security Sector Reform	2,550	5,650	5,850	200
1.4 Counter-Narcotics	250	250	150	-100
1.5 Transnational Crime	-	-	100	100
2 Governing Justly and Democratically	**300**	**300**	**100**	**-200**
2.1 Rule of Law and Human Rights	300	300	100	-200
3 Investing in People	**1,000**	**-**	**-**	**-**
3.1 Health	1,000	-	-	-
4 Economic Growth	**1,455**	**1,350**	**1,350**	**-**
4.2 Trade and Investment	1,405	1,350	1,300	-50
4.8 Environment	50	-	50	50
5 Humanitarian Assistance	**1,669**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	1,669	-	-	-
of which: Objective 6	**645**	**530**	**80**	**-450**
6.1 Program Design and Learning	-	25	25	-
6.2 Administration and Oversight	645	505	55	-450

Peace and Security

U.S. assistance in clearing Laos of unexploded ordnance remaining from the Indochina War advances humanitarian and economic goals, and creates a climate of cooperation that advances other policy objectives. The Department of State's counternarcotics work will bolster the capacity of the Lao law enforcement and criminal justice system to interdict organizations trafficking methamphetamines, cocaine, and heroin through Laos. It will also support drug-related public awareness campaigns and addict rehabilitation programs. To further the United States' growing military-to-military relationship with Laos, U.S. assistance will fund English language training and professional military education courses.

International Military Education and Training (IMET): The goal of IMET programming in Laos is to improve English language and professionalism of the Lao military. Ministry of National Defense (MND) personnel are gradually increasing their exposure to other professional militaries through international engagement and education, but need English language skills to take advantage of these opportunities. Participation in training and education programs at U.S. military schools teaches MND personnel how a military establishment functions in a democracy, while providing a better understanding of professional military standards and responsibilities.

International Narcotics Control and Law Enforcement (INCLE): As recently as a decade ago, Laos was the third-largest producer of illicit opium in the world, and significant quantities of opium originating in Laos are regularly seized in the United States. Methamphetamine addiction is currently rising rapidly within the country, even as large flows of methamphetamines and other drugs transit Laos to other countries. U.S. assistance builds the professional capacity of the Lao police and other criminal justice entities to counter transnational crime, and to fight drug trafficking and addiction. The program will continue to support comprehensive drug prevention, treatment, and rehabilitation. Assistance will also be used to fund the annual opium crop survey and local-level campaigns to publicize Lao counter narcotics law in remote regions of the country.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): Clearance of unexploded ordinance (UXO) plays a significant role in expanding economic development, and promotes goodwill between Laos and the United States by removing dangerous explosives that kill or maim many Lao citizens each year and impede agricultural development and other land use. Education programs reduce the hazards of UXO among primary school children, their families, and communities, by raising awareness of the dangers they present.

Governing Justly and Democratically

The Lao National Assembly, which has become increasingly active, has expressed interest in expanding cooperation with the United States. Funding will promote the development of the rule of law, including through the National Assembly and Ministry of Justice, and a more robust and active civil society.

Development Assistance: The United States Agency for International Development (USAID) plans to expand training programs for Lao government officials in the area of commercial law. USAID will continue to work closely with the United Nations Development Program, the lead donor on rule of law and National Assembly capacity building. Programs will promote respect for transparency and economic good governance through legal reform and training.

Economic Growth

U.S. assistance helps Laos engage in the global marketplace through compliance with the Bilateral Trade Agreement (BTA) and accession to the World Trade Organization (WTO) accession, as well as adherence to regional commitments under ASEAN.

Development Assistance (DA): The U.S.-Lao International and ASEAN Integration Program (LUNA-Lao) improves implementation of the U.S.-Lao Bilateral Trade Agreement (BTA) and guides Laos toward WTO accession while institutionalizing economic reforms that support the Government of Laos' efforts to accede to the WTO, to successfully implement the U.S.-Lao BTA, and to fulfill its commitments under the ASEAN Economic Community (AEC) Blueprint. This assistance will help build the necessary political will, ownership, and capacity for Laos to integrate fully with international markets as well as the rest of the ASEAN Community, thereby narrowing the development gap among ASEAN member countries and creating a stronger trading partner for the United States.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Monitoring and evaluation efforts were undertaken during FY 2011 in Laos:

- In August 2011, USAID's Regional Development Mission Asia conducted a mid-term evaluation for the LUNA-Lao program, confirming the U.S. Secretary of State's declaration in July 2010 that growing cooperation between Laos and the United States is "producing mutual benefits and a constructive relationship contributing to peace, stability and cooperation for development in the region and the world." Recommendations call for increasing support for capacity building and outreach to the private sector on the benefits of reforms made to date, including through public-private dialogues. In FY 2012, a performance evaluation of U.S. assistance in the social services and vulnerable populations sector will review the LUNA-Lao program that builds the capacity of the Lao Disabled People Association (LDPA) to support and advocate for inclusive employment and economic opportunities for people with disabilities.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Laos was able to draw important conclusions and take targeted actions based on the evaluation efforts noted above:

- The LUNA-Lao program continues to address the challenge of donor coordination for a demand-driven project like LUNA that provides fast-response technical assistance across a wide range of sectors, including sectors where other donors are providing support, but through a slower but more participatory mechanism. The biggest challenge continues to be meeting the strong demand for LUNA's technical assistance in key areas with the current limited resources.

The LUNA-Lao midterm evaluation determined that the program should include a separate section in its work plans to show what other donors are doing in a specific issue-area and note how LUNA-Lao is coordinating and leveraging other donor support.

Relating Past Performance to FY 2013 Plans: The LUNA-Lao midterm evaluation identified a future need to build GOL capacity in the field of implementation of laws through intensive training of staff and direct support to specific ministries. This support would be undertaken once relevant laws have been enacted. Outreach to the private sector on the benefits of these new reforms and how to take advantage of them is critical, since the purpose of all these reforms is ultimately to enable private sector growth. Therefore, increased resources will look toward facilitating more public-private sector dialogues, especially in the provinces.

Luna-Lao experienced unqualified success in helping the Lao National Assembly draft and pass laws concerning intellectual property, legal reform, and customs in 2011. LUNA-Lao's access to Lao government ministries and the legislature - requested by those institutions themselves - as they make progress towards reform is a tremendous benefit for both Laos and the United States at relatively little cost.

Malaysia

Foreign Assistance Program Overview

U.S. assistance to Malaysia focuses on counterterrorism, counter-proliferation, and military assistance and training. In FY 2013, U.S.-Malaysia cooperation will expand in the areas of security and law enforcement. Counterterrorism assistance builds capacity within Malaysian law enforcement and judicial entities responsible for combating terrorism, and includes improving Malaysia's border security and the development of a network of radars along coastal areas of eastern Malaysia that are designed to deter maritime terrorism. Counter-proliferation assistance aims at enhancing Malaysia's ability to prevent transshipments of controlled munitions, dual-use commodities, and weapons of mass destruction (WMD) and related commodities through the country. Military assistance and training builds capabilities among Malaysia's armed forces, allowing it to take on an expanded international role, including peacekeeping operations and participation in stabilization efforts in Afghanistan.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**2,256**	**2,325**	**3,000**	**675**
International Military Education and Training	956	825	700	-125
International Narcotics Control and Law Enforcement	-	-	800	800
Nonproliferation, Antiterrorism, Demining and Related Programs	1,300	1,500	1,500	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Malaysia	**2,256**	**2,325**	**3,000**	**675**
1 Peace and Security	**2,256**	**2,325**	**2,200**	**-125**
International Military Education and Training	**956**	**825**	**700**	**-125**
1.3 Stabilization Operations and Security Sector Reform	956	825	700	-125
Nonproliferation, Antiterrorism, Demining and Related Programs	**1,300**	**1,500**	**1,500**	**-**
1.1 Counter-Terrorism	800	800	800	-
1.2 Combating Weapons of Mass Destruction (WMD)	500	700	700	-
2 Governing Justly and Democratically	**-**	**-**	**800**	**800**
International Narcotics Control and Law Enforcement	**-**	**-**	**800**	**800**
2.1 Rule of Law and Human Rights	-	-	800	800

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Malaysia	**2,256**	**2,325**	**3,000**	**675**
1 Peace and Security	**2,256**	**2,325**	**2,200**	**-125**
1.1 Counter-Terrorism	800	800	800	-
1.2 Combating Weapons of Mass Destruction (WMD)	500	700	700	-
1.3 Stabilization Operations and Security Sector Reform	956	825	700	-125
2 Governing Justly and Democratically	**-**	**-**	**800**	**800**
2.1 Rule of Law and Human Rights	-	-	800	800

Peace and Security

Terrorism remains a serious threat to the country's national security. Malaysia cooperates closely with the United States and the international community on counterterrorism, building capabilities of Malaysian law enforcement and judicial officials to identify and apprehend terrorists. Legislative action is expected to update Malaysia's counterterrorism framework, diminishing the role of preventive detention and increasing the focus on criminal prosecution, which will create new opportunities for effective capacity building. Because Malaysia continues to be used as a transit/transshipment point for WMD-related items and dual-use commodities, U.S. assistance is helping Malaysian authorities enforce international and domestic export control regimes, especially Malaysia's 2010 Strategic Trade Act.

International Military Assistance and Training (IMET): IMET assistance will support the professional development of senior, mid-level, and noncommissioned officers; enhance interoperability with U.S. forces; and improve maritime security in Malaysian waters. IMET will also help train military personnel in conducting multinational operations, medical and stabilization operations, peacekeeping, intelligence functions, and effective defense resource management.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): Funds provided through the Department of State's Antiterrorism Assistance (ATA) Program will be used to train Malaysian law enforcement and judicial officials to detect and detain terrorists and to strengthen counterterrorism cooperation with countries in the region. ATA will shift its focus from solidifying Malaysia's cyber counterterrorism capabilities, to building the capacity of Malaysian law enforcement agencies to prevent terrorists from entering or transiting Malaysia. The Export Control and Border Security (EXBS) program will build the capacity of Malaysian Government offices to prevent proliferators from using Malaysia to circumvent international law and agreements, in particular by assisting Malaysia with the implementation of the 2010 Strategic Trade Act.

Governing Justly and Democratically

Malaysia has recently demonstrated more openness to political reform and to dialogue on international best practices in good governance, particularly on rule of law issues. The GOM has taken concrete steps to address these reforms, including proposing revisions to several longstanding laws. FY 2013 investments under this objective support the ongoing efforts of the GOM to improve its legal framework, institutions, and practice.

International Narcotics Control and Law Enforcement (INCLE): In FY 2013, the U.S. government will assist the GOM in its effort to transform its criminal justice system to deal more effectively with all forms of transnational crime. The assistance may include targeted support on specific issues, such as

counterterrorism, counter-proliferation, trafficking in persons, and immigration, as well as expanded cooperation on general criminal justice system development, such as in the areas of prosecutor training and police-prosecutors cooperation. This assistance will support a legal advisor to strengthen counterterrorism, counterproliferation, and broader law enforcement cooperation with Malaysia.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The IMET training program is coordinated, reviewed, and approved by Pacific Command and the Defense Security Cooperation Agency (DSCA) during the annual Security Cooperation Education and Training Working Group meeting. Semiannual training meetings were conducted to plan and review courses programmed under IMET. The Regional Security Office (RSO) works with the Department of State's ATA program to ensure that the long-term objectives of the program are being achieved. Comprehensive program reviews are conducted every three years, the last review taking place in 2010. EXBS activities were monitored by the EXBS Regional Advisor, located in the U.S. Embassy. Feedback questionnaires were completed by participants, and the results were analyzed and included in After Action Reports by implementers.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Results of the monitoring and evaluation process indicate that IMET graduates rise within their career field and assume prominent positions within their organizations. They have advanced key security initiatives such as increased participation in multilateral exercises, extension of the Malaysian stabilization mission in Afghanistan, and continued support of U.S. ship visits to Malaysian ports. ATA funded programs have increased the Malaysian police's ability to detect, deter and investigate both crime and terrorism activities. The RSO coordinates with Department of State's Diplomatic Security and Malaysian law enforcement entities to ensure that training is meeting the needs and goals of the host country. Use of the EXBS Rating Assessment Tool indicated that Malaysia had made significant progress in 2011 in implementing its Strategic Trade Act. Additional resources will be allocated in 2013 to strengthen licensing, enforcement, investigation and prosecution skills, and targeted industry outreach and internal compliance programs.

Relating Past Performance to FY 2013 Plans: The FY 2013 plans will augment our long-standing relationship with the Malaysian Armed Forces with continued focus on training personnel in career-enhancing Professional Military Education courses. ATA will continue to focus on enhancing the skills and ability of the Malaysian authorities to prevent cyber terrorism, conduct complex investigations, and prevent terrorists from entering or transiting through Malaysian territory. FY 2013 EXBS assistance will continue to focus on strengthening licensing skills and capabilities within the expanded Strategic Trade Secretariat and other licensing agencies. More advanced training and capacity building for investigators and prosecutors, together with technical advice provided by a Department of Justice legal advisor, will help Malaysia implement its export control law effectively

Marshall Islands

Foreign Assistance Program Overview

The Republic of Marshall Islands (RMI) is an isolated, sparsely populated, low-lying Pacific Island country spread out over an enormous geographic area. These unique characteristics make the RMI particularly vulnerable to transnational threats, natural disasters, and effects of climate change. The Compact of Free Association between the United States and the RMI, entered into in 1986 and amended in 2004, obligates the U.S. government to provide grant and program assistance to the RMI. Compact grants are primarily funded and implemented by the U.S. Department of Interior and therefore are not represented in the assistance figures below. U.S. assistance focuses on supporting the RMI's ability to perform maritime security functions and strengthen climate resilience through disaster preparedness. On November 4, 2008, U.S. Congress transferred responsibility for disaster assistance and reconstruction services in the RMI from the Federal Emergency Management Agency (FEMA) to the U.S. Agency for International Development (USAID).

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**537**	**547**	**550**	**3**
Development Assistance	492	492	500	8
International Military Education and Training	45	55	50	-5

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Marshall Islands	**537**	**547**	**550**	**3**
1 Peace and Security	**45**	**55**	**50**	**-5**
International Military Education and Training	**45**	**55**	**50**	**-5**
1.3 Stabilization Operations and Security Sector Reform	45	55	50	-5
5 Humanitarian Assistance	**492**	**492**	**500**	**8**
Development Assistance	**492**	**492**	**500**	**8**
5.2 Disaster Readiness	492	492	500	8

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Marshall Islands	**537**	**547**	**550**	**3**
1 Peace and Security	**45**	**55**	**50**	**-5**
1.3 Stabilization Operations and Security Sector Reform	45	55	50	-5
5 Humanitarian Assistance	**492**	**492**	**500**	**8**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
5.2 Disaster Readiness	492	492	500	8
of which: Objective 6	**35**	**57**	**-**	**-57**
6.2 Administration and Oversight	35	57	-	-57

Peace and Security

The RMI continues to be an important security partner as it hosts the U.S. Army on Kwajalein Atoll (USAKA) installation, part of the Army's Space and Missile Defense Command. RMI currently has a very limited ability to detect, deter, and defend its vast maritime Exclusive Economic Zone (EEZ). The RMI Sea Patrol possesses only one vessel, provided by Australia, to protect the country's massive EEZ against domestic and transnational crime. While the United States is responsible for the strategic defense of the RMI through the Compact, the U.S. military does not engage in day-to-day maritime security activities.

International Military Education and Training (IMET): U.S. foreign assistance will continue to strengthen RMI's maritime law enforcement capacity. Department of State support to the RMI Sea Patrol will complement Australia's larger assistance role by providing focused professional training for RMI Sea Patrol staff.

Humanitarian Assistance

As a low-lying coral atoll, natural weather patterns and increased climate variability make many communities in the RMI highly vulnerable to natural disasters, such as drought, typhoon, and sea waves. U.S. assistance will strengthen the climate resilience of the RMI's communities through disaster management.

Development Assistance (DA): DA will be used to reduce the impacts of future disasters and maintain mechanisms to respond when needed. DA funding will also cover expenses related to response in the period between the event and a Presidential Disaster Declaration. Should the Declaration occur this funding will be reimbursed by FEMA. U.S. assistance will reduce response time in a number of emergencies by pre-positioning supplies and equipment, establishing stand-by emergency service agreements, and conducting training exercises to coordinate disaster response efforts and test systems. These initiatives will help save lives by reducing response time during disasters while lowering the cost and management burdens of delivering basic needs during an emergency.

USAID coordinates with other foreign donors, such as Taiwan, Japan, and Australia, which also contribute to building RMI's disaster response capacity.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The USAID Philippine Office for the Pacific manages programs in the Pacific Islands and routinely monitors progress through portfolio reviews, regular reporting, and site visits.

In FY 2011, USAID/Philippines conducted a Mission-wide portfolio review that included the Pacific Islands' programs. The review focused on program results and performance indicators, financial performance, implementation progress and challenges, and anticipated results in FY 2012 (including priorities, planned evaluations, and planned obligations). The portfolio review served as an input to the preparation of the FY 2011 Performance Plan and Report.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: USAID is in the final stages of developing a new strategy for the Pacific Islands to guide new program designs and assess ongoing programs. In addition, USAID is planning an evaluation in FY 2012 of its current program that will inform design of a new program starting in FY 2013.

Relating Past Performance to FY 2013 Plans: In FY 2011, USAID provided capacity-building exercises on disaster preparedness, focusing on the operational aspects of national response strategy. FEMA, the U.S. Joint Task Force - Homeland Defense, and USAID's implementing partner, the International Organization of Migration, helped USAID conduct the trainings. In FY 2013, USAID will help increase the RMI's capacity to conduct sector-specific training and exercises to test the effectiveness of the disaster response system, identify deficiencies and remedies, and promote disaster awareness campaigns.

Micronesia

Foreign Assistance Program Overview

The Federated States of Micronesia (FSM) is a constitutional confederation in free association with the United States. It is highly vulnerable to natural disasters and the effects of climate change. The Compact of Free Association between the United States and the FSM, entered into in 1986 and amended in 2004, obligates the U.S. Government to provide grant and program assistance to the FSM. Compact grants are primarily funded and implemented by the U.S. Department of Interior and therefore are not represented in the assistance figures below. U.S. foreign assistance focuses on strengthening the FSM's climate resilience through disaster management.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**492**	**492**	**500**	**8**
Development Assistance	492	492	500	8

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Micronesia	**492**	**492**	**500**	**8**
5 Humanitarian Assistance	**492**	**492**	**500**	**8**
Development Assistance	**492**	**492**	**500**	**8**
5.2 Disaster Readiness	492	492	500	8

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Micronesia	**492**	**492**	**500**	**8**
5 Humanitarian Assistance	**492**	**492**	**500**	**8**
5.2 Disaster Readiness	492	492	500	8
of which: Objective 6	**35**	**57**	**-**	**-57**
6.2 Administration and Oversight	35	57	-	-57

Humanitarian Assistance

On November 4, 2008, primary Federal responsibility for disaster assistance to the FSM was transferred from the Department of Homeland Security's Federal Emergency Management Agency (FEMA) to the U.S. Agency for International Development (USAID). Natural weather patterns and increased climate variability make some communities in the FSM highly vulnerable to natural disasters, such as typhoons, drought, and mudslides.

Development Assistance (DA): DA will be used to reduce the impacts of future disasters and maintain mechanisms to respond when needed. DA funding will also cover expenses related to response in the period between the event and a Presidential Disaster Declaration. Should the Declaration occur this funding will be reimbursed by FEMA. The International Organization of Migration (IOM) has offices in Pohnpei and Yap and serve as USAID's implementer should disaster-recovery assistance become necessary. The Embassy works with USAID and IOM and liaises with the national government on behalf of the U.S. government. USAID, through IOM, focuses on reducing response time in a number of emergencies by pre-positioning supplies and equipment warehoused in Pohnpei and Yap, establishing stand-by emergency service agreements, and conducting training exercises to coordinate disaster response efforts and test systems. These initiatives help save lives by reducing response time during disasters while lowering the cost and management burdens of delivering basic needs during an emergency.

USAID coordinates with other foreign donors, such as Australia, who also contribute to building FSM's disaster response capacity.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The USAID Philippine Office for the Pacific manages programs in the Pacific Islands and routinely monitors progress through portfolio reviews, regular reporting, and site visits.

In FY 2011, USAID Philippines conducted a Mission-wide portfolio review that included the Pacific Islands' programs. The review focused on program results and performance indicators, financial performance, implementation progress and challenges, and anticipated results in FY 2012 (including priorities, planned evaluations, and planned obligations). The portfolio review served as an input to the preparation of the FY 2011 Performance Plan and Report.

USAID is in the final stages of developing a new strategy for the Pacific Islands and will use the strategy to guide new program designs and assess ongoing programs. In addition, USAID is planning an evaluation in FY 2012 of its current program that will inform design of a new program starting in FY 2013.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: USAID is in the final stages of developing a new strategy for the Pacific Islands to guide new program designs and assess ongoing programs. In addition, USAID is planning an evaluation in FY 2012 of its current program that will inform design of a new program starting in FY 2013.

Relating Past Performance to FY 2013 Plans: In FY 2011, USAID provided capacity-building exercises on disaster preparedness, focusing on the operational aspects of national response strategy. FEMA, the U.S. Joint Task Force - Homeland Defense, and USAID's implementing partner, the International Organization of Migration, helped USAID facilitate the trainings. In FY 2013, USAID will help increase the FSM's capacity to conduct sector-specific training and exercises to test the effectiveness of the disaster response system, identify deficiencies and remedies, and promote disaster awareness campaigns.

Mongolia

Foreign Assistance Program Overview

In 2011, Mongolia celebrated its 20th anniversary as a democratic state and assumed chairmanship of the Community of Democracies. The country's rate of economic growth is one of the highest in the world. Substantial new financial profits for both the government of Mongolia and the private sector, primarily from mining, will bring increased opportunities for economic diversification, improvements in education, infrastructure, and social programs and will allow Mongolia to expand its role in the international arena. They will also bring the increased likelihood of mismanagement and corruption. U.S. assistance will help promote private-sector-led growth and long-term capital investment as well as other activities to aid the Government of Mongolia (GOM) in addressing corruption, strengthening the implementation of its laws, and creating greater transparency and accountability. Training and equipment provided by the U.S. government supports the professionalization of Mongolia's defense forces and their continued support for United Nations peacekeeping operations. Because of Mongolia's highly porous borders and geographic proximity to proliferators in the region, U.S. assistance will support non-proliferation activities.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**10,441**	**7,125**	**10,100**	**2,975**
Development Assistance	6,198	3,000	6,100	3,100
Foreign Military Financing	2,996	3,000	3,000	-
International Military Education and Training	997	875	750	-125
Nonproliferation, Antiterrorism, Demining and Related Programs	250	250	250	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Mongolia	**10,441**	**7,125**	**10,100**	**2,975**
1 Peace and Security	**4,243**	**4,125**	**4,000**	**-125**
Foreign Military Financing	**2,996**	**3,000**	**3,000**	**-**
1.3 Stabilization Operations and Security Sector Reform	2,996	3,000	3,000	-
International Military Education and Training	**997**	**875**	**750**	**-125**
1.3 Stabilization Operations and Security Sector Reform	997	875	750	-125
Nonproliferation, Antiterrorism, Demining and Related Programs	**250**	**250**	**250**	**-**
1.2 Combating Weapons of Mass Destruction (WMD)	250	250	250	-
2 Governing Justly and Democratically	**1,860**	**2,000**	**1,830**	**-170**
Development Assistance	**1,860**	**2,000**	**1,830**	**-170**
2.1 Rule of Law and Human Rights	558	-	550	550

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
2.2 Good Governance	1,302	2,000	1,280	-720
4 Economic Growth	**4,338**	**1,000**	**4,270**	**3,270**
Development Assistance	**4,338**	**1,000**	**4,270**	**3,270**
4.3 Financial Sector	1,518	-	1,495	1,495
4.6 Private Sector Competitiveness	2,820	1,000	2,775	1,775

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Mongolia	**10,441**	**7,125**	**10,100**	**2,975**
1 Peace and Security	**4,243**	**4,125**	**4,000**	**-125**
1.2 Combating Weapons of Mass Destruction (WMD)	250	250	250	-
1.3 Stabilization Operations and Security Sector Reform	3,993	3,875	3,750	-125
2 Governing Justly and Democratically	**1,860**	**2,000**	**1,830**	**-170**
2.1 Rule of Law and Human Rights	558	-	550	550
2.2 Good Governance	1,302	2,000	1,280	-720
4 Economic Growth	**4,338**	**1,000**	**4,270**	**3,270**
4.3 Financial Sector	1,518	-	1,495	1,495
4.6 Private Sector Competitiveness	2,820	1,000	2,775	1,775
of which: Objective 6	**515**	**257**	**645**	**388**
6.1 Program Design and Learning	115	150	295	145
6.2 Administration and Oversight	400	107	350	243

Peace and Security

Foreign Military Financing (FMF): FMF funding for Mongolia will build the country's growing peacekeeping capacity. Projects may include equipment for the military police company in Mongolia's Peace Support Operations (PSO) Brigade, and modernized communications equipment for the Mongolian military. Military police equipment will facilitate Mongolia's capacity to deploy military police support forces in support of PSO missions worldwide

International Military Education and Training (IMET): IMET will continue to strengthen the professionalism of the Mongolian Armed Forces (MAF), making them more compatible with the United States and other international coalition partners. This training provided professional military education at the officer and non-commissioned officer basic and advanced course levels, and technical training to improve Mongolia's expeditionary medical capability and to create and maintain English language labs, including supporting English teachers dedicated to those language labs.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): Mongolia is engaged with the international community in nonproliferation, and is actively cooperating with the Department of State under the Export Control and Related Border Security Assistance (EXBS) program. The goal of EXBS in Mongolia is to establish an effective strategic trade control system, including an effective border security

capability that complements the Department of Energy's Second Line of Defense program. This will be done through the drafting of strategic trade-control legislation, implementing regulations, and the establishment of a robust dual-use and munitions export license process that conforms to international nonproliferation standards.

Governing Justly and Democratically

Development Assistance (DA): The GOM desires to transition from a recipient of development assistance to a full partnership with the United States. The U.S. Agency for International Development's (USAID) contributions in democracy and governance will enable it to move in this direction. The intent of the Democracy and Governance Program is to catalyze a democratic process that governs in the interest of all citizens. USAID activities will focus on political institutions and processes, with a view toward promoting increased participation of women at all levels of government and civil society, reducing corruption, and improving administrative law and the judiciary. For example, the Strengthening Transparency and Governance (STAGE) project will increase the capacity of the government to advance national development goals including sustained economic growth and reductions in poverty.

Economic Growth

Development Assistance (DA): U.S. assistance will improve the GOM's capacity to implement a legal and regulatory framework that is conducive to business, strengthens international trade, and broadens public-private partnerships. Funds will expand private sector participation and competiveness, including the development of business associations that can advocate more effectively on behalf of private sector interests. Mongolia lacks a robust financial sector necessary for long-term capital investments. USAID will promote the development of non-banking financial institutions and increase the capacity of regulatory institutions to monitor the capital markets.

USAID's Business Plus Initiative (BPI) will focus on improving private sector competitiveness by working with public-private partnerships, encouraging the formation of trade associations, and providing training on quality assurance. BPI will also develop training modules for the Banking and Finance Academy, consult to the Finance and Regulatory Commission, and develop corporate governance rating systems.

Linkages with the Millennium Challenge Corporation

In October 2007, the Millennium Challenge Corporation (MCC) signed a five-year, $285 million compact with the GOM. Five projects are currently underway. The strategic investments of the compact will increase economic activity through improving the land registration system, helping people in poorer urban areas register their land, and providing for sustainable management and use of rangelands in selected peri-urban areas. The compact will also improve vocational training to help Mongolians qualify for more demanding and financially rewarding market-oriented jobs, ensuring that they become healthier and more productive as they enter the marketplace. Finally, it will increase the adoption of energy-efficient and lower-emission appliances, and support the development of renewable energy.

Although MCC activities are distinct from proposed USAID efforts, the two agencies meet frequently to discuss potential overlap and areas of possible cooperation.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The Defense Attaché Office (DAO) manages Mongolia's FMF and IMET programs. Upon receipt of FMF equipment, DAO personnel conduct joint inventories with their MAF counterparts. Furthermore, some of the equipment received under FMF is subject to end-use monitoring in FY2013. The DAO also processes IMET applications, ensuring all applicants are screened by the post.

The Bureau of International Security and Nonproliferation (ISN) at the Department of State is the primary implementer of EXBS programming, with the Embassy serving as a liaison between ISN and the GOM. ISN personnel will visit Mongolia several times in FY 2012 and FY 2013 to conduct training and assist with the drafting of legislation. Embassy personnel maintain regular contact with all relevant Mongolian ministries and agencies and routinely assess progress toward goals.

In line with current policies, USAID will establish a more evidence-based performance management framework. USAID's monitoring and evaluation framework incorporates annual work plans and reports, quarterly performance reports, and frequent updates from its implementers. In addition, monthly Chief of Party meetings with USAID and the U.S. Embassy enable free and open discussions to assess project activities and impact.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Prior to 2003, Mongolia had never sent an armed peacekeeper abroad. In FY 2012, Mongolia will deploy a battalion size peacekeeping element to South Sudan. This will be the largest peacekeeping deployment to date, and it is clear that FMF and IMET investments have had an enormous impact, resulting in a steady increase in the number of professional Mongolian peacekeeping troops deployed abroad. FMF and IMET funding has directly enabled Mongolia to meet its goal of establishing a full size peacekeeping brigade with the creation of a third battalion in 2012. Continued funding will further build and sustain the deployment of Mongolian peacekeeping forces abroad, as well as contribute to the overall professionalization of the Mongolian military.

Based on EXBS consultations in early 2011, the GOM established a strategic trade control (STC) legislation working group. In June 2011, ISN conducted its first workshop in Mongolia, providing a understanding of the necessary legal framework for STC law that meets international standards. Based on that workshop, Mongolian participants worked diligently to draft Mongolia's first strategic trade control law which is circulating through Mongolian ministries for review.

USAID/Mongolia's new five-year strategy, the Country Development Cooperation Strategy (CDCS), is based on a comprehensive understanding of the Mongolian context, particularly in the economic growth and democracy and governance sectors. Evidence and results-based analysis have shaped USAID's priorities in the country, along with an appreciation of geopolitical considerations, Government of Mongolia (GOM) priorities, and contributions by other donor partners. The strategy is based on anticipated funding levels while building on past USAID experiences and Mongolian priorities. Feedback received on USAID project activities, a dialogue on national priorities, and consultations with other donors further helped identify and underscore areas of need and potential comparative advantages offered by USAID.

Relating Past Performance to FY 2013 Plans: In late 2010, Mongolia deployed its Expeditionary Medical System to Sudan, where it established a United Nations Level II Hospital. This deployment of a niche capability, beyond Mongolia's typical provision of site security forces and observers, marked a significant step forward in Mongolia's peace support operations capability. At the same time, Mongolia deployed armed personnel to Afghanistan in increasing numbers, and expanding their mission sets, to include out-of-the-wire patrolling. Now in FY 2012, Mongolia is in the process of deploying a battalion size peacekeeping element to South Sudan. This will be its largest peacekeeping deployment to date. IMET expenditures have also demonstrated overwhelming success in furthering Mongolia's defense reform goals and its integration with Western defense institutions. Every leader of a Mongolian contingent in support of Operation Enduring Freedom, as well as most United Nations peacekeeping contingents, has been a graduate of an IMET-funded program. Many of the critical positions on the General Staff of the MAF and

Ministry of Defense are IMET graduates, most from senior-level (War College and equivalent) courses. These achievements mark significant milestones in the reform of the Mongolian defense forces, as well as in the establishment of a MAF PSO Brigade. FMF and IMET expenditures will continue to support the PSO Brigade through 2015, at which time it is projected to reach operational status.

In FY 2013, EXBS will build on a foundation of workshops, consultations, and outreach activities held in FY 2011and FY2012. Mongolia's first strategic trade control law is expected to be submitted to Parliament for enactment in the first quarter of 2012. Assuming passage of the law, FY2013 funding will be used for practical training on implementing and enforcing the law and on drafting necessary secondary legislation and regulations to complete a robust dual-use and munitions export license process that conforms to international nonproliferation standards. The goal is to ensure that a full body of secondary legislation is developed, that Mongolia has the capacity to set up the trade control licensing organization, and that licensing organization personnel are properly trained in export classification based on Mongolia's notional control list.

USAID's past efforts in Mongolia have achieved substantive, structural change. USAID's shift to long-term sustainable development encouraged the expansion of the private sector and increased the ability of marginalized citizens to benefit from a growing economy. While the framework of a market-driven economy is securely in place, the institutionalization of administrative oversight and regulatory enforcement must occur to ensure success. While USAID programs have succeeded in decreased public tolerance of corruption, more effort is needed to mitigate grand corruption by powerful private and political influences.

Based on lessons learned, best practices, and especially investments made to date, USAID's governance programs will emphasize host country buy-in, moving beyond capacity building and training, and consolidating judicial reform.

Papua New Guinea

Foreign Assistance Program Overview

Papua New Guinea (PNG) has enjoyed recent economic progress and has bright prospects for future economic growth due to abundant energy, agricultural, and mineral resources. Despite PNG's growing economy, the country still ranks 153 out of 187 on the Human Development Index. Weak governance, corruption, and limited capacity to deliver basic services have caused a deterioration of the health system that is further challenged by a serious and growing HIV/AIDS problem. U.S. assistance seeks to help PNG become a stable U.S. partner by advancing PNG's public health system.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**5,000**	**5,000**	**7,500**	**2,500**
Global Health Programs - State	2,500	2,500	5,000	2,500
Global Health Programs - USAID	2,500	2,500	2,500	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Papua New Guinea	**5,000**	**5,000**	**7,500**	**2,500**
3 Investing in People	**5,000**	**5,000**	**7,500**	**2,500**
Global Health Programs - State	**2,500**	**2,500**	**5,000**	**2,500**
3.1 Health	2,500	2,500	5,000	2,500
Global Health Programs - USAID	**2,500**	**2,500**	**2,500**	**-**
3.1 Health	2,500	2,500	2,500	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Papua New Guinea	**5,000**	**5,000**	**7,500**	**2,500**
3 Investing in People	**5,000**	**5,000**	**7,500**	**2,500**
3.1 Health	5,000	5,000	7,500	2,500
of which: Objective 6	**1,841**	**808**	**-**	**-808**
6.1 Program Design and Learning	126	-	-	-
6.2 Administration and Oversight	1,715	808	-	-808

Investing in People

U.S. assistance will address the growing threat of HIV/AIDS in Papua New Guinea, the highest rate of HIV/AIDS in the Pacific. The U.S. Agency for International Development (USAID) will increase the

availability of HIV/AIDS services along the Continuum of Prevention-to-Care-to-Treatment model; improve management of strategic information; strengthen the supply chain for HIV/AIDS commodities; increase individuals' awareness and knowledge of HIV/AIDS; support healthy behavior; and strengthen programs that address gender-based violence.

Global Health Programs (GHP) - USAID: Assistance will support Global Health Initiative's (GHI) goals which include: strengthening health systems; leveraging key partnerships with private and multilateral organizations; improving monitoring and evaluation; and promoting research and innovation. USAID will help improve access to quality HIV/AIDS services and commodities and promote behavior and social norms that help curb the prevalence rate. USAID focuses on most-at-risk populations (MARPs), complementing other donors who mostly target the general population. USAID will use sustainable approaches and increase country ownership by strengthening health systems, strengthening government ownership and coordination, improving monitoring and evaluation, promoting research and innovation, and promoting gender equality. U.S. assistance will continue to seek opportunities to address gender-based violence and overall violence in PNG, a key factor to the spread of HIV infection. Funding will also enable USAID to integrate activities focused on preventing gender-based violence in the HIV/AIDS program.

Global Health Programs (GHP) - State: USAID's Philippines Office for the Pacific (POP) supports the program in PNG and will further scale-up the HIV/AIDS program to achieve a greater impact on mitigating the HIV/AIDS epidemic in PNG.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: USAID/POP, a Program Unit under the USAID/Philippines Mission, routinely monitors progress through portfolio reviews, regular reporting, and site visits.

In FY 2011, USAID/POP conducted a Mission-wide portfolio review that included the Pacific Islands' programs. The review focused on program results and performance indicators, financial performance, implementation progress and challenges, and anticipated results in FY 2012 (including priorities, planned evaluations, and planned obligations). For PNG, this included a review of the HIV/AIDS program. The portfolio review served as an input to the preparation of the FY 2011 Performance Plan and Report.

USAID is in the final stages of developing a new strategy for the Pacific Islands and will use the strategy to guide new program designs and assess ongoing programs.

In FY 2012, USAID is conducting an external performance evaluation of its Technical Support for HIV/AIDS Prevention, Care, and Treatment project in PNG that could affect future resource allocation and scaling-up of interventions.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: By conducting regular monitoring activities, USAID recognized the challenge of measuring the impact it is having on addressing the problem nationwide. USAID will need to scale-up the project to achieve a more significant impact. Findings from the evaluation planned for FY 2012 will evaluate the performance of the current HIV/AIDS project. This evaluation will also inform the design of a follow-on activity.

Relating Past Performance to FY 2013 Plans: Pending the results of the performance evaluation of the Technical Support for HIV/AIDS Prevention, Care and Treatment project in PNG, USAID will design a follow-on HIV/AIDS program to build on lessons learned and best practices.

Philippines

Foreign Assistance Program Overview

The United States Government's goal in the Philippines is to help its treaty ally become a stable, prosperous, and well-governed nation that denies safe haven to terrorists. The Manila Declaration signed in November 2011 reaffirmed the U.S. – Philippines Mutual Defense Treaty as the foundation for a robust, balanced, and responsive security partnership. The November 2011 Partnership for Growth (PFG) Statement of Principles reinforced shared interest to promote inclusive and sustainable economic growth in the Philippines. U.S. assistance in the Philippines fosters broad-based economic growth; improves the health and education of Filipinos; promotes peace and security; advances democratic values, good governance, and human rights; and strengthens regional and global partnerships. The Department of State, Department of Defense, and the U.S. Agency for International Development (USAID) will fund programs in conflict-affected areas of Mindanao to strengthen the foundation for peace and stability in the area. U.S. assistance, including from the Millennium Challenge Corporation, will intensify cooperation through a whole-of-government approach, leveraging a wide range of assistance and other foreign policy tools.

In FY 2013, the USAID Mission in the Philippines will continue to take a leadership role in managing USAID's assistance portfolio in the Pacific Island region, the Philippines Office for the Pacific (POP). U.S. assistance helps mitigate the effects of environmental degradation and adapt to climate change in the Pacific Islands Developing States. Funding also bolsters disaster relief and reconstruction efforts in the Republic of the Marshall Islands and the Federated States of Micronesia, and supports HIV/AIDS prevention and treatment in Papua New Guinea.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**144,333**	**142,435**	**144,432**	**1,997**
Development Assistance	79,055	81,055	86,682	5,627
Food for Peace Title II	7,310	-	-	-
Foreign Military Financing	11,970	14,555	13,500	-1,055
Global Health Programs - USAID	32,437	33,000	31,000	-2,000
International Military Education and Training	1,971	1,850	1,665	-185
International Narcotics Control and Law Enforcement	2,065	2,450	2,450	-
Nonproliferation, Antiterrorism, Demining and Related Programs	9,525	9,525	9,135	-390

Request by Program by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Philippines	**144,333**	**142,435**	**144,432**	**1,997**
Philippines Office for the Pacific	**9,500**	**9,500**	**9,500**	**-**
Development Assistance	9,500	9,500	9,500	-
Other	**134,833**	**132,935**	**134,932**	**1,997**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Development Assistance	69,555	71,555	77,182	5,627
Food for Peace Title II	7,310	-	-	-
Foreign Military Financing	11,970	14,555	13,500	-1,055
Global Health Programs - USAID	32,437	33,000	31,000	-2,000
International Military Education and Training	1,971	1,850	1,665	-185
International Narcotics Control and Law Enforcement	2,065	2,450	2,450	-
Nonproliferation, Antiterrorism, Demining and Related Programs	9,525	9,525	9,135	-390

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Philippines	**144,333**	**142,435**	**144,432**	**1,997**
1 Peace and Security	**26,351**	**28,630**	**26,700**	**-1,930**
Development Assistance	**1,450**	**900**	**600**	**-300**
1.5 Transnational Crime	900	900	600	-300
1.6 Conflict Mitigation and Reconciliation	550	-	-	-
Foreign Military Financing	**11,970**	**14,555**	**13,500**	**-1,055**
1.3 Stabilization Operations and Security Sector Reform	11,970	14,555	13,500	-1,055
International Military Education and Training	**1,971**	**1,850**	**1,665**	**-185**
1.3 Stabilization Operations and Security Sector Reform	1,971	1,850	1,665	-185
International Narcotics Control and Law Enforcement	**1,435**	**1,800**	**1,800**	**-**
1.3 Stabilization Operations and Security Sector Reform	1,435	1,800	1,800	-
Nonproliferation, Antiterrorism, Demining and Related Programs	**9,525**	**9,525**	**9,135**	**-390**
1.1 Counter-Terrorism	8,900	8,900	8,510	-390
1.2 Combating Weapons of Mass Destruction (WMD)	625	625	625	-
2 Governing Justly and Democratically	**12,527**	**13,512**	**18,425**	**4,913**
Development Assistance	**11,897**	**12,862**	**17,775**	**4,913**
2.1 Rule of Law and Human Rights	5,200	5,753	6,942	1,189
2.2 Good Governance	4,897	5,984	9,833	3,849
2.3 Political Competition and Consensus-Building	800	1,125	-	-1,125
2.4 Civil Society	1,000	-	1,000	1,000
International Narcotics Control and Law Enforcement	**630**	**650**	**650**	**-**
2.1 Rule of Law and Human Rights	630	650	650	-
3 Investing in People	**45,688**	**52,632**	**45,730**	**-6,902**
Development Assistance	**13,251**	**19,632**	**14,730**	**-4,902**
3.1 Health	1,250	3,447	1,500	-1,947

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
3.2 Education	12,001	16,185	13,230	-2,955
Global Health Programs - USAID	**32,437**	**33,000**	**31,000**	**-2,000**
3.1 Health	32,437	33,000	31,000	-2,000
4 Economic Growth	**52,457**	**47,661**	**53,577**	**5,916**
Development Assistance	**52,457**	**47,661**	**53,577**	**5,916**
4.1 Macroeconomic Foundation for Growth	1,000	4,250	7,500	3,250
4.2 Trade and Investment	2,489	-	-	-
4.4 Infrastructure	10,457	10,741	16,000	5,259
4.5 Agriculture	3,010	-	-	-
4.6 Private Sector Competitiveness	3,002	8,170	12,577	4,407
4.7 Economic Opportunity	2,000	-	1,000	1,000
4.8 Environment	30,499	24,500	16,500	-8,000
5 Humanitarian Assistance	**7,310**	**-**	**-**	**-**
Food for Peace Title II	**7,310**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	7,310	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Philippines	**144,333**	**142,435**	**144,432**	**1,997**
1 Peace and Security	**26,351**	**28,630**	**26,700**	**-1,930**
1.1 Counter-Terrorism	8,900	8,900	8,510	-390
1.2 Combating Weapons of Mass Destruction (WMD)	625	625	625	-
1.3 Stabilization Operations and Security Sector Reform	15,376	18,205	16,965	-1,240
1.5 Transnational Crime	900	900	600	-300
1.6 Conflict Mitigation and Reconciliation	550	-	-	-
2 Governing Justly and Democratically	**12,527**	**13,512**	**18,425**	**4,913**
2.1 Rule of Law and Human Rights	5,830	6,403	7,592	1,189
2.2 Good Governance	4,897	5,984	9,833	3,849
2.3 Political Competition and Consensus-Building	800	1,125	-	-1,125
2.4 Civil Society	1,000	-	1,000	1,000
3 Investing in People	**45,688**	**52,632**	**45,730**	**-6,902**
3.1 Health	33,687	36,447	32,500	-3,947
3.2 Education	12,001	16,185	13,230	-2,955
4 Economic Growth	**52,457**	**47,661**	**53,577**	**5,916**
4.1 Macroeconomic Foundation for Growth	1,000	4,250	7,500	3,250
4.2 Trade and Investment	2,489	-	-	-

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.4 Infrastructure	10,457	10,741	16,000	5,259
4.5 Agriculture	3,010	-	-	-
4.6 Private Sector Competitiveness	3,002	8,170	12,577	4,407
4.7 Economic Opportunity	2,000	-	1,000	1,000
4.8 Environment	30,499	24,500	16,500	-8,000
5 Humanitarian Assistance	**7,310**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	7,310	-	-	-
of which: Objective 6	**8,176**	**6,002**	**-**	**-6,002**
6.1 Program Design and Learning	4,143	1,500	-	-1,500
6.2 Administration and Oversight	4,033	4,502	-	-4,502

Peace and Security

In FY 2013, one of the key security priorities remains countering terrorist groups. U.S. assistance will focus on helping the Philippine military achieve sustainable counter-terrorism capabilities, while simultaneously enabling security forces to become more reliant on their own resources to provide credible law and order services. U.S. assistance will also help address broader regional and global challenges, including maritime security and threats due to nuclear proliferation and transnational crime.

Foreign Military Financing (FMF): FMF will augment the Philippine military's efforts to transition away from internal security operations and improve regional maritime security.

International Military Education and Training (IMET): IMET will complement FMF resources in assisting the Government of the Philippines' (GPH) counter-terrorism and maritime security efforts and in sustaining the implementation of Philippine defense reforms through education programs at U.S. military schools.

International Narcotics Control and Law Enforcement (INCLE): INCLE funds will support the police by providing equipment and training in core police competencies such as criminal investigation techniques, in-service training, and community policing, as well as maritime security and forensic examinations, further enabling law enforcement to take responsibility for internal security. U.S. assistance also strengthens law enforcement capacities to patrol, interdict, and enforce laws in key areas of critical concern due to smuggling, terrorist transit, environmental crimes, and other transnational crimes. These investments will help ensure that the police will evolve into an effective civilian force capable of acting in accordance with democratic principles and human rights.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): The Anti-Terrorism Assistance (ATA) Program works to eliminate terrorists, deny them sanctuary, strengthen security forces, facilitate the transition from military to civilian control, and increase respect for human rights. The majority of ATA's efforts are targeted to key areas in Mindanao, where the terrorist threat and associated problems are most acute. ATA will work to build Philippines National Police (PNP) capacity to detect and respond to terrorist threats, to investigate and prosecute terrorism-related cases, and to work with regional partners to strengthen border control capacities, in order to restrict terrorist movements and prevent terrorists or terrorist organizations from operating and/or developing safe havens. Concurrently ATA is developing a cadre of police instructors, trained in ATA tenets to assume more responsibility for anti-terrorism programs. This is part of an ongoing effort to institutionalize counter-terrorism training capabilities and programs. Funding will maintain the momentum in place to achieve the aforementioned goals and objectives via a steady, systematic, structured delivery of specialized anti-terrorism assistance. Funds will

also help strengthen the Philippine strategic trade system by helping the GPH reinforce customs and border controls to detect and interdict weapons or related technologies.

Development Assistance (DA): USAID assistance will help the Philippines' implement its anti-trafficking in-persons (TIP) law, promote prosecution of trafficking cases, strengthen civil society's ability to provide protective services to victims, and advocate for preventive measures through community education and awareness campaigns.

Governing Justly and Democratically

U.S. assistance will combat corruption, promote the rule of law, and support local democratic governance and decentralization. Specifically, U.S. assistance will support activities under the Philippines – United States PFG Joint Country Action Plan (2012 – 2016), which will strengthen the rule of law through a more efficient court system and promote a more transparent legal and regulatory regime less encumbered by corruption. U.S. assistance will help enhance service delivery, transparency and accountability of local governments. USAID interventions in conflict affected areas of Mindanao will strengthen the capacity and legitimacy of local governments, increase civic engagement, and improve the capacity of the next generation of leaders.

Development Assistance (DA): In rule-of-law and human rights, U.S. assistance will increase support to justice sector institutions in resolving commercial disputes and financial crimes, assist the GPH in improving contract enforcement, and strengthen accountability mechanisms in the justice sector. U.S. assistance will also support the GPH in implementing a comprehensive case management process to improve court effectiveness and efficiency.

In good governance, U.S. assistance will promote fiscal management at the local level, enable local governments to generate own-source revenues, and improve service delivery. USAID will assist the Philippine government implement laws and regulations designed to curb corruption by building the capacity of anticorruption institutions and expanding private sector oversight. In conflict-affected areas of Mindanao, governance activities will promote civic engagement and community involvement in socio-economic activities as well as strengthen local government capacity and accountability in delivering public services.

International Narcotics Control and Law Enforcement (INCLE): INCLE funds will support legislative and institutional reforms aimed at strengthening the Philippine criminal justice system by building its capacity to prevent, investigate, and prosecute corruption, money laundering and financial crimes, TIP, cybercrime, and other transnational crimes. Funds will also support the material and training needs of Philippine prosecutors and law enforcement working on transnational crimes so that Philippine authorities can work more effectively with their maritime neighbors.

Investing in People

USAID will continue to improve access to maternal and child health (MCH), family planning services, tuberculosis (TB) treatment, and HIV/AIDS prevention. Assistance will focus on improving performance in these areas at both national and local levels; addressing inequity in access to services, especially among poor and marginalized communities in the conflict affected areas of Mindanao; increasing private sector contributions to improve public health; and increasing use of health services and commodities. USAID will help develop improvements to water and sanitation, including the promotion of safe water.

Global Health Program (GHP): Assistance will support Global Health Initiative's (GHI) goals which include: strengthening health systems; leveraging key partnerships with private and multilateral organizations; improving monitoring and evaluation; and promoting research and innovation. With GHP

funds, USAID will support highly effective interventions in family planning services, Maternal Child Health (MCH), and tuberculosis (TB) treatment.

- Family Planning/Reproductive Health: USAID will promote access to high quality voluntary family planning services and information to help the Philippines meet demand for services and contraceptive supplies.

- Maternal and Child Health (MCH): USAID will promote pre-natal and post-natal care and enable women to deliver in safe settings, with priority on reaching women in underserved, poor communities. USAID will support the scaling up of proven interventions that prevent neonatal and infant deaths such as essential intrapartum and newborn care as well as exclusive breastfeeding.

- Tuberculosis (TB): USAID will promote quality TBdiagnosis and treatment services by both the public and private sectors. To reduce Multi-Drug-Resistant TB (MDR-TB), USAID will strengthen and expand MDR-TB diagnosis and management, provide technical assistance in setting up referral networks for suspected MDR-TB cases, and continue to build the management capacity of the Department of Health's MDR-TB program.

Development Assistance (DA):

- Water and Sanitation: USAID will develop improvements in water and sanitation at the local level, and increase private sector financing of water and sanitation infrastructure. USAID will also support the establishment of a robust and transparent regulatory framework for water and sanitation.

- Basic Education: USAID will engage education institutions to leverage quality improvements in early grade reading. To improve reading, U.S. assistance will focus on teacher and administrator training, development and implementation of classroom assessments, and learning materials. Assistance will also provide basic literacy and life skills training to marginalized youth and adults in conflict-affected areas in Mindanao.

- Higher Education: USAID will help build technical, scientific, and research capabilities to increase the innovative capacity of institutions of higher education. This will also involve strengthening linkages between academic institutions and private industry to ensure the development of human capital required to sustain economic growth over the long-term.

Economic Growth

U.S. assistance will support activities consistent with the Philippines – United States PFG Joint Country Action Plan dated November 9, 2011. U.S. assistance will foster a more open and competitive business climate with lower barriers to entry and greater fiscal stability to promote foreign investment, international trade, and private sector growth. The U.S. government will also work with the Philippine government to improve administration of revenue by broadening the tax base, improving tax collection, and curbing tax evasion.

In the energy and environment sectors, USAID will increase support to better manage rapidly deteriorating forest, coastal, and marine resources, and promote clean and renewable energy. USAID will help strengthen the resiliency of key energy and water infrastructure, environmental services, and already fragile ecosystems against the risks posed by natural disasters.

Development Assistance (DA):U.S. assistance will improve the Philippines' competitiveness and transition to climate resilient, low emission sustainable economic development.

USAID will help the Philippines expand its tax base, minimize revenue loss, and improve the administration of resources. Specifically, U.S. assistance will help the Philippine Government implement tax reforms to combat tax evasion and smuggling, and increase transparency and accountability in the allocation of resources.

U.S. assistance will promote economic reforms to strengthen private sector investment in transport-related services, mobile banking, infrastructure, logistics, and energy. Assistance will also increase public-private partnerships in infrastructure development through the development of feasibility studies.

USAID will work with communities in conflict-affected areas of Mindanao to promote micro- and small agribusiness development, and increase agricultural productivity. USAID will support Philippine government efforts to ease the regulatory burdens that hinder trade and investment. Specifically, U.S. assistance will support measures to reduce the cost of doing business, improve the investment climate, and ensure Philippine government import regulations are consistent with international standards.
U.S. assistance will help the Philippines manage its terrestrial and marine ecosystems. Assistance programs will protect critical habitats and reduce greenhouse gas emissions from deforestation and land-use changes. USAID will promote the development of environment policy based on science-based analyses and improve the management of forests and coastal areas at different levels of government.

Global Climate Change Initiative (GCCI) funding will support the development and implementation a Low Emission Development Strategy in the Philippines. U.S. assistance will seek to increase resilience of communities vulnerable to the adverse effects of climate change. In adaptation, USAID will address water security, support vulnerability assessments of ecosystems, and strengthen Philippine disaster management capabilities.

Philippines Office for the Pacific (POP)

Global climate change poses a significant challenge in the Pacific region, increasing pressure on potable water resources and affecting agriculture in many of the island nations. Rising sea levels pose a crisis for others, especially low-lying atolls. High energy costs and depleted fisheries and forests have imperiled traditional livelihoods dependent on natural resources, particularly over the past decade.

Development Assistance (DA): USAID will use GCCI funding to address the adverse effects of global climate change, reduce the islands' net greenhouse gas emissions, mitigate the risks of climate related disasters and threats, and accelerate the adoption of renewable energy technologies. The Philippines Office for the Pacific will build capacity and support regional cooperation to address climate change among Pacific nations, by building off the initiatives of regional organizations, universities, research institutes, civil society organizations (CSOs), international non-government organizations (NGOs), and the private sector. These programs will enhance the ability of Pacific Island countries to adapt to climate change and reduce the risk from natural disasters. USAID will support investments and technical assistance in adaptation, and accelerate the transition to low emission development.

Linkages with the Millennium Challenge Corporation

Following the successful completion of Threshold Program in 2009, the Millennium Challenge Corporation (MCC) approved in 2010 a five-year, $434 million Compact with the Philippines aimed at reducing poverty through economic growth. The Compact supports reforms and investments to modernize the Bureau of Internal Revenue, expands and improves a community-driven development project of the Department of Social Welfare and Development, and rehabilitates a secondary national road in Samar province.

USAID is building on the successes of the Threshold Program by continuing assistance to counter corruption across government agencies, improving rule of law and judicial efficiency, and improving

management of public finances. USAID also complements the MCC Compact investments in revenue administration and infrastructure development and both agencies activities support the Philippines – United States PFG.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: USAID/Philippines completed nine program evaluations and assessments in FY 2011. These include an education sector assessment, biodiversity and forestry assessment, water and sanitation assessment, a forestry/sustainable landscapes scoping assessment, an interagency low emissions development scoping, automated elections assessment, nationwide family health survey, infrastructure impact evaluation, and an evaluation of our largest environmental governance project to assess programmatic performance. In addition, Embassy Manila conducted an interagency assessment of five conflict-affected areas in Mindanao to determine future programmatic directions. In line with the Quadrennial Diplomacy and Development Review (QDDR) and USAID Forward mandates, the results of these assessments and evaluations contributed significantly to informing the Mission's strategic direction for the sectors, the PFG Initiative, and the overall Country Development Cooperation Strategy (CDCS) for the Philippines. These results also served as key inputs in designing new activities, tracking the progress of Mission indicators, and determining the impact of programs. A total of 13 evaluations and assessments are planned in FY 2012, of which five external, quality evaluations will be counted towards USAID Forward targets.

In FY 2011, USAID/Philippines conducted three Mission-wide portfolio reviews that focused on program results and performance indicators, financial performance, completed and planned evaluations, implementation progress and challenges, and anticipated results in FY 2012 (including priorities, planned obligations and new project designs and procurements). The results of these portfolio reviews served as the basis for the preparation of the FY 2011 Performance Plan and Report and will input into the preparation of the FY 2012 Operational Plan.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The assessments and evaluations captured lessons learned and helped to expand work, develop new and follow-on projects, and replicate best practices in support of the Mission's CDCS. The assessments for the education, environment, health, and water and sanitation sectors helped shape the goals, direction, and design of new and follow-on activities under these sectors, which are reported and budgeted for in the Operational Plan. In the health sector, a nationwide family health survey helped track the progress of family planning and maternal and child health indicators, thereby assisting program managers in selecting and designing programs and strategies for improving health and family planning in the country. In environment, the various climate change and environmental assessments and evaluations are informing the design of a new forestry/sustainable landscapes program to conserve biodiversity, increase resilience of communities, and improve environmental services. In conflict-affected areas of Mindanao, assessments helped define a special focus on governance activities that will promote civic engagement and community involvement in socio-economic activities as well as strengthen local government capacity and accountability in delivering social services.

Relating Past Performance to FY 2013 Plans: The performance assessments and evaluation of Mission programs paved the way for the development of a new initiative: the PFG, which will address the two binding constraints to economic growth — weak governance and narrow fiscal space. PFG is an integral part of the CDCS with programs in improving regulatory quality, strengthening rule of law, reducing corruption, and improving fiscal performance. Under the health program, more resources are expected to be allocated to help mobilize broader private and public sector delivery of integrated family planning and

MCH services nationwide. In tuberculosis control, the increased case detection and cure rates resulted in a new follow-on TB prevention and control program. In environment, increased funding is allocated to an umbrella program on sustainable landscapes to broaden the coverage and impact of climate change adaptation strategies. In Mindanao, the new Mission strategy for achieving peace and stability will build upon past successes gained and lessons learned from implementing infrastructure, livelihood, and conflict mitigation programs.

Samoa

Foreign Assistance Program Overview

With no standing military of its own, Samoa relies on assistance from its partners to provide for its defense and to respond to catastrophic events. Samoa's Maritime Police Unit serves a border control and maritime policing function, and provides coast guard and emergency response capabilities. Small but targeted assistance to this unit aids Samoa by providing increased capacity for maritime policing, coastal defense, and emergency response, thus aiding in both defense and development spheres.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**113**	**40**	**40**	**-**
International Military Education and Training	113	40	40	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Samoa	**113**	**40**	**40**	**-**
1 Peace and Security	**113**	**40**	**40**	**-**
International Military Education and Training	**113**	**40**	**40**	**-**
1.3 Stabilization Operations and Security Sector Reform	113	40	40	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Samoa	**113**	**40**	**40**	**-**
1 Peace and Security	**113**	**40**	**40**	**-**
1.3 Stabilization Operations and Security Sector Reform	113	40	40	-

Peace and Security

International Military Education and Training (IMET): IMET will assist the Government of Samoa to improve maritime security and better respond to natural disasters. Samoa, which is vulnerable to cyclones, volcanoes, earthquakes, and tsunamis, has developed the most effective disaster response capability in the region.

Singapore

Foreign Assistance Program Overview

As one of the world's busiest container ports and major transshipment hubs in Asia, Singapore's importance to regional communications, finance, energy, and transportation makes it an important partner in deterring, detecting, and interdicting the flow of weapons of mass destruction (WMD), their delivery systems, and related technology. U.S. assistance will continue to focus on combating WMD proliferation and countering terrorist threats against the United States and U.S. interests in Singapore and the region. This will be accomplished by building on existing intelligence, law enforcement, and security cooperation, and by expanding training and investigative assistance. Singapore participates in the Proliferation Security Initiative, the Container Security Initiative, and the Megaports program to detect radioactive material in cargo.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**250**	**250**	**250**	**-**
Nonproliferation, Antiterrorism, Demining and Related Programs	250	250	250	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Singapore	**250**	**250**	**250**	**-**
1 Peace and Security	**250**	**250**	**250**	**-**
Nonproliferation, Antiterrorism, Demining and Related Programs	**250**	**250**	**250**	**-**
1.2 Combating Weapons of Mass Destruction (WMD)	250	250	250	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Singapore	**250**	**250**	**250**	**-**
1 Peace and Security	**250**	**250**	**250**	**-**
1.2 Combating Weapons of Mass Destruction (WMD)	250	250	250	-

Peace and Security

The Export Control and related Border Security (EXBS) program supports Singapore's effort to harmonize the country's strategic trade controls with multilateral nonproliferation norms, including licensing, enforcement, and industry-government outreach. While Singapore has made progress on nonproliferation and export control cooperation, EXBS outreach continues to be vital due to Singapore's lack of technical depth and experience.

Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR): EXBS programs will help Singapore establish its own internal commodity identification training program, update licensing procedures, create a more active targeting and risk management system, and better investigate cases involving the illegal shipment of controlled or dual-use items. EXBS programs continue to facilitate the exchange of information between U.S. and Singaporean officials, and will broaden the bilateral relationship to include evidence sharing and enforcement collaboration.

Thailand

Foreign Assistance Program Overview

The most important U.S. foreign assistance priorities for Thailand are consolidating Thailand's democratic institutions and strengthening bilateral security cooperation. U.S. assistance will reform the criminal justice system, promote good governance through democracy and rule of law activities, and invest in people through humanitarian assistance for displaced persons and control of the HIV/AIDS epidemic and other infectious diseases. The United States also supports Thailand's ongoing active participation in regional and global security efforts.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**12,968**	**12,054**	**11,275**	**-779**
Development Assistance	5,051	5,051	5,051	-
Foreign Military Financing	1,568	988	988	-
Global Health Programs - State	500	500	335	-165
Global Health Programs - USAID	1,000	1,000	1,000	-
International Military Education and Training	1,568	1,325	1,250	-75
International Narcotics Control and Law Enforcement	1,740	1,740	1,466	-274
Nonproliferation, Antiterrorism, Demining and Related Programs	1,541	1,450	1,185	-265

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Thailand	**12,968**	**12,054**	**11,275**	**-779**
1 Peace and Security	**6,698**	**5,784**	**5,355**	**-429**
Development Assistance	**1,151**	**1,151**	**1,151**	**-**
1.5 Transnational Crime	450	450	450	-
1.6 Conflict Mitigation and Reconciliation	701	701	701	-
Foreign Military Financing	**1,568**	**988**	**988**	**-**
1.3 Stabilization Operations and Security Sector Reform	1,568	988	988	-
International Military Education and Training	**1,568**	**1,325**	**1,250**	**-75**
1.3 Stabilization Operations and Security Sector Reform	1,568	1,325	1,250	-75
International Narcotics Control and Law Enforcement	**870**	**870**	**781**	**-89**
1.3 Stabilization Operations and Security Sector Reform	870	870	781	-89
Nonproliferation, Antiterrorism, Demining and Related Programs	**1,541**	**1,450**	**1,185**	**-265**
1.1 Counter-Terrorism	991	750	650	-100

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.2 Combating Weapons of Mass Destruction (WMD)	550	700	535	-165
2 Governing Justly and Democratically	**4,770**	**4,770**	**4,585**	**-185**
Development Assistance	**3,900**	**3,900**	**3,900**	**-**
2.2 Good Governance	1,900	1,900	1,900	-
2.4 Civil Society	2,000	2,000	2,000	-
International Narcotics Control and Law Enforcement	**870**	**870**	**685**	**-185**
2.1 Rule of Law and Human Rights	870	870	685	-185
3 Investing in People	**1,500**	**1,500**	**1,335**	**-165**
Global Health Programs - State	**500**	**500**	**335**	**-165**
3.1 Health	500	500	335	-165
Global Health Programs - USAID	**1,000**	**1,000**	**1,000**	**-**
3.1 Health	1,000	1,000	1,000	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Thailand	**12,968**	**12,054**	**11,275**	**-779**
1 Peace and Security	**6,698**	**5,784**	**5,355**	**-429**
1.1 Counter-Terrorism	991	750	650	-100
1.2 Combating Weapons of Mass Destruction (WMD)	550	700	535	-165
1.3 Stabilization Operations and Security Sector Reform	4,006	3,183	3,019	-164
1.5 Transnational Crime	450	450	450	-
1.6 Conflict Mitigation and Reconciliation	701	701	701	-
2 Governing Justly and Democratically	**4,770**	**4,770**	**4,585**	**-185**
2.1 Rule of Law and Human Rights	870	870	685	-185
2.2 Good Governance	1,900	1,900	1,900	-
2.4 Civil Society	2,000	2,000	2,000	-
3 Investing in People	**1,500**	**1,500**	**1,335**	**-165**
3.1 Health	1,500	1,500	1,335	-165
of which: Objective 6	**1,297**	**1,395**	**600**	**-795**
6.1 Program Design and Learning	18	15	10	-5
6.2 Administration and Oversight	1,279	1,380	590	-790

Peace and Security

Thailand is an important partner of the United States in law enforcement, counterterrorism, and global security. Thailand has a large economy and is located centrally within the region, making it a critical ally in combating transnational crime, including money laundering, and trafficking in narcotics, endangered species, and persons. After several decades of democratic progress, the country's democratic institutions

and civil society remain vulnerable. The conflict in the southern border provinces poses security and political risks both for Thailand and its regional neighbors.

Development Assistance (DA): The U.S. Agency for International Development (USAID) will support the Thai Government's efforts to strengthen civil society organizations and to increase the visibility of non-governmental (NGOs) and civic leaders working to promote peace. More specifically, funding will support agents of change in the country's three southern border provinces and advance a variety of reconciliation initiatives that address the causes and consequences of conflict. Activities will bring together people from all sides of the conflict, supporting platforms for constructive discussion, collaborative design and implementation of activities to promote peace.

USAID will also raise awareness to influence attitudes and behavior regarding trafficking-in-persons (TIP) through on-the-ground events, production of documentary films, and media campaigns.

Foreign Military Financing (FMF): Funding supports English language skills in the Royal Thai Armed Forces (RTARF); to deepen mutual understanding, and increase interoperability of forces.

International Military Education and Training (IMET): IMET funding will support long-term professional military education in the United States, as well as English language, technical, and management training. Such assistance will build the capability and professionalism of the RTARF's Officer Corps and give the United States access and influence in the Thai defense establishment. English language training will enhance cooperation and engagement across a range of areas, and technical training will assist the RTARF transformation and modernization of the military into a modern force capable of conducting effective joint and combined operations.

International Narcotics Control and Law Enforcement (INCLE): The Transnational Crimes Affairs Section (TCAS) will continue to provide the Royal Thai Police (RTP) and other Thai law enforcement agencies with technical assistance, training, equipment, supplies, and other support to raise the capacity of Thai law enforcement. Support will include the provision of experts from the United States and elsewhere to organize events for training and educating Thai counterparts in modern tactics, strategies, tools, operations, and other means of combating transnational crime and maintaining a modern and effective police force. Furthermore, support will assist in the design and implementation of modern police training curricula, the implementation of operational and legal/regulatory reforms to include human rights and anti-corruption concerns, and the modernization of infrastructure.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): Funds provided through the Department of State's Antiterrorism Assistance (ATA) Program will build RTP and other law enforcement capacity to restrict the movement of terrorists, improve the crisis management and leadership capabilities of the RTP in responding to critical incidents, and investigate and prosecute terrorism cases consistent with rule of law.

Governing Justly and Democratically

In recent years, Thailand has experienced political instability. Without further development of institutions to promote checks and balances for more accountable governance, Thailand will be susceptible to political destabilization. Thailand's civil society remains weak, and the country has not yet fully developed the strong institutions and culture necessary to manage political conflict and transition peaceably.
U.S. assistance will strengthen the capacity of civil society organizations (CSOs), increase civic participation in governance with an emphasis on conflict resolution and advocacy, and encourage constructive dialogue between citizens and the Royal Thai Government.

Development Assistance (DA): USAID will support participatory democratic political processes, promote principles of good governance and work to mitigate social tension by drawing on the expertise of key leaders in civil society, media, and independent government agencies. Activities will include, provision of training and technical advice to build capacity of independent agencies, CSOs, and media on key policy issues and human rights, provision of organizational development in key skills areas, facilitation of policy dialogue, and research on public policy issues and good governance.

International Narcotics Control and Law Enforcement (INCLE): The Department of State, Transnational Crimes Affairs Section (TCAS) will provide technical assistance, training, equipment, supplies, and other support to strengthen the capacity of Thailand's criminal justice institutions to help create a more effective and transparent criminal justice system. Funds will support experts from the United States and elsewhere to train and educate Thai counterparts in modern tactics, strategies, tools, operations, and other means of upholding the rule of law. Counterpart Thai institutions will include the Office of the Attorney General, the Judiciary, the Anti-Money Laundering Office, the Department of Special Investigations, and the Anti-Corruption Commissions, as well as other governmental and non-governmental entities involved in rule of law and related matters.

Investing in People

The U.S. government carries out a strategic approach to assist government and non-governmental organizations to address Thailand's concentrated HIV/AIDS epidemic, focusing on prevention, care, and treatment that targets the most-at-risk populations (MARPs). This strategy develops innovative public health interventions to increase access to health services to the MARPs and other populations highly vulnerable to infectious diseases; strengthens local partners' ability to manage the technical and administrative requirements of ongoing and future programs, as well as their ability to oversee drug quality and management; improves the local, national, and regional health-related policies; and increases government and organizational access to and availability of data and information that allows for evidence-based and informed decision making.

Global Health Programs (GHP): Assistance will support Global Health Initiative's (GHI) goals which include: strengthening health systems, leveraging key partnerships with private and multilateral organizations, improving monitoring and evaluation, and promoting research and innovation.

- Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR)—GHP State and USAID: Thailand will receive significant support to build partnerships to provide integrated prevention, care, and treatment programs throughout the country and support orphans and vulnerable children.

- USAID works under the concept of a "Comprehensive Prevention Package" (CPP) that links prevention, care, and treatment services to critical supportive interventions that help build an enabling environment for these marginalized populations. The CPP includes policy change advocacy, institutional capacity building, community mobilization, strategic information for improved planning, income generating activities, and stigma and discrimination reduction activities. USAID's services are aligned with the Thailand national response, which promotes a comprehensive and targeted delivery of services in "hotspots" throughout Thailand and the Mekong region.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Monitoring and evaluation efforts were undertaken during FY 2011 in Thailand:

USAID's HIV/AIDS program launched a project aimed to improve the low rates of HIV testing among most-at-risk populations. The rapid testing with same-day results demonstration project is being piloted at

multiple clinics and mobile sites in three provinces in Thailand to promote behavior change as well as earlier access to care and treatment. USAID has commissioned a nine-month long prospective study of the effectiveness as well as a program evaluation of the HIV rapid tests with same day results pilot demonstration project. The findings will be used to determine the performance of this particular HIV program intervention and provide outcome and cost-effectiveness data as evidence to host government counterparts that a HIV rapid testing with same day results for most-at-risk populations may be a viable and cost effective program strategy for potential replication and scale-up within the Thailand national program.

The Department of State, Transnational Crimes Affairs Section (TCAS) measures long-term program performance through trends in the disruption of criminal activity and successful prosecution and conviction of criminals. Short- and medium-term performance is measured through qualitative and observational methods. Events generally include surveys related to the quality and usefulness of the content of a given course. TCAS receives direct responses from participants of training courses as well as indirect evaluations from leaders regarding a given event or course and the course's impact on the performance of the participants. Furthermore, TCAS has begun to monitor crime news reports carefully to link major successes in the disruption of criminal activity with entities or individuals trained by our programs. TCAS will also seek evidence from Thai counterparts that our training materials are being systematically incorporated into existing training curricula.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: USAID/Thailand will make informed programmatic decisions based on the following evaluation efforts:

USAID's HIV/AIDS program will conduct three End of Project evaluations in FY 2012 to measure the performance of three multi-year, multi-country, regional contracts, and cooperative agreements. All three of these regional projects have direct programming in Thailand. These evaluations will measure the projects' performance and the extent to which these projects' interventions and activities contributed to any outcomes/impact to the national HIV response. The recommendations will guide the USAID FY 2013 HIV/AIDS regional programming strategy.

TCAS relies on survey results and discussions with participants and their leaders regarding the effectiveness and usefulness of particular activities. Based on these findings, USAID revises the courses to ensure the training is relevant and effective.

Relating Past Performance to FY 2013 Plans: Performance reviews determined that the USAID Thai democracy program improved the capacity of CSOs, encouraged constructive dialogue between citizens and government, increased commitment of independent agencies, and spread activities to provincial offices in the South. Constant monitoring of program impact has been vital in fine-tuning program activities to reflect changing priorities and needs. Given the often unclear and changing dynamics of the Deep South conflict, USAID will continue to adopt approaches and support activities that allow for active learning throughout the program cycle. Continual learning and regular assessment of progress will help the programs respond effectively to priorities and opportunities as they arise.

USAID conducted third-party monitoring and evaluation of the anti-trafficking campaign conducted through surveys at each awareness event which revealed a positive impact on knowledge, attitudes, and practices among individuals deemed at "high risk". In addition, 40-70 percent of participants discussed learning with others, leading to heightened awareness and positive behavior change.

Feedback continues to inform the development of messages and targeting of people who may be uninformed about this serious problem in the region. The ongoing PEPFAR programs with the Royal Thai

Government are expected to boost activities in HIV/AIDS prevention and increase the amount of strategic information available to improve planning and decision-making for the Thai national program.

TCAS activities have generally received high marks from participants and their organizational leaders. A goal for FY 2013 and beyond will be to incorporate training materials and teachings into activities, operations, and training courses of our counterpart Thai institutions more fully. Increased emphasis on training trainers and on those who will be able to produce "trickle down" effects within their organizations increases expectations of larger numbers of trainers and leaders in the courses. Understanding the structural constraint on performance that results from corruption, TCAS will also try to emphasize the importance of ethics and integrity in our training programs. In order to increase the rate of successful prosecutions, TCAS will also continue to seek greater joint participation in our courses by both police and prosecutors.

Timor-Leste

Foreign Assistance Program Overview

Timor-Leste, having gained formal independence in May 2002, is one of the world's youngest countries. It is also one of the poorest countries, currently ranking 147 out of 187 countries on the United Nations Development Programs Human Development Index. Non-existent or under-developed infrastructure, high unemployment, and the potential for insecurity pose major development challenges as the country tries to make the transition from post-conflict recovery to long-term economic and political development. U.S. assistance focuses on: ensuring peace and security; fostering more democratic, accountable and transparent governance; improving rule of law and promoting respect for human rights; investing in health systems; establishing the conditions for accelerated economic growth; and planning for and adapting to climate change.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**17,086**	**14,460**	**12,760**	**-1,700**
Development Assistance	11,139	9,500	9,800	300
Economic Support Fund	2,994	1,000	-	-1,000
Global Health Programs - USAID	1,996	3,000	2,000	-1,000
International Military Education and Training	297	300	300	-
International Narcotics Control and Law Enforcement	660	660	660	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Timor-Leste	**17,086**	**14,460**	**12,760**	**-1,700**
1 Peace and Security	**297**	**300**	**300**	**-**
International Military Education and Training	**297**	**300**	**300**	**-**
1.3 Stabilization Operations and Security Sector Reform	297	300	300	-
2 Governing Justly and Democratically	**3,864**	**2,460**	**3,660**	**1,200**
Development Assistance	**2,204**	**1,800**	**3,000**	**1,200**
2.1 Rule of Law and Human Rights	1,850	700	1,250	550
2.2 Good Governance	-	1,100	1,250	150
2.3 Political Competition and Consensus-Building	354	-	-	-
2.4 Civil Society	-	-	500	500
Economic Support Fund	**1,000**	**-**	**-**	**-**
2.3 Political Competition and Consensus-Building	1,000	-	-	-
International Narcotics Control and Law Enforcement	**660**	**660**	**660**	**-**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
2.1 Rule of Law and Human Rights	660	660	660	-
3 Investing in People	**3,990**	**4,000**	**2,000**	**-2,000**
Economic Support Fund	**1,994**	**1,000**	**-**	**-1,000**
3.2 Education	1,994	1,000	-	-1,000
Global Health Programs - USAID	**1,996**	**3,000**	**2,000**	**-1,000**
3.1 Health	1,996	3,000	2,000	-1,000
4 Economic Growth	**8,935**	**7,700**	**6,800**	**-900**
Development Assistance	**8,935**	**7,700**	**6,800**	**-900**
4.5 Agriculture	3,135	1,500	1,500	-
4.6 Private Sector Competitiveness	2,800	4,200	3,300	-900
4.8 Environment	3,000	2,000	2,000	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Timor-Leste	**17,086**	**14,460**	**12,760**	**-1,700**
1 Peace and Security	**297**	**300**	**300**	**-**
1.3 Stabilization Operations and Security Sector Reform	297	300	300	-
2 Governing Justly and Democratically	**3,864**	**2,460**	**3,660**	**1,200**
2.1 Rule of Law and Human Rights	2,510	1,360	1,910	550
2.2 Good Governance	-	1,100	1,250	150
2.3 Political Competition and Consensus-Building	1,354	-	-	-
2.4 Civil Society	-	-	500	500
3 Investing in People	**3,990**	**4,000**	**2,000**	**-2,000**
3.1 Health	1,996	3,000	2,000	-1,000
3.2 Education	1,994	1,000	-	-1,000
4 Economic Growth	**8,935**	**7,700**	**6,800**	**-900**
4.5 Agriculture	3,135	1,500	1,500	-
4.6 Private Sector Competitiveness	2,800	4,200	3,300	-900
4.8 Environment	3,000	2,000	2,000	-
of which: Objective 6	**3,408**	**1,465**	**-**	**-1,465**
6.1 Program Design and Learning	862	300	-	-300
6.2 Administration and Oversight	2,546	1,165	-	-1,165

Peace and Security

Timor-Leste has achieved significant progress in the security sector in the past five years as the government and international donors have supported comprehensive reform and capacity building initiatives with the National Police (PNTL) and Defense Forces (F-FDTL). However, the country continues to face

considerable security challenges. The security institutions remain weak, with generally insufficient training and poorly defined roles. Underlying tensions remain among various groups, and trigger points for conflict are numerous. Backlogs of criminal cases and decisions by the Timorese leadership to offer amnesty or parole in cases involving political violence continue to undermine an already weak justice system. These challenges will become increasingly acute during national elections in 2012 and the anticipated departure of the United Nations Integrated Mission in Timor-Leste, including the United Nations Police, at the end of the year.

International Military Education and Training (IMET): Funds will be used to enhance the professionalization of the F-FDTL by supporting in-country English language capabilities. Developing the English language capability of the F-FDTL is key to enabling its personnel to connect with potential regional partners and cooperate with the United States.

Governing Justly and Democratically

The overwhelming majority (over 90 percent) of the Government of Timor-Leste's (GoTL) budget is funded through offshore oil revenues, which has resulted in a dramatic upsurge of public spending. Although budget execution is relatively high, many of Timor-Leste's internal financial control systems have struggled to keep up with the new level of expenditure. Government ministries are struggling to deliver government services of acceptable quality throughout this small nation. U.S. assistance focuses on strengthening the foundations of Timor-Leste's democratic system, including local governance and decentralization, and the rule of law.

Development Assistance (DA): U.S. assistance programs will support more transparent and accountable government institutions and strengthen the rule of law and access to justice. Funding will focus on formal government institutions, civil society and political parties to address the necessary policy reforms and institutional capacity building to assist the GoTL meet the needs of its citizenry.

- All of the United States Agency for International Development's (USAID) ongoing rule of law programs will conclude before the start of FY 2013. USAID is currently undertaking a comprehensive democracy, human rights, and governance assessment that, in conjunction with a new country strategy, will inform the direction of new rule of law programs in FY 2013. Funding for new programs will follow this strategic planning process and will likely focus on strengthening formal and informal justice sector institutions that provide and/or oversee legal assistance and expanded access to justice. USAID will work closely in these areas with the U.S. Department of Justice Resident Legal Advisor.

- Funding will strengthen local governance through support to civil society organizations. These will bolster the Timorese government's decentralization initiative by increasing local representation and communication with central authorities. U.S. assistance will foster improved political competition, democratic representation, and transparency through support for political party development.

International Narcotics Control and Law Enforcement (INCLE): Funds will continue to strengthen rule of law and support the development of justice sector institutions in Timor-Leste. INCLE funded activities will be used to advise the Timorese government on the development of laws and regulations and offer targeted training and support for prosecutors, law enforcement personnel, and other justice sector actors.

Investing in People

Timor-Leste continues to face serious child and maternal health and malnutrition challenges. In 2010, the country had the highest fertility rate in Asia, at 5.7 births per mother. With only 30 percent of deliveries attended by skilled birth attendants, most maternal and newborn deaths are due to delivery-related

complications. A high rate of malnutrition — 58 percent of children under age five are stunted—compounds the lethal risk posed by pneumonia, diarrhea, and malaria. Timor-Leste's under-five childhood mortality rate is 64 deaths per 1,000 live births, one of the highest in Southeast Asia. By improving the application, quality, and coverage of scientifically proven, evidenced-based interventions and practices, USAID estimates that 70 percent of the deaths of children under five – approximately 3,000 per year – can be averted.

Global Health Programs (GHP): Assistance will support Global Health Initiative's (GHI) goals which include: strengthening health systems; leveraging key partnerships with private and multilateral organizations; improving monitoring and evaluation; and promoting research and innovation.

Maternal and Child Health (MCH): Funding will support Timor-Leste's health systems through scientifically proven interventions in child and maternal health and immunizations. U.S. assistance will support immunizations for vaccine-preventable diseases in children, improve the nutritional status of mothers and children, and promote family planning.

Family Planning and Reproductive Health (FP/RH): Funding for FP/RH focuses on child spacing and will mitigate risks for maternal and child mortality, as well as the adverse effects of population pressure on Timor-Leste's environment, economic growth, and political and social stability.

Economic Growth

Nearly 80 percent of Timor-Leste's population is engaged in agriculture — the overwhelming majority of these are subsistence farmers. The Government of Timor-Leste estimates that over 40 percent of the population lives under the poverty line of $0.88 per day. Unemployment and underemployment combined are estimated to be as high as 70 percent, with a 20 percent unemployment rate in urban areas and over 40 percent among youth.

Timor-Leste's large rural population depends heavily on the country's environmental health, and the biodiversity and ecosystems that undergird it. Since 1972, Timor-Leste has lost over 30 percent of its forest cover due to logging, unsustainable agricultural practices, and its population's reliance on fuel wood.

Development Assistance (DA): Funds will strengthen Timor-Leste's private sector development, expand access to employment opportunities, and improve agricultural productivity. Under the President's Global Hunger and Food Security Initiative, Feed the Future, U.S. assistance will continue support to the agricultural sector through program activities strengthening food security and improving the application of new agricultural technology, techniques and crop diversification. USAID is currently conducting a comprehensive economic growth assessment that, combined with a new strategy, will set the direction for new programs in FY 2013.

Funds will also mobilize communities and reinforce local government capacity to manage water systems and provide water and sanitation services throughout Timor-Leste, particularly in remote, rural areas. Water and sanitation is a crosscutting issue, with additional linkages in health and governance. Interventions in watershed and natural resource management will not only bolster efforts to improve health outcomes but also mitigate adverse effects related to climate change. U.S. assistance will assist local communities and district level water and sanitation officials to develop new water systems and manage existing watersheds and natural resources in ways that will endure climate shocks. A new program will improve service delivery through technical training and oversight as well as better accountability mechanisms.

With funding from the Global Climate Change Initiative (GCCI), U.S. assistance will bolster local communities' capacity for environmental management, including of forests, soils, and water systems. USAID will also participate in the Coral Triangle Support Program, which will support the Government of Timor-Leste's efforts to develop an integrated resource management and conservation plan that encompasses fisheries sustainability, marine protected area management, and climate change adaptation.

Linkages with the Millennium Challenge Corporation

The Millennium Challenge Corporation's (MCC) three-year Threshold Program began in FY 2011 and focuses on strengthening the Government of Timor-Leste's institutional capacity for internal financial controls, improving accountability in public spending and strengthening health systems. U.S. assistance in the democracy, governance, and health sectors will complement and reinforce MCC-funded activities, avoid duplicating efforts and support Timor-Leste's eligibility for a compact program in 2014.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In FY2011, USAID conducted two portfolio reviews and prepared the annual Performance Plan Report as part of its ongoing process of monitoring progress and assessing program performance. In addition, quarterly financial reports were also used to monitor progress, but more specifically to monitor the rate of project expenditure. Pipeline analyses were also conducted to inform programming and budgeting decisions for the next fiscal year. USAID undertook several monitoring and evaluation efforts in FY 2011 including USAID's buffalo dairy project, USAID's land tenure project, and an informal review with Australia of the media sector.

A formal mid-term evaluation of a USAID water and sanitation program revealed that significant progress in community ownership and management of water and sanitation systems, including elements of hygiene, water quality and water source protection, has ensured sustainability of recently installed systems.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Based on the above evaluation and program efforts, USAID was able to draw important conclusions and take the following targeted actions:

- USAID terminated its underperforming buffalo dairy project before its scheduled completion and returned the unspent project balance to the U.S. Treasury.
- USAID is currently gradually transferring management responsibilities for the land tenure program to the Ministry of Justice, rather than waiting until completion of the program as originally planned.
- Upon completion of its media sector development project, USAID did not allocate funding for related future programs.

Evaluation results for the water and sanitation program give USAID greater confidence in investing future water and sanitation funding directly into local partnerships. This will be done in a manner consistent with the procurement reform goals outlined under USAID Forward.

Relating Past Performance to FY 2013 Plans: Program evaluations and reviews led to the cancellations of plans to continue follow-on activities in specific non-performing sectors and focus on sectors with the greatest potential impact including agriculture, health, and, water and sanitation. The success of newly completed and ongoing programs, including projects in community policing, agriculture production and government accountability in public spending have enabled U.S. assistance to leverage additional funding from other international donors. This additional financial support will magnify the impact of USAID's programs in FY 2013.

Vietnam

Foreign Assistance Program Overview

Vietnam's rapid economic transformation and global integration has lifted millions out of poverty and has propelled the country to the ranks of lower-middle-income status. Despite this success, Vietnam's level of development trails many of its neighbors. U.S. assistance in Vietnam will focus on consolidating gains to ensure sustainable economic development and on promoting good governance and the rule of law. Assistance projects will deepen regulatory reforms, improve the capacity and independence of Vietnam's judicial and legislative bodies, and promote more effective public participation in the law and regulation-making processes. U.S. assistance will also support Vietnam's response to climate change and other environmental challenges including dioxin contamination, strengthen the country's health and education systems, and assist vulnerable populations.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**126,897**	**107,693**	**103,078**	**-4,615**
Development Assistance	22,000	18,000	21,700	3,700
Economic Support Fund	18,463	15,000	7,100	-7,900
Foreign Military Financing	1,960	2,315	3,000	685
Global Health Programs - State	81,978	66,978	66,978	-
International Military Education and Training	476	650	750	100
International Narcotics Control and Law Enforcement	-	550	450	-100
Nonproliferation, Antiterrorism, Demining and Related Programs	2,020	4,200	3,100	-1,100

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Vietnam	**126,897**	**107,693**	**103,078**	**-4,615**
1 Peace and Security	**4,686**	**7,850**	**7,335**	**-515**
Development Assistance	**230**	**300**	**200**	**-100**
1.5 Transnational Crime	230	300	200	-100
Foreign Military Financing	**1,960**	**2,315**	**3,000**	**685**
1.3 Stabilization Operations and Security Sector Reform	1,960	2,315	3,000	685
International Military Education and Training	**476**	**650**	**750**	**100**
1.3 Stabilization Operations and Security Sector Reform	476	650	750	100
International Narcotics Control and Law Enforcement	**-**	**385**	**285**	**-100**
1.3 Stabilization Operations and Security Sector Reform	-	385	285	-100

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Nonproliferation, Antiterrorism, Demining and Related Programs	**2,020**	**4,200**	**3,100**	**-1,100**
1.2 Combating Weapons of Mass Destruction (WMD)	700	700	600	-100
1.3 Stabilization Operations and Security Sector Reform	1,320	3,500	2,500	-1,000
2 Governing Justly and Democratically	**2,812**	**438**	**4,840**	**4,402**
Development Assistance	**2,812**	**273**	**4,675**	**4,402**
2.1 Rule of Law and Human Rights	212	-	2,082	2,082
2.2 Good Governance	2,600	273	2,593	2,320
International Narcotics Control and Law Enforcement	**-**	**165**	**165**	**-**
2.1 Rule of Law and Human Rights	-	165	165	-
3 Investing in People	**87,467**	**75,028**	**73,123**	**-1,905**
Development Assistance	**2,495**	**8,050**	**4,145**	**-3,905**
3.2 Education	1,480	3,050	2,745	-305
3.3 Social and Economic Services and Protection for Vulnerable Populations	1,015	5,000	1,400	-3,600
Economic Support Fund	**2,994**	**-**	**2,000**	**2,000**
3.3 Social and Economic Services and Protection for Vulnerable Populations	2,994	-	2,000	2,000
Global Health Programs - State	**81,978**	**66,978**	**66,978**	**-**
3.1 Health	81,978	66,978	66,978	-
4 Economic Growth	**31,932**	**24,377**	**17,780**	**-6,597**
Development Assistance	**16,463**	**9,377**	**12,680**	**3,303**
4.1 Macroeconomic Foundation for Growth	600	500	720	220
4.2 Trade and Investment	202	1,000	1,800	800
4.3 Financial Sector	290	-	360	360
4.6 Private Sector Competitiveness	1,815	877	-	-877
4.7 Economic Opportunity	-	-	1,800	1,800
4.8 Environment	13,556	7,000	8,000	1,000
Economic Support Fund	**15,469**	**15,000**	**5,100**	**-9,900**
4.8 Environment	15,469	15,000	5,100	-9,900

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Vietnam	**126,897**	**107,693**	**103,078**	**-4,615**
1 Peace and Security	**4,686**	**7,850**	**7,335**	**-515**
1.2 Combating Weapons of Mass Destruction (WMD)	700	700	600	-100
1.3 Stabilization Operations and Security Sector Reform	3,756	6,850	6,535	-315

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.5 Transnational Crime	230	300	200	-100
2 Governing Justly and Democratically	**2,812**	**438**	**4,840**	**4,402**
2.1 Rule of Law and Human Rights	212	165	2,247	2,082
2.2 Good Governance	2,600	273	2,593	2,320
3 Investing in People	**87,467**	**75,028**	**73,123**	**-1,905**
3.1 Health	81,978	66,978	66,978	-
3.2 Education	1,480	3,050	2,745	-305
3.3 Social and Economic Services and Protection for Vulnerable Populations	4,009	5,000	3,400	-1,600
4 Economic Growth	**31,932**	**24,377**	**17,780**	**-6,597**
4.1 Macroeconomic Foundation for Growth	600	500	720	220
4.2 Trade and Investment	202	1,000	1,800	800
4.3 Financial Sector	290	-	360	360
4.6 Private Sector Competitiveness	1,815	877	-	-877
4.7 Economic Opportunity	-	-	1,800	1,800
4.8 Environment	29,025	22,000	13,100	-8,900
of which: Objective 6	**14,165**	**1,378**	**12,338**	**10,960**
6.1 Program Design and Learning	3,141	-	560	560
6.2 Administration and Oversight	11,024	1,378	11,778	10,400

Peace and Security

The United States and Vietnam continue to build an increasingly robust bilateral relationship, based on a growing friendship, mutual respect, and a common vision of bilateral and regional cooperation. Improving cooperation in the area of defense and security is a reflection of the overall improving relationship. Mutual interest in humanitarian assistance and disaster relief, search-and-rescue, and maritime security has allowed the defense relationship to accelerate in the past three years. With increased cooperation in maintaining regional security, the ability to operate and train with Vietnam becomes more important. Helping Vietnam upgrade and modernize its military will allow Vietnam to become a more effective regional partner.

Development Assistance (DA): The U.S. Agency for International Development (USAID) will support national legislation and inter-ministerial coordination to combat human trafficking, including internal trafficking and forced labor, as well as further build local capacity in prosecution and victim protection.

Foreign Military Financing (FMF): As Vietnam's military undergoes modernization, FMF will strengthen and increase Vietnam's capacity to participate in regional stability operations, humanitarian assistance and disaster relief, search-and-rescue, regional maritime security, and global peacekeeping efforts.

International Military Education and Training (IMET): IMET will support the professionalization of the Vietnam People's Army (VPA) and build Vietnam's cadre of English speakers, which is essential to Vietnam's participation in regional and international military cooperation and engagement.

International Narcotics Control and Law Enforcement (INCLE): INCLE funds will provide Vietnam's law enforcement organizations training and technical assistance to combat narcotics trafficking, trafficking in persons, and other transnational crimes. INCLE funds will also help strengthen professionalism and accountability among law enforcement agencies and increase bilateral cooperation. These efforts will be closely tied to good governance and rule-of-law programs.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): NADR will strengthen the capacity of Vietnam to eliminate explosive remnants of war and to develop comprehensive border trade controls to detect, deter, prevent, and interdict illicit transfer of weapons of mass destruction and their components. NADR will also be used to strengthen the capacity of the Vietnam Bomb and Mine Action Center, including assistance in implementing a national strategy and centralized database to address explosive remnants of war.

Governing Justly and Democratically

Vietnam has undertaken fundamental legal reforms to transition to a more open and rule-based economy. However, more work still needs to be done to fully implement policies that will produce meaningful results, particularly at the provincial level. The United States will continue to support Vietnam in strengthening the rule of law, promoting good governance, and enhancing government accountability. Vietnam's single-party state is not monolithic; and one of the most promising channels to promote good governance is the National Assembly, which has demonstrated increasing independence in drafting legislation and greater oversight responsibilities.

Development Assistance (DA): U.S. assistance will accelerate the transformation of Vietnam's legislative and judicial branches to create more responsive governance systems; promote a more independent, transparent, and accountable judiciary and legislature; and improve land administration.

In coordination with the Danish International Development Agency, the Canadian International Development Agency, the Japanese International Cooperation Agency (JICA), and the European Union, USAID will strengthen the capacity of Vietnam's National Assembly to coordinate its judicial and legal reform activities. U.S. resources will also build institutional capacity and independence of Vietnam's judicial branch.

USAID will support Vietnam's adherence to standards required by the World Trade Organization (WTO) and other multilateral trade and investment treaties. As part of Vietnam's comprehensive administrative and regulatory reforms, USAID will implement a Regulatory Impact Assessment process, encouraging government to become more responsive to the needs of citizens and businesses through public participation, transparency, and the strengthening of local governments.

U.S. assistance will support the National Assembly's Institute for Legislative Studies to improve the quality of research, training, and other legislative support services available to National Assembly members.

USAID will encourage improved land administration through technical assistance for revisions of the Law on Land, development of a land management database, and training and capacity building for local government officials in land management.

International Narcotics Control and Law Enforcement (INCLE): To promote the rule of law and continue critical justice reforms, INCLE funds will help build justice sector institutions and improve their coordination with relevant law enforcement organizations.

Investing in People

Donor support for HIV/AIDS is waning in Vietnam and organizations including the Australian Agency for International Development, the World Bank, the United Kingdom's Department for International Development, and the Clinton Foundation have all announced plans to phase out their support over the next two years. Subsequent to the signing of the President's Emergency Plan for AIDS Relief (PEPFAR)'s Partnership Framework, plans to transition the program from a service delivery model to a technical assistance model are underway. As PEPFAR/Vietnam funds decrease over time, transparent and effective use of the Global Fund portfolio continues to be of great importance to reduce inefficiencies, lower costs, and achieve maximum impact for the national HIV/AIDS response. The United States will also continue to work with Vietnam and international partners to address public health efforts, and to contain the spread of avian influenza and other pandemic threats. U.S. assistance will be instrumental in helping Vietnam reform its higher education system to strengthen the skilled labor force and to assist vulnerable and marginalized groups, including ethnic minorities in the Central Highlands and people with disabilities.

Development Assistance (DA): USAID will support Government of Vietnam (GVN) education reforms and assist vulnerable groups, including ethnic minority populations.

Higher Education: USAID's successful program of leveraging funding from the private sector and U.S. universities to develop more responsive university undergraduate programs will be expanded. USAID will continue to support innovative programs to improve the quality of faculty, administration, management, and curricula. These programs will also promote autonomy and academic freedom through work on Higher Education accreditation.

Social Services: Funding will be used to improve the lives of marginalized populations, including rural poor, people with disabilities (PWDs), and ethnic minorities in the Central Highlands. USAID assistance may also be used to improve local capacity for service provision for PWDs and improve public health services.

Global Health Programs (GHP) - State: Assistance provided through the GHP account will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership.

Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR): Vietnam will receive significant support to build partnerships to provide integrated prevention, care, and treatment programs throughout the country and support orphans and vulnerable children. U.S. agencies implementing PEPFAR activities will continue to work towards GVN ownership of the AIDS Relief program.

Economic Support Funds (ESF): U.S. assistance will continue to support people with disabilities (PWDs) in Danang and around other dioxin "hotspots" by expanding early detection and provision of services. USAID assistance will also improve local capacity for service provision for PWDs, improve public health services, and expand public outreach on dioxin contamination awareness and prevention measures.

Economic Growth

Vietnam has made significant strides in economic growth, poverty reduction, and global economic integration over the last decade. However, ongoing global developments and domestic challenges (weak legal and judicial systems, low competitiveness, macroeconomic instability, poor infrastructure, and environmental degradation) generate concern about the sustainability of Vietnam's economic growth. USAID will help Vietnam consolidate its achievements and accelerate future growth.

Development Assistance (DA): USAID programs will promote policy reform and institutional capacity building to further Vietnam's global economic integration, infrastructure development, and private sector strengthening, which could include mobile banking. USAID programs will also support initiatives that improve Vietnam's response to climate change and provide for dioxin clean-up of Danang Airport, and assess other hotspots.

Funding will strengthen Vietnam's institutional capacity to implement its international commitments in the WTO and other multilateral trade and investment agreements. U.S. resources will promote private sector development by making national and local regulations more conducive to conducting business, by supporting the development of capital and security markets, and by promoting competition, consumer protection, and regional cooperation. Working in coordination with JICA, U.S. assistance will help Vietnam develop and implement a new public-private partnership legal framework for infrastructure financing and development.

Proposed Global Climate Change Initiative (GCCI) funding will include efforts through the Enhancing Capacity for Low Emission Development Strategies (ECLEDS) program to support the development and implementation of LEDS in Vietnam. The United States will support Vietnam's response to climate change in clean energy, adaption, and sustainable landscapes.

Economic Support Funds (ESF): Working in coordination with the GVN, U.S. assistance will continue dioxin clean-up at the Danang Airport site.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: USAID programs undergo yearly portfolio reviews. These reviews examine program achievements, challenges, and proposed corrective actions. The reviews also assess programs' compliance with USAID policies and guidance, such as environmental compliance and the status of Performance Management Plans. Activity burn rates and quarterly reviews of pipelines are used to assess financial performance. USAID conducted quality assessments for all data reported to Washington.

In February and March 2011, USAID conducted an evaluation on the effectiveness of the Support for Trade Acceleration (STAR) I and II projects in meeting their stated goals. In June 2011, USAID/Regional Development Mission for Asia and USAID/Vietnam conducted an evaluation of the ASEAN Competition and Consumer Protection Policy Program (ACCPP) in Vietnam and Cambodia, as well as in the ASEAN Secretariat in Jakarta. The evaluations assessed the performance and effectiveness against the goals and indicators, as well as provided recommendations to enhance program sustainability and to assist USAID in deciding future directions for similar programs.

As part of U.S. efforts in dioxin remediation, USAID and the GVN signed a Memorandum of Understanding on the implementation protocol for treatment of dioxin contamination at the Danang Airport because of extensive joint environmental analyses. With USAID support, the GVN is expected to approve its own Environmental Impact Assessment in 2012.

As a result of the Low Emissions Development Strategy (LEDS), USAID and the GVN will begin in FY 12 implementing key LEDS components, including economic data management, energy efficiency, and the national greenhouse gas inventory.

An evaluation of the Avian and Pandemic Influenza program was conducted in FY 2011 that provided key recommendations for future assistance and programming under the GVN's new Five Year Plan.

An external evaluation of past activities to support people with disabilities in Danang over the last three years was conducted to inform new programming for people with disabilities in the dioxin contaminated "hotspots" in Vietnam.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: As a result of the external evaluation of the HIV/AIDS projects, USAID launched a new program, "Pathways for Participation," that supports the development of an empowered and effective civil society in a post-PEPFAR environment, which will provide sustainable and significant impact, and is accountable to its constituency and contributes to the national HIV/AIDS response. The "Sustainable Management of the HIV/AIDS Response and Transition to Technical Assistance" program was also developed to refine the continuum of prevention-to-care models and ensure that local partners can lead and implement these models to continue the response to HIV/AIDS.

USAID's support for an external assessment of the GVN's 2006-2010 Avian Influenza National Plan led to the development of an integrated One Health 2011-2015 National Plan.

The disabilities activities evaluation led to the development of a follow-on project design using the lessons learned for Danang and replicating the program in other geographic areas.

The findings and recommendations from the STAR I & II program evaluation provided programming guidance to the follow-on project, STAR Plus. Based on the ASEAN Competition evaluation, USAID extended its competition policy activity in Vietnam for one year beyond the end of the regional program under which it began.

USAID's Environmental Assessment of the Danang Airport site recommended thermal treatment technology for remediation implementation. The Climate Change assessment's recommendations are informing USAID's programming of future climate-change-related assistance that will include biodiversity conservation and control of environmental pollution.

In FY 2012, USAID will assess host country government capability to receive direct funding from USAID. USAID will also carry out a series of assessments in preparation for the new Country Development Cooperation Strategy that will be completed in FY 2013.

Relating Past Performance to FY 2013 Plans: USAID expects the largest programmatic impacts to occur in the education sector, where substantial USAID funding will continue to generate significantly more interest in and leverage funds for public-private partnerships in higher education. USAID will expand mitigation and adaptation support in the climate change sector. USAID anticipates improved environmental health for people with disabilities in Danang. A significant portion of assistance will be used to strengthen public health systems, which will improve the ownership and sustainability of the health program.

State East Asia and Pacific Regional

Foreign Assistance Program Overview

East Asia and Pacific (EAP) Regional programs have facilitated Asia's remarkable transformation into a major engine of global economic growth while advancing trade and investment opportunities for the United States. Further developing the multilateral architecture that solidifies linkages within Asia and with the rest of the world presents the next phase of East Asia's development. The EAP Regional program fulfills the President's commitment to deepen the United States' relationship with the region through participation in key partnerships, including the Asia-Pacific Economic Cooperation (APEC) Forum, the Association of Southeast Asian Nations (ASEAN), the East Asia Summit (EAS), the ASEAN Regional Forum (ARF), and the Lower Mekong Initiative (LMI).

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**15,612**	**20,070**	**14,550**	**-5,520**
Economic Support Fund	12,515	12,515	12,000	-515
International Military Education and Training	597	560	560	-
International Narcotics Control and Law Enforcement	1,100	5,895	990	-4,905
Nonproliferation, Antiterrorism, Demining and Related Programs	1,400	1,100	1,000	-100

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
State East Asia and Pacific Regional	**15,612**	**20,070**	**14,550**	**-5,520**
1 Peace and Security	**3,522**	**5,885**	**2,958**	**-2,927**
Economic Support Fund	**425**	**425**	**408**	**-17**
1.5 Transnational Crime	300	300	288	-12
1.6 Conflict Mitigation and Reconciliation	125	125	120	-5
International Military Education and Training	**597**	**560**	**560**	**-**
1.3 Stabilization Operations and Security Sector Reform	597	560	560	-
International Narcotics Control and Law Enforcement	**1,100**	**3,800**	**990**	**-2,810**
1.3 Stabilization Operations and Security Sector Reform	1,100	2,000	990	-1,010
1.4 Counter-Narcotics	-	1,800	-	-1,800
Nonproliferation, Antiterrorism, Demining and Related Programs	**1,400**	**1,100**	**1,000**	**-100**
1.1 Counter-Terrorism	1,000	700	600	-100
1.2 Combating Weapons of Mass Destruction (WMD)	400	400	400	-
2 Governing Justly and Democratically	**2,620**	**4,715**	**2,512**	**-2,203**
Economic Support Fund	**2,620**	**2,620**	**2,512**	**-108**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
2.1 Rule of Law and Human Rights	525	525	503	-22
2.2 Good Governance	2,095	2,095	2,009	-86
International Narcotics Control and Law Enforcement	**-**	**2,095**	**-**	**-2,095**
2.1 Rule of Law and Human Rights	-	2,095	-	-2,095
3 Investing in People	**700**	**700**	**671**	**-29**
Economic Support Fund	**700**	**700**	**671**	**-29**
3.2 Education	700	700	671	-29
4 Economic Growth	**7,595**	**7,595**	**7,282**	**-313**
Economic Support Fund	**7,595**	**7,595**	**7,282**	**-313**
4.2 Trade and Investment	6,400	6,400	6,136	-264
4.8 Environment	1,195	1,195	1,146	-49
5 Humanitarian Assistance	**1,175**	**1,175**	**1,127**	**-48**
Economic Support Fund	**1,175**	**1,175**	**1,127**	**-48**
5.2 Disaster Readiness	1,175	1,175	1,127	-48

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
State East Asia and Pacific Regional	**15,612**	**20,070**	**14,550**	**-5,520**
1 Peace and Security	**3,522**	**5,885**	**2,958**	**-2,927**
1.1 Counter-Terrorism	1,000	700	600	-100
1.2 Combating Weapons of Mass Destruction (WMD)	400	400	400	-
1.3 Stabilization Operations and Security Sector Reform	1,697	2,560	1,550	-1,010
1.4 Counter-Narcotics	-	1,800	-	-1,800
1.5 Transnational Crime	300	300	288	-12
1.6 Conflict Mitigation and Reconciliation	125	125	120	-5
2 Governing Justly and Democratically	**2,620**	**4,715**	**2,512**	**-2,203**
2.1 Rule of Law and Human Rights	525	2,620	503	-2,117
2.2 Good Governance	2,095	2,095	2,009	-86
3 Investing in People	**700**	**700**	**671**	**-29**
3.2 Education	700	700	671	-29
4 Economic Growth	**7,595**	**7,595**	**7,282**	**-313**
4.2 Trade and Investment	6,400	6,400	6,136	-264
4.8 Environment	1,195	1,195	1,146	-49
5 Humanitarian Assistance	**1,175**	**1,175**	**1,127**	**-48**
5.2 Disaster Readiness	1,175	1,175	1,127	-48
of which: Objective 6	**50**	**150**	**-**	**-150**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
6.2 Administration and Oversight	50	150	-	-150

Peace and Security

Economic Support Funds (ESF): As a center of global commerce and transportation, the Asia Pacific region encompasses a number of significant cross-border security challenges that could significantly affect U.S. interests and are best addressed through regional and multilateral fora. The President's mandate under the Joint Statements of the 2009, 2010, and 2011 U.S.-ASEAN Leaders' Meetings guides U.S.-funded development activities in cooperation with ASEAN to increase ASEAN's pace of integration, and to provide expert guidance to ASEAN through the Eminent Persons Group, so that it can serve as a better partner to the United States in addressing regional challenges.

The Department of State will support ARF in a series of cross-border issues that will advance U.S. security interests in the region, including election monitoring in Timor-Leste and establishment of the ARF Transnational Threat Information-sharing Center (ATTIC). These activities are designed to further establish ARF as a solutions-oriented forum to achieve tangible results on transnational security cooperation. ARF will also focus on promoting capacity building of nonproliferation and disarmament as well as space and cyber security.

The U.S. Department of State will leverage engagement with APEC to support projects that protect the region's economy from terrorist attack or other forms of abuse or disruption, as well as to combat financial crimes and money laundering, and enforce intellectual property rights. This includes protecting the region's financial and trading systems and strengthening transportation security. APEC has also begun the process of strengthening the region's trade and transportation systems to enable them to recover from disruption and will continue this work in 2012.

U.S. assistance will enable wider availability of information on air cargo security measures and build the capacity of APEC economies, particularly developing economies, to implement cost-effective travel and air cargo security measures. This work will be coordinated with the Transportation Security Administration (TSA) and will include capacity-building programs focused on bus and mass transit security, improved passenger and air cargo screening, and the use of canine explosives detection units.

International Military Training and Education (IMET): IMET programs of South Pacific island nations including Kiribati, Nauru, Papua New Guinea, Solomon Islands, Tonga, Tuvalu, and Vanuatu are consolidated into one regional portfolio to increase flexibility in allocating funds among these small nations. The U.S. government's South Pacific IMET program focuses on promoting maritime security while increasing the number of participants from key government positions to maintain access and influence. IMET programs also aided Tonga and Papua New Guinea to develop their abilities to participate in international peacekeeping and coalition operations.

International Narcotics Control and Law Enforcement (INCLE): INCLE funds will continue to build the capabilities of law enforcement officials in the EAP region to fight transnational crime through the Department of State's EAP Regional Law Enforcement Development Program. This program aims to support law enforcement capacity-building activities and promote regional cooperation. U.S. assistance will focus on strengthening cooperation between police in neighboring Southeast Asian countries, and in the region as a whole to address cross-border crimes and to enhance the security and stability of the EAP region. Assistance projects will complement ongoing bilateral efforts and may include training and technical assistance, limited equipment donations, infrastructure support, study tours, seminars, and support for multilateral training missions and exercises.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): Regional NADR Antiterrorism Assistance funds support a comprehensive approach to U.S. national security by addressing the wide array of existing threats posed by terrorist organizations and criminal networks. Programs will continue to focus on the Tri-Border countries (Philippines, Indonesia, and Malaysia), as well as on other countries that are members of ASEAN, to build U.S. partners' capacities to address counterterrorism, border security, nonproliferation of weapons of mass destruction (WMD), transnational crime, narcotics trafficking, and anticorruption. NADR funds will also provide for additional equipment and training.

Governing Justly and Democratically

Economic Support Funds (ESF): The U.S. Department of State works through multilateral partner institutions, including ASEAN and ARF, to engage host governments to improve human rights and encourage democratic trends in the Asia-Pacific region, as well as engage public audiences to build support for U.S. positions on these and other issues of global impact. U.S. assistance supports efforts to strengthen the rule of law, particularly through encouraging accountability for past and present human rights violations. The United States supports the ASEAN Intergovernmental Commission on Human Rights as well as the Human Rights Resource Center, an ASEAN-focused NGO. This complements the United States' strong support for the ASEAN Commission for the Promotion and Protection of the Rights of Women and Children, and the establishment of an ASEAN judicial organization to support rule of law.

APEC initiatives will support the development and implementation of anticorruption and transparency measures in the Asia-Pacific region. In addition, ESF will support the development and implementation of APEC's regulatory reforms.

Investing in People

Economic Support Funds (ESF): The United States Government will support APEC and ASEAN programs aimed at strengthening basic and higher education in the region. The Department of State will support the launch of the ASEAN Volunteers Program, modeled after the Peace Corps, to provide people-to-people self-help assistance. This complements the Department's support for implementation of the ASEAN Labor Ministers five-year work program, which sets ASEAN-wide goals for labor. APEC will promote human resources development that supports more balanced, inclusive, innovative, sustainable, and secure growth.

Economic Growth

Economic Support Funds (ESF): The United States will support APEC programs that address trade and investment (including standards and elimination or reduction in non-tariff barriers to trade), food security and safety, innovation and entrepreneurship, small and medium-sized enterprises, green growth, and energy security (including deployment of clean energy technology and low-carbon development strategies). Cooperative programs with ASEAN will support the joint statements from the 2009, 2010, and 2011 U.S.-ASEAN Leaders Meetings, which called for enhanced trade and investment in order to expand economic opportunities in both the United States and ASEAN. The United States, in cooperation with ASEAN, directly provides support for ASEAN economic growth and integration. Through the ASEAN Single Window project U.S. assistance supports ASEAN's goal of a single, harmonized customs clearance that would operate in all ASEAN states.

The U.S. government will support key environmental and clean energy projects and programs with ASEAN, APEC, the LMI, and across the region, particularly efforts to promote energy efficiency and security, water security, and environmental preservation, including forests and biodiversity. The U.S. Department of State will coordinate with the U.S. Agency for International Development's Regional Development Mission for Asia (USAID/RDMA) and the Department of State Bureau of Oceans and

International Environmental and Scientific Affairs (OES) to identify and prioritize environmental initiatives and projects in the region. Programming will include initiatives on low-carbon emitting transportation, sustainable buildings and urban infrastructure, projects to facilitate trade in environmental goods and services, and small environmental projects in the region implemented by the Regional Environmental Offices (REOs) in Bangkok and Suva. The U.S. government will also protect areas of environmental significance, such as the island of Borneo and the Mekong Delta, through sustained engagement in the multilateral Heart of Borneo and Lower Mekong Initiative (LMI) programs.

In promoting trade and investment, the United States will develop best practices in promoting private investment; reducing regulatory burdens to encourage business, especially small and medium enterprises; increasing understanding of the importance of good corporate governance for increased investment flows and investor confidence; coordinating with other major economies in the region on energy efficiency standards and reduction of greenhouse gas emissions; and training food safety practitioners on regulatory best practices.

Humanitarian Assistance

Economic Support Funds (ESF): U.S. humanitarian assistance will be devoted to APEC-linked programs designed to increase cooperation, coordination, and awareness among emergency management agencies; strengthen business and community resilience against disasters; and facilitate the use of public-private partnerships. As part of the President's pledge to strengthen disaster response in the region, ESF will support the ASEAN-regional Incident Command System (ICS), to address the region's vulnerability to disasters and enhance disaster management capabilities. ESF will continue to support the ASEAN Humanitarian Assistance Center and implementation of an ASEAN Multi-Hazard Early Warning System.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: U.S. agencies managing foreign assistance programs in the EAP region monitor progress through regular reporting and site visits. The Department of Defense monitors all IMET recipients upon completion of training in U.S. schools by tracking their progress through the military ranks. Each USAID activity is guided by a performance management plan, a Country Development Cooperation Strategy (CDCS) to prioritize programmatic choices and decisions, and all performance indicators are subject to data quality assessments. USAID's Regional Development Mission to Asia (RDMA) implements the majority of the U.S. Department of State's regional programs, including ASEAN and APEC activities.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: EAP routinely monitors performance to inform budget and programmatic decisions. In terms of monitoring, EAP regularly conducts analyses of Performance Plans and Reports (PPRs) submitted by posts that compare program-level performance measure with long-term development indicators in order to determine where funding can have the most significant impact.

USAID is currently conducting an evaluation of the ASEAN Development Vision to Advance National Cooperation and Economic Integration (ADVANCE) program. Coordinated by USAID's Regional Development Mission to Asia (RDMA), ADVANCE supports ASEAN and APEC programming in a range of areas, including good governance, higher education, trade facilitation, economic growth, and environment. State and USAID will use findings from the evaluation to update and modify its development strategy for ASEAN and APEC.

Relating Past Performance to FY 2013 Plans: U.S. Department of State funding for the EAP region is allocated to our highest foreign policy priorities through programs that are proven performers. Given the austere budget environment we face, it is critical to support only those programs that perform well and reduce or eliminate projects and programs that do not demonstrate optimal use of our foreign assistance.

In the development of this FY 2013 Request, EAP has reviewed past performance for all regional programs through the PPRs and participation in performance portfolio reviews and "roundtables." Findings from these reviews have led to programmatic and budget changes for FY 2013. For example, as a result of assessing policy priorities and comparative program impact, EAP has shifted additional FY 2013 ESF funding to the Lower Mekong Initiative by concentrating ASEAN Regional Forum on its highest impact programming, particularly disaster assistance.

USAID Regional Development Mission-Asia (RDM/A)

Foreign Assistance Program Overview

The U.S. Agency for International Development (USAID) Regional Development Mission for Asia (RDMA) implements transnational development initiatives that cannot be addressed solely through separate bilateral programs. RDMA programs address key regional and global challenges including strengthening regional institutions such as the Association of Southeast Asian Nations (ASEAN), the Asia-Pacific Economic Cooperation (APEC), and the Mekong River Commission; mitigating wildlife trafficking; working to end human trafficking; strengthening civil society networks; and supporting special initiatives on global climate change, food security, global health, and the Lower Mekong.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**58,455**	**65,440**	**45,283**	**-20,157**
Development Assistance	38,000	33,700	28,500	-5,200
Economic Support Fund	-	7,000	-	-7,000
Global Health Programs - State	240	1,740	1,583	-157
Global Health Programs - USAID	20,215	23,000	15,200	-7,800

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
USAID Regional Development Mission-Asia (RDM/A)	**58,455**	**65,440**	**45,283**	**-20,157**
1 Peace and Security	**600**	**1,300**	**822**	**-478**
Development Assistance	**600**	**1,300**	**822**	**-478**
1.5 Transnational Crime	600	1,300	822	-478
3 Investing in People	**20,455**	**27,240**	**16,783**	**-10,457**
Development Assistance	**-**	**2,500**	**-**	**-2,500**
3.1 Health	-	2,500	-	-2,500
Global Health Programs - State	**240**	**1,740**	**1,583**	**-157**
3.1 Health	240	1,740	1,583	-157
Global Health Programs - USAID	**20,215**	**23,000**	**15,200**	**-7,800**
3.1 Health	20,215	23,000	15,200	-7,800
4 Economic Growth	**37,400**	**36,900**	**27,678**	**-9,222**
Development Assistance	**37,400**	**29,900**	**27,678**	**-2,222**
4.2 Trade and Investment	-	700	1,606	906
4.5 Agriculture	3,000	2,700	2,700	-

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.6 Private Sector Competitiveness	1,400	-	-	-
4.8 Environment	33,000	26,500	23,372	-3,128
Economic Support Fund	**-**	**7,000**	**-**	**-7,000**
4.8 Environment	-	7,000	-	-7,000

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
USAID Regional Development Mission-Asia (RDM/A)	**58,455**	**65,440**	**45,283**	**-20,157**
1 Peace and Security	**600**	**1,300**	**822**	**-478**
1.5 Transnational Crime	600	1,300	822	-478
3 Investing in People	**20,455**	**27,240**	**16,783**	**-10,457**
3.1 Health	20,455	27,240	16,783	-10,457
4 Economic Growth	**37,400**	**36,900**	**27,678**	**-9,222**
4.2 Trade and Investment	-	700	1,606	906
4.5 Agriculture	3,000	2,700	2,700	-
4.6 Private Sector Competitiveness	1,400	-	-	-
4.8 Environment	33,000	33,500	23,372	-10,128
of which: Objective 6	**5,920**	**6,725**	**6,436**	**-289**
6.1 Program Design and Learning	379	960	1,000	40
6.2 Administration and Oversight	5,541	5,765	5,436	-329

Peace and Security

Human trafficking is the fastest-growing criminal industry in Asia, with over 225,000 women and children trafficked annually. The total annual revenue for trafficking in persons in Asia is estimated to be between $3 billion and $5 billion. USAID/RDMA develops an informed citizenry with greater awareness about trafficking and exploitation, while strengthening law enforcement and victims' care and reintegration.

Development Assistance (DA): The anti-trafficking-in-persons program raises awareness and increases prevention of trafficking in persons across Asia, and continues to engage host governments to address challenges faced by some of the most at-risk and vulnerable populations.

Investing in People

Social factors, such as poverty, dense living conditions, large amounts of inter-regional migration and movement, emerging drug resistance to tuberculosis (TB) and malaria, as well as close human-animal habitation, all contribute to Asia's high rates of infectious diseases. Additionally, support to detect and regulate counterfeit and sub-standard medicines is critical to limit the threat of drug resistance developing in certain strains of malaria and TB.

RDMA programs focus on HIV/AIDS, TB, Malaria and Avian Influenza prevention, care and treatment at the country level. Through its regional platform, RDMA aims to increase Southeast Asian countries'

abilities to effectively respond to infectious diseases and associated emerging pandemic threats. This strategy includes several components: developing innovative public health interventions to increase access to health services among vulnerable populations; strengthening local partners' ability to manage the technical and administrative requirements of ongoing and future programs, as well as their ability to oversee drug quality and management; improving the local, national and regional health-related policies and the operating environment; and increasing government and organizational access to data and information that allows for evidence-based and informed decision making.

Global Health Programs (GHP): Assistance will support the Global Health Initiative's (GHI) goals which include: strengthening health systems; leveraging key partnerships with private and multilateral organizations; improving monitoring and evaluation; and promoting research and innovation.

- HIV/AIDS: Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR) — GHP State and USAID: RDMA will provide significant assistance to build partnerships that integrate prevention, care, and treatment programs and to support orphans and vulnerable children. In FY 2013, USAID will continue to evaluate and document regional networks and models worth replicating to leverage Global Fund to Fight AIDS, TB and Malaria (GFATM) resources. Coordination among government, non-governmental organizations (NGOs), GFATM, and other donors is facilitated by the U.S. government through participation in government and multilateral meetings, and participation on the GFATM country coordinating mechanism.

- Tuberculosis (TB): Funds will be used to strengthen regional laboratory and human resources capacity to mitigate the spread of multidrug resistant (MDR) TB to improve diagnostics and treatment with quality TB drugs. FY 2013 TB funds will continue to support the Regional Model Center initiative to provide targeted training to National TB Programs to adopt and implement proven strategies to combat MDR TB and TB/HIV co-infection.

- Malaria: U.S. assistance under the President's Malaria Initiative (PMI) will scale up proven control, prevention and treatment interventions to eliminate emerging artemisinin-resistant malaria in the Greater Mekong Sub-region (GMS). Support for prevention activities in the GMS will include distribution of insecticide-treated bednets; testing and development of repellents, insecticide-treated clothing, and other personal protection; behavior change to reinforce personal protection as well as appropriate case management in private and public sectors; entomological monitoring; and surveillance for drug quality and therapeutic efficacy. With FY 2013 funding, USAID will continue to leverage the GFATM and other bilateral donor resources to ensure efficient and cost-effective program planning.

Economic Growth

The Asia region is critical to the United States' and international efforts to address climate change. Asia's developing countries are among the world's leading contributors to greenhouse gas emissions from energy, industrial, and land based sources. It is estimated that by 2030 developing Asia's carbon dioxide emissions from energy alone will constitute 45 percent of the world total. Among RDMA's top priorities are environmental programs addressing Asia's greenhouse gas emissions and its high vulnerability to emerging and future impacts of climate change, through the development of clean energy, sustainable landscapes, and adaptation/resilience strategies and biodiversity conservation.

The region continues to be vulnerable to extreme hunger and malnutrition. Nearly two-thirds of the world's 1.4 billion poor live in Asia, and much more work is required to ensure that poorer populations are able to access affordable food. In this interconnected region, food security not only concerns supply but also the reliable availability of affordable, safe, and nutritious food. Improved regional trade policy and

coordination will reduce the long-term food price volatility that is particularly harmful to the Asian poor. Efforts to improve food security also advance a U.S. priority of promoting free-trade and cooperation in Southeast and South Asia.

The U.S. Government is strengthening the capabilities of ASEAN and APEC to meet their economic growth targets and objectives. U.S. Government presence in these important institutions is critical for U.S. foreign policy and economic interests. Regional integration supports the rapid development of less developed ASEAN members including Laos, Cambodia, and Vietnam by directly linking their opportunities for progress to their more open, democratic, and economically advanced neighbors. Investments in APEC will build on the commitments made during the 2011 U.S. Host Year. Assistance will strengthen ASEAN and APEC's capacity to respond to transnational challenges by promoting greater regional market integration through improved competitiveness of select supply chains. Support of institutions, such as ASEAN and APEC, promotes prosperity, democracy and security in Southeast Asia, bolstering U.S. economic and national security interests.

Development Assistance (DA): USAID's programs address Asia's predominant share of global greenhouse gas emissions and the important opportunities to partner with the United States to address Asia's vulnerability to climate change and associated severe environmental conditions. USAID will continue to reduce barriers to trade and increase regional learning, information exchange, and access to new technologies through partnerships with the private sector.

U.S. assistance will expand and build on efforts to catalyze financing for clean energy investment, and promote regional cooperation and knowledge-sharing to increase access to financing, increase policy and market incentives, and reduce barriers to clean energy investments. Additionally, RDMA will address sustainable forest management and carbon financing opportunities that conserve high-value biological resources as well as reduce carbon emissions from deforestation and land degradation. Under the Global Climate Change Initiative (GCCI), funding for clean energy and sustainable landscapes will build on efforts to develop Low Emissions Development Strategies (LEDS) and associated greenhouse gas inventory and carbon market readiness capabilities. RDMA will strengthen Asia's capacity to prepare climate change adaptation financing proposals and strengthen climate change resilience along the highly vulnerable Mekong River Basin and Delta. RDMA will also continue to combat illegal wildlife trade in Asia and strengthen capacity in coastal and marine resource management.

As part of the President's Global Hunger and Food Security Initiative, Feed the Future, USAID will promote expanded access to regional markets; mitigate risks associated with drought, disaster, and disease; and build long-term capacity of regional organizations to address regional challenges. FTF will continue to support ASEAN and regional organizations in South Asia such as the South Asian Association for Regional Cooperation (SAARC). RDMA's leading FTF activity will support ASEAN's own Strategic Plan of Action for Food Security (SPA-FS) in the areas of public-private dialogue to encourage greater participation and input into regional trade policy reform; regulatory and administrative reform; and ASEAN Secretariat technical and management capacity. The second component of the RDMA Feed the Future program seeks to leverage the existing knowledge and strong private agriculture and food trade sector in Asia by encouraging increased partnerships and private sector involvement in regional approaches to food security.

USAID will continue its work with ASEAN to address regional governance and human rights concerns, maintain regional security and stability, and support an even stronger and more integrated regional economy that bolsters its weaker members.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: USAID undertook several monitoring and evaluation efforts during FY 2011 in the region including a final evaluation of the Environmental Cooperation-Asia Clean Development and Climate Program, a final evaluation of RDMA's forestry and trade program, and an evaluation of USAID's programs with ASEAN focusing on competition and consumer protection. Third-party monitoring and evaluation of USAID's human anti-trafficking campaign was used to inform the campaign's messaging and help target people who may be uninformed. In FY 2011, USAID began a mid-term program performance evaluation for its ASEAN Development Vision to Advance National Cooperation and Economic Integration (ADVANCE) Program, which includes ASEAN- (Technical Assistance and Training Facility) TATF and is a comprehensive program to support the integration of the ASEAN Community across its three pillars: Political-Security, Economic and Socio-Cultural, the ASEAN Single Window Project and the Valuing Linkages Under Economic Integration (VALUE) Project.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: USAID/RDMA was able to draw important conclusions and take targeted actions based on the evaluation efforts:

- The results of a Mid-term Program Performance Evaluation for U.S. assistance to ASEAN will allow USAID and the Department of State to develop a longer-term strategy on how best to deliver foreign assistance to the region.
- Evaluations in the environment sector aided decision-making on program management of existing and future activities and incorporated best practices and lessons learned into the design and implementation of new clean energy and sustainable landscapes activities.
- An assessment of multi-drug resistant TB control activities in nine high burden countries in Asia (Bangladesh, Burma, Cambodia, China, India, Indonesia, Philippines, Thailand, and Vietnam) will help design better U.S. assistance programs in FY 2012 and FY 2013 to build capacity for the management of patients with MDR-TB in these countries. Further internal assessment of TB-related assistance emphasized a greater focus on the regional concentration on the Greater Mekong Sub-region.
- Based on the malaria program review conducted in August 2011, continued and increasing emphasis will be put on malaria control and reducing the threat of artemisinin-resistance in the region.

Relating Past Performance to FY 2013 Plans: USAID's portfolio and performance reviews determined that significant progress was made towards regional integration in two of ASEAN's priority sectors: the textile/apparel industry and tourism. Also, through ASEAN- TATF, the U.S. government is actively promoting human rights in the ASEAN region. Looking forward, USAID will continue to support human rights work in ASEAN through activities such as providing technical assistance for the Human Rights Resource Center (HRRC) research on the rule of law and the status rights of women and children, as well as lending ongoing support to ASEAN Intergovernmental Commission on Human Rights (AICHR). Also, the U.S. government will continue focusing on capacity building and support to ASEAN and APEC in disaster preparedness and response and continue to support ASEAN Member States' progress towards an ASEAN Single Window (ASW) for customs clearance that will reduce the cost and time required to process transactions.

The technical design of the ASW Pilot Project was completed and accepted by ASEAN Member States and will be field tested with the implementation of the pilot project.

The Asia Music Television-End Exploitation and Trafficking (MTV Exit) campaign is tailored to the specific conditions of trafficking in the region. The campaign undertakes an ongoing impact assessment that gives the campaign the ability to better understand country-specific issues and undertake data-driven improvements to message delivery and evaluations of the campaign's effectiveness.

With U.S. Government support, a three-year study led to the development of a diagnosis algorithm with a 99 percent accuracy rate for screening and diagnosing TB among HIV patients which was endorsed by the World Health Organization. U.S. assistance will continue to support ongoing development of new tools and approaches related to MDR-TB and TB/HIV control in FY 2012 and FY 2013.

USAID's regional environment programs in clean energy and biodiversity have demonstrated highly effective impacts in promoting access to financing for clean energy investments, strengthening wildlife law enforcement capacity, and protecting coastal and marine biodiversity. In FY 2012 and beyond, USAID's environment programs will increase emphasis on sustainability, scalability, and replication of successful activities. As a result of the end of program evaluations, follow-on programs will implement recommended actions, including producing case studies and success stories, promoting gender issues, and developing program scalability and sustainability plans.

Europe and Eurasia Regional Overview

Foreign Assistance Program Overview

U.S. foreign assistance in Europe and Eurasia remains critical to ensuring stability through the development of democratic systems of government and free market economies. Foreign assistance funding directly contributes to U.S. foreign policy in the region to: (1) actively engage with European partners on global challenges, including countering terrorism and narcotics trafficking, and building the capacity to participate in coalition operations in Afghanistan and peacekeeping operations around the world; (2) contribute to economic growth throughout the region; (3) integrate the countries of the Caucasus and Europe's East into the Euro-Atlantic community; (4) ensure the stability of the western Balkans; (5) support the renewal of bilateral relations with Russia; and 6) help generate Europeans' public support for the United States and its policies.

In the western Balkans, U.S. assistance emphasizes fulfilling criteria for Euro-Atlantic and European integration, essential to the region's long-term stability. Efforts to bolster democratic institutions, strengthen the rule of law, encourage tolerance, and promote economic development through enhanced trade, investment, and job creation are encouraged by the prospect of European Union (EU) and North Atlantic Treaty Organization (NATO) membership. However, the region continues to be charged with ethnic tension, most notably in Bosnia and Herzegovina, where efforts to form a consensus national government have been long and difficult, with little results. In northern Kosovo, the past year was marked with outbreaks of violence and tension on the border with Serbia. For the foreseeable future, ethnic division will hamper solidifying the unity and independence of Kosovo. Although FY 2013 requests for resources have been reduced across the western Balkans, it remains a U.S. priority to stay engaged in the region to further advance the recipient countries' Euro-Atlantic integration process and reduce ethnic tension.

In Eurasia, the request supports efforts to address backsliding seen in several states of the region, while at the same time consolidating gains in countries that have demonstrated a clear orientation toward democratic and economic reform. In Ukraine, U.S. assistance will continue to promote the development of sustainable institutions that advance democracy, nuclear security, non-proliferation, rule of law, energy security, human rights, and economic growth. In Azerbaijan and Armenia, U.S. assistance works to promote free market and democratic reforms that will facilitate greater stability, while addressing the ongoing tension between these neighbors. In Belarus, U.S. assistance works to advance basic rights and freedoms by strengthening civil society, independent media, and democratic political parties and by supporting private sector growth. U.S. assistance to Georgia seeks to build on reforms through the development of stable democratic institutions, establishment of sustainable and broad-based economic growth, reduction of endemic corruption, and strengthening the country's health care and education systems. In Moldova, U.S. assistance seeks to support ongoing reforms that improve democratic processes, help diversify export markets, and lessen energy dependence.

In Russia, U.S. assistance emphasizes democratic development through support for civil society, independent media, the rule of law, and human rights. At the same time, the United States seeks to strengthen cooperation with Russia in areas of mutual national interest, including border control, health initiatives, and combating trafficking in persons and transnational crime. Conflict mitigation programs in the North Caucasus region aim to reduce the threat of instability.

The FY 2013 budget normalizes foreign assistance resources by requesting funding for programs formerly supported through the Assistance for Europe Eurasia and Central Asia (AEECA) account in the Economic

Support Fund (ESF), Global Health Programs (GHP), and International Narcotics and Law Enforcement (INCLE) accounts.

The United States continues to value highly it's European allies' commitment of material and manpower to mutual security priorities, both in the region and globally. In particular, U.S. collaboration through NATO and bilaterally with countries such as Poland, Romania, Georgia, Albania, Macedonia, and Bulgaria has paid important dividends in Afghanistan and peacekeeping missions that more than justify U.S. financial outlays. Although request levels have declined, the United States will continue to be the indispensable security partner with these allied governments, who bring an equal engagement through their own resources, in joint security efforts.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**818,005**	**714,635**	**612,560**	**-102,075**
Assistance for Europe, Eurasia and Central Asia	583,900	513,907	-	-513,907
Economic Support Fund	15,852	6,000	358,077	352,077
Foreign Military Financing	131,171	106,865	102,000	-4,865
Global Health Programs - State	22,528	20,678	27,200	6,522
Global Health Programs - USAID	14,582	13,550	26,250	12,700
International Military Education and Training	30,287	29,425	28,600	-825
International Narcotics Control and Law Enforcement	-	-	48,633	48,633
Nonproliferation, Antiterrorism, Demining and Related Programs	19,685	24,210	21,800	-2,410

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Europe and Eurasia Regional Overview	**818,005**	**714,635**	**612,560**	**-102,075**
1 Peace and Security	**304,504**	**276,578**	**254,946**	**-21,632**
Assistance for Europe, Eurasia and Central Asia	**112,499**	**110,078**	**-**	**-110,078**
1.2 Combating Weapons of Mass Destruction (WMD)	27,352	26,005	-	-26,005
1.3 Stabilization Operations and Security Sector Reform	26,452	31,130	-	-31,130
1.4 Counter-Narcotics	1,410	1,117	-	-1,117
1.5 Transnational Crime	7,629	4,826	-	-4,826
1.6 Conflict Mitigation and Reconciliation	49,656	47,000	-	-47,000
Economic Support Fund	**10,862**	**6,000**	**73,235**	**67,235**
1.2 Combating Weapons of Mass Destruction (WMD)	-	-	23,588	23,588
1.5 Transnational Crime	-	-	1,000	1,000
1.6 Conflict Mitigation and Reconciliation	10,862	6,000	48,647	42,647
Foreign Military Financing	**131,171**	**106,865**	**102,000**	**-4,865**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.3 Stabilization Operations and Security Sector Reform	131,171	106,865	102,000	-4,865
International Military Education and Training	**30,287**	**29,425**	**28,600**	**-825**
1.3 Stabilization Operations and Security Sector Reform	30,287	29,425	28,600	-825
International Narcotics Control and Law Enforcement	**-**	**-**	**29,311**	**29,311**
1.3 Stabilization Operations and Security Sector Reform	-	-	26,218	26,218
1.4 Counter-Narcotics	-	-	569	569
1.5 Transnational Crime	-	-	2,524	2,524
Nonproliferation, Antiterrorism, Demining and Related Programs	**19,685**	**24,210**	**21,800**	**-2,410**
1.1 Counter-Terrorism	3,100	1,450	500	-950
1.2 Combating Weapons of Mass Destruction (WMD)	10,270	10,295	9,835	-460
1.3 Stabilization Operations and Security Sector Reform	6,315	12,465	11,465	-1,000
2 Governing Justly and Democratically	**231,070**	**217,065**	**182,671**	**-34,394**
Assistance for Europe, Eurasia and Central Asia	**231,070**	**217,065**	**-**	**-217,065**
2.1 Rule of Law and Human Rights	63,155	60,688	-	-60,688
2.2 Good Governance	49,516	49,897	-	-49,897
2.3 Political Competition and Consensus-Building	25,213	20,575	-	-20,575
2.4 Civil Society	93,186	85,905	-	-85,905
Economic Support Fund	**-**	**-**	**163,349**	**163,349**
2.1 Rule of Law and Human Rights	-	-	39,218	39,218
2.2 Good Governance	-	-	37,590	37,590
2.3 Political Competition and Consensus-Building	-	-	19,307	19,307
2.4 Civil Society	-	-	67,234	67,234
International Narcotics Control and Law Enforcement	**-**	**-**	**19,322**	**19,322**
2.1 Rule of Law and Human Rights	-	-	18,190	18,190
2.2 Good Governance	-	-	1,132	1,132
3 Investing in People	**90,971**	**65,180**	**60,909**	**-4,271**
Assistance for Europe, Eurasia and Central Asia	**48,871**	**30,952**	**-**	**-30,952**
3.1 Health	33,899	20,302	-	-20,302
3.2 Education	9,963	4,087	-	-4,087
3.3 Social and Economic Services and Protection for Vulnerable Populations	5,009	6,563	-	-6,563
Economic Support Fund	**4,990**	**-**	**7,459**	**7,459**
3.1 Health	-	-	500	500
3.2 Education	4,990	-	3,880	3,880
3.3 Social and Economic Services and Protection for Vulnerable Populations	-	-	3,079	3,079
Global Health Programs - State	**22,528**	**20,678**	**27,200**	**6,522**
3.1 Health	22,528	20,678	27,200	6,522

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Global Health Programs - USAID	**14,582**	**13,550**	**26,250**	**12,700**
3.1 Health	14,582	13,550	26,250	12,700
4 Economic Growth	**184,885**	**146,975**	**108,659**	**-38,316**
Assistance for Europe, Eurasia and Central Asia	**184,885**	**146,975**	**-**	**-146,975**
4.1 Macroeconomic Foundation for Growth	13,288	6,846	-	-6,846
4.2 Trade and Investment	15,426	13,001	-	-13,001
4.3 Financial Sector	12,071	9,204	-	-9,204
4.4 Infrastructure	24,081	19,145	-	-19,145
4.5 Agriculture	18,275	10,220	-	-10,220
4.6 Private Sector Competitiveness	80,540	74,643	-	-74,643
4.7 Economic Opportunity	7,869	4,776	-	-4,776
4.8 Environment	13,335	9,140	-	-9,140
Economic Support Fund	**-**	**-**	**108,659**	**108,659**
4.1 Macroeconomic Foundation for Growth	-	-	3,385	3,385
4.2 Trade and Investment	-	-	6,353	6,353
4.3 Financial Sector	-	-	6,951	6,951
4.4 Infrastructure	-	-	12,931	12,931
4.5 Agriculture	-	-	5,000	5,000
4.6 Private Sector Competitiveness	-	-	61,442	61,442
4.7 Economic Opportunity	-	-	3,591	3,591
4.8 Environment	-	-	9,006	9,006
5 Humanitarian Assistance	**6,575**	**8,837**	**5,375**	**-3,462**
Assistance for Europe, Eurasia and Central Asia	**6,575**	**8,837**	**-**	**-8,837**
5.1 Protection, Assistance and Solutions	6,515	8,837	-	-8,837
5.3 Migration Management	60	-	-	-
Economic Support Fund	**-**	**-**	**5,375**	**5,375**
5.1 Protection, Assistance and Solutions	-	-	5,375	5,375

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Europe and Eurasia Regional Overview	**818,005**	**714,635**	**612,560**	**-102,075**
1 Peace and Security	**304,504**	**276,578**	**254,946**	**-21,632**
1.1 Counter-Terrorism	3,100	1,450	500	-950
1.2 Combating Weapons of Mass Destruction (WMD)	37,622	36,300	33,423	-2,877
1.3 Stabilization Operations and Security Sector Reform	194,225	179,885	168,283	-11,602
1.4 Counter-Narcotics	1,410	1,117	569	-548

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.5 Transnational Crime	7,629	4,826	3,524	-1,302
1.6 Conflict Mitigation and Reconciliation	60,518	53,000	48,647	-4,353
2 Governing Justly and Democratically	**231,070**	**217,065**	**182,671**	**-34,394**
2.1 Rule of Law and Human Rights	63,155	60,688	57,408	-3,280
2.2 Good Governance	49,516	49,897	38,722	-11,175
2.3 Political Competition and Consensus-Building	25,213	20,575	19,307	-1,268
2.4 Civil Society	93,186	85,905	67,234	-18,671
3 Investing in People	**90,971**	**65,180**	**60,909**	**-4,271**
3.1 Health	71,009	54,530	53,950	-580
3.2 Education	14,953	4,087	3,880	-207
3.3 Social and Economic Services and Protection for Vulnerable Populations	5,009	6,563	3,079	-3,484
4 Economic Growth	**184,885**	**146,975**	**108,659**	**-38,316**
4.1 Macroeconomic Foundation for Growth	13,288	6,846	3,385	-3,461
4.2 Trade and Investment	15,426	13,001	6,353	-6,648
4.3 Financial Sector	12,071	9,204	6,951	-2,253
4.4 Infrastructure	24,081	19,145	12,931	-6,214
4.5 Agriculture	18,275	10,220	5,000	-5,220
4.6 Private Sector Competitiveness	80,540	74,643	61,442	-13,201
4.7 Economic Opportunity	7,869	4,776	3,591	-1,185
4.8 Environment	13,335	9,140	9,006	-134
5 Humanitarian Assistance	**6,575**	**8,837**	**5,375**	**-3,462**
5.1 Protection, Assistance and Solutions	6,515	8,837	5,375	-3,462
5.3 Migration Management	60	-	-	-
of which: Objective 6	**59,302**	**58,409**	**54,217**	**-4,192**
6.1 Program Design and Learning	10,257	9,532	10,236	704
6.2 Administration and Oversight	49,045	48,877	43,981	-4,896

Peace and Security

Funding under this objective facilitates the participation of partners in coalition and peacekeeping operations; combats the proliferation of weapons of mass destruction (WMD), including through efforts to improve nuclear safety; supports reform, professionalization, and capacity-building of militaries, law enforcement agencies, border guards, and customs officials; promotes integration into Euro-Atlantic institutions through reform, interoperability, and building of niche capacity of military forces; supports the Organization for Security and Cooperation in Europe (OSCE); and builds host government capacity to address transnational threats including terrorism, organized crime, and trafficking in persons, narcotics, and WMD components.

Governing Justly and Democratically

U.S. assistance programs support free, fair, and competitive political processes and elections; improve governance; facilitate anti-corruption efforts; support institutional reform and checks and balances; strengthen the justice sector; promote the development of and access to balanced information; build civil society organizations and enhance their capacities to advocate for positive and constructive political, economic, and social reforms; empower activists and human rights monitors in authoritarian societies; and provide exposure to democratic practices and values through civic education and speakers' programs and through small grants to civil society organizations.

Investing in People

U.S. health programs continue to address major threats, including HIV/AIDS and multi-drug-resistant tuberculosis, while helping the region's countries restructure their healthcare systems in order to deliver services more effectively. All of these efforts are being implemented as part of the President's Global Health Initiative, which represents a new business model for delivering the broad range of U.S. health investments. This model will help achieve significant health improvements and create effective, efficient, and country-led platforms for the sustainable delivery of essential health care and public health programs. The resulting improvements in health will, in turn, help create confidence among citizens that the transition to a free market, democratic system is actually improving their quality of life. Funding will support programming to develop local capacity to prevent and treat infectious diseases, as well as improve primary, maternal, child, and reproductive health standards and practices. The United States also undertakes both primary and higher education reform. Working with teachers, university professors, and education officials, the U.S. programs seek to improve curricula and instruction, with the goal of creating the skills base needed for effective participation in the economy.

Economic Growth

U.S. assistance continues to be needed to advance economic and private sector reform, particularly in relation to economic regulation and market reforms. Programs also support energy sector privatization, efficiency, and transparency; strengthen the business environment; promote trade and investment; advance participation in international economic institutions; improve revenue collection, budgeting processes, and banking systems; stimulate job creation; support private sector regulatory reform; and increase access to credit for small- and medium-sized enterprises. Funding for clean energy programs in support of the Global Climate Change Initiative is also included under this objective.

Humanitarian Assistance

Funding will support the provision of shelter, medical care, counseling, education, and water and sanitation for displaced persons; provide food aid for vulnerable groups; and procure and deliver commodities donated by U.S.-based private voluntary organizations – including medicines, equipment, clothing, and food – to improve conditions in schools, clinics, orphanages, and homes for the elderly.

Linkages with the Millennium Challenge Corporation

Millennium Challenge Corporation (MCC) programs are also a significant factor in this region. There are two Compacts currently in operation: Moldova's entered into force in September 2010 and Georgia is currently negotiating a second Compact. U.S. assistance efforts leverage the investments of MCC programs to maximize their impact on economic growth and poverty reduction, while ensuring that there is no duplication of effort.

Albania

Foreign Assistance Program Overview

The foremost goal of U.S. assistance to Albania is to support the country's development as an accountable, capable, secure, and prosperous democratic state. To achieve this goal, U.S. assistance focuses on promoting the rule of law by strengthening the capacity of justice sector professionals to investigate, prosecute, and adjudicate corrupt practices and complex criminal cases; supporting good governance and the establishment of transparent and democratic institutions and practices; establishing and improving conditions for broad-based and sustainable economic growth; enhancing the effectiveness of Albania's export control system to stem the proliferation of weapons of mass destruction (WMDs); and strengthening the capacity of Albania's security forces and law enforcement agencies to contribute to international security and domestic stability. Through all assistance activities, the United States is providing critical support to reforms needed to ensure Albania's integration into the Euro-Atlantic community. Assistance will be implemented by USAID and the Departments of State and Defense.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**27,706**	**22,650**	**20,875**	**-1,775**
Assistance for Europe, Eurasia and Central Asia	20,000	16,000	-	-16,000
Economic Support Fund	-	-	10,025	10,025
Foreign Military Financing	3,992	3,000	3,000	-
International Military Education and Training	1,064	1,000	1,000	-
International Narcotics Control and Law Enforcement	-	-	4,450	4,450
Nonproliferation, Antiterrorism, Demining and Related Programs	2,650	2,650	2,400	-250

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Albania	**27,706**	**22,650**	**20,875**	**-1,775**
1 Peace and Security	**11,517**	**9,776**	**8,957**	**-819**
Assistance for Europe, Eurasia and Central Asia	**3,811**	**3,126**	**-**	**-3,126**
1.3 Stabilization Operations and Security Sector Reform	3,411	3,126	-	-3,126
1.5 Transnational Crime	400	-	-	-
Foreign Military Financing	**3,992**	**3,000**	**3,000**	**-**
1.3 Stabilization Operations and Security Sector Reform	3,992	3,000	3,000	-
International Military Education and Training	**1,064**	**1,000**	**1,000**	**-**
1.3 Stabilization Operations and Security Sector Reform	1,064	1,000	1,000	-
International Narcotics Control and Law Enforcement	**-**	**-**	**2,557**	**2,557**
1.3 Stabilization Operations and Security Sector Reform	-	-	2,557	2,557

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Nonproliferation, Antiterrorism, Demining and Related Programs	**2,650**	**2,650**	**2,400**	**-250**
1.2 Combating Weapons of Mass Destruction (WMD)	650	650	600	-50
1.3 Stabilization Operations and Security Sector Reform	2,000	2,000	1,800	-200
2 Governing Justly and Democratically	**7,070**	**8,880**	**8,473**	**-407**
Assistance for Europe, Eurasia and Central Asia	**7,070**	**8,880**	**-**	**-8,880**
2.1 Rule of Law and Human Rights	2,824	3,258	-	-3,258
2.2 Good Governance	3,400	4,565	-	-4,565
2.3 Political Competition and Consensus-Building	-	250	-	-250
2.4 Civil Society	846	807	-	-807
Economic Support Fund	**-**	**-**	**6,580**	**6,580**
2.1 Rule of Law and Human Rights	-	-	2,000	2,000
2.2 Good Governance	-	-	3,894	3,894
2.4 Civil Society	-	-	686	686
International Narcotics Control and Law Enforcement	**-**	**-**	**1,893**	**1,893**
2.1 Rule of Law and Human Rights	-	-	1,893	1,893
3 Investing in People	**2,550**	**-**	**-**	**-**
Assistance for Europe, Eurasia and Central Asia	**2,550**	**-**	**-**	**-**
3.1 Health	2,550	-	-	-
4 Economic Growth	**6,569**	**3,994**	**3,445**	**-549**
Assistance for Europe, Eurasia and Central Asia	**6,569**	**3,994**	**-**	**-3,994**
4.2 Trade and Investment	700	700	-	-700
4.3 Financial Sector	1,454	1,145	-	-1,145
4.4 Infrastructure	1,150	500	-	-500
4.6 Private Sector Competitiveness	3,265	1,649	-	-1,649
Economic Support Fund	**-**	**-**	**3,445**	**3,445**
4.2 Trade and Investment	-	-	600	600
4.3 Financial Sector	-	-	800	800
4.4 Infrastructure	-	-	845	845
4.6 Private Sector Competitiveness	-	-	1,200	1,200

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Albania	**27,706**	**22,650**	**20,875**	**-1,775**
1 Peace and Security	**11,517**	**9,776**	**8,957**	**-819**
1.2 Combating Weapons of Mass Destruction (WMD)	650	650	600	-50

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.3 Stabilization Operations and Security Sector Reform	10,467	9,126	8,357	-769
1.5 Transnational Crime	400	-	-	-
2 Governing Justly and Democratically	**7,070**	**8,880**	**8,473**	**-407**
2.1 Rule of Law and Human Rights	2,824	3,258	3,893	635
2.2 Good Governance	3,400	4,565	3,894	-671
2.3 Political Competition and Consensus-Building	-	250	-	-250
2.4 Civil Society	846	807	686	-121
3 Investing in People	**2,550**	**-**	**-**	**-**
3.1 Health	2,550	-	-	-
4 Economic Growth	**6,569**	**3,994**	**3,445**	**-549**
4.2 Trade and Investment	700	700	600	-100
4.3 Financial Sector	1,454	1,145	800	-345
4.4 Infrastructure	1,150	500	845	345
4.6 Private Sector Competitiveness	3,265	1,649	1,200	-449
of which: Objective 6	**1,297**	**1,189**	**1,231**	**42**
6.1 Program Design and Learning	100	100	160	60
6.2 Administration and Oversight	1,197	1,089	1,071	-18

Peace and Security

The United States supports Albania's goal of full integration into Euro-Atlantic institutions and being an effective member of the North Atlantic Treaty Organization (NATO). Albania is a strong supporter of and participant in coalition operations in Afghanistan and has participated in peacekeeping operations in the region and elsewhere. However, transformation of the military into an agile and deployable force, interoperable with other NATO forces, is ongoing and requires continued U.S. commitment. Albanian law enforcement actors play an important role in combating organized crime and trafficking in the region; however, critical gaps in capacity still exist. U.S. assistance also helps reduce the risk of proliferation of WMD and conventional weapons by building the capacity of border forces and by helping destroy Albania's legacy munitions stockpiles.

Foreign Military Financing (FMF): U.S. assistance supports Albania's NATO integration and participation in coalition operations. FMF will help transform the Albanian Armed Forces into a deployable, NATO-interoperable force by focusing on defense reform at the Ministry of Defense, training the Special Forces battalion, improving facilities and equipment, and modernizing the current force. Efforts will continue to ensure interoperability with NATO communication systems and equipment, as well as supporting Albania's goal of developing a motorized infantry battalion.

International Military Education and Training (IMET): Assistance provides education, training, and technical support to bolster the development of modern and technologically capable Euro-Atlantic integrated defense structures, including the development of trained administrative support and planning capabilities. U.S assistance efforts ensure that this willing ally has the capability to be interoperable with U.S. forces and that the institution has the right structure, knowledge and processes in place to ensure that capability exists in the long term.

International Narcotics Control and Law Enforcement (INCLE): Albanian organized crime and corruption are a threat to stability in the region and have direct links to organized crime networks in the United States. U.S. assistance will help strengthen the organization and professional standards of law enforcement staff and structures, specifically in the areas of combating transnational and organized crime, including trafficking in persons, combating terrorism, and cutting sources of terrorist financing.

Nonproliferation, Antiterrorism, Demining and Related Programs (NADR): The Conventional Weapons Destruction Program will help Albania to better secure and maintain its massive stocks of munitions and small arms/light weapons, and demilitarize and destroy aging munitions that have become unstable. The Export Control and Related Border Security Assistance Program will continue to develop the capacity of Albania's border forces to secure its land and water borders.

Governing Justly and Democratically

Despite 20 years of independence and notable democratic progress, Albania still struggles to institute sustainable and accountable governance structures. Within governance institutions at both the local and national level, a notorious culture of corruption persists. While institutions promoting the rule of law are improving, they are still weak, immature, and thus unable to successfully combat corruption and support good governance. To support Albania's ultimate goal of European Union (EU) accession, assistance will emphasize transparency, equity, and accountability.

Economic Support Fund (ESF): U.S. programs will promote the rule of law by increasing the fairness, transparency, and efficiency of the court system; expanding access to justice; and strengthening legal education. Assistance will also support the development of transparent and accountable institutions, build the capacity of civil society to monitor and advocate for reform, improve public service delivery and local government administration, and support civic participation in political processes and decision-making. Programs will address policy reforms, institutional capacity-building, and access to services.

International Narcotics Control and Law Enforcement (INCLE): U.S. assistance will build the capacity of prosecutors, promoting their cooperation with the police, and will help reform criminal procedure legislation and the Constitution, with the goal of making the justice system more effective, accountable, and compliant with European norms.

Economic Growth

Despite positive economic growth trends in the past few years, Albania remains one of the poorest countries in Europe and has one of the lowest GDP per capita in Europe. The country suffers from a widening trade deficit and sustained reductions in exports, low foreign investment, and high unemployment. In addition to the economic downturn in Southeast Europe, Albania's economy continues to be hampered by a weak private sector, poor financial infrastructure, and an unrefined macroeconomic foundation. Sustained economic growth is critical to advancing Albania's EU aspirations and sustaining its role as a stabilizing force in the Balkans. Reducing unemployment and sustainable economic growth are essential elements for Albania's long-term internal stability.

Economic Support Fund (ESF): In light of these challenges, U.S. assistance will have four areas of focus: (1) improving the productivity and competitiveness of private sector enterprises and supporting business associations and chambers; (2) supporting reforms that stimulate domestic and foreign investment and the export of Albanian goods – particularly to EU countries; (3) improving Albania's communication and information technology infrastructure to provide entrepreneurs and businesses with training and access to modern technologies; and (4) continuing to reform the financial system in order to strengthen the banking sector and increase public access to capital markets. Proposed activities will also support a lower-emissions development pathway for Albania.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In FY 2011, the U.S. Embassy regularly conducted mission-wide and agency-specific reviews to evaluate programmatic and financial performance. USAID completed its five-year Country Development and Country Strategy (CDCS), and the Department of State completed an Interagency Country Assistance Review. USAID also completed an Economic Growth (EG) assessment that clearly lays out a roadmap for "transformational" interventions during the five-year CDCS period that will put in place the reforms and capabilities required for sustainable growth. In the framework of assistance programming managed by the Department of State, the Department of Justice carried out a number of evaluations over the course of the fiscal year. These evaluations were used to support project direction in three areas: joint border agreements, State/Civil Society Partnership Agreement implementation, and training for the Albanian State Police.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Albania was able to draw important conclusions and take targeted actions based on the evaluation efforts noted above:

- The CDCS and the Interagency Country Assistance Review provided strategic guidance on the direction of assistance programming in Albania for the next three to four years. One specific outcome of both of these strategies was to shift some of the EG assistance at the firm level towards a focus on sector and policy reforms that have a macro-impact.

- In line with the governance assessment recommendations, as reflected in the CDCS, USAID designed and is implementing a new program on local government and decentralization starting in FY 2012. Based on these recommendations, the new program is expanding its focus to address challenges of decentralization by engaging government institutions at both the local and central level.

- The Department of Justice's monitoring of Albanian State Police performance reported progress on border control and gender diversity efforts, as well as information technology development to improve law enforcement efficiency. The same monitoring program revealed continued shortcomings in the establishment of human resources, training, and strategic management processes designed to strengthen the professional competence and ethical standards of the police force. The Department of Justice will work closely with the Director General of the State Police, his staff, and the Center for Police Development to focus reform efforts on these areas. Current defense reform efforts provided the managerial and oversight expertise for munitions destruction, resulting in record numbers of munitions being destroyed every month.

Relating Past Performance to FY 2013 Plans: Funding at the FY 2013 proposed levels will allow continued support for the U.S. priorities of strengthening the rule of law, promoting stability, and accelerating Albania's integration into the Euro-Atlantic community. All programs noted above – in security, governance, the rule of law, and economic development – will have a direct and positive impact on these priorities.

Armenia

Foreign Assistance Program Overview

U.S. assistance to Armenia supports democratic, economic, and other reforms that are designed to help promote regional stability and supplements diplomatic efforts to peacefully resolve the long-running conflict with Azerbaijan over Nagorno-Karabakh and reopen the closed borders with Azerbaijan and Turkey. U.S. assistance is helping Armenia sustain its development into a stable partner, at peace with its neighbors, where democracy, human rights, and the rule of law are respected, where citizens have access to effective health and social services, and where the benefits of sustained economic growth are widely shared.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**44,417**	**44,250**	**36,608**	**-7,642**
Assistance for Europe, Eurasia and Central Asia	39,725	40,000	-	-40,000
Economic Support Fund	-	-	27,219	27,219
Foreign Military Financing	2,994	2,700	2,700	-
Global Health Programs - USAID	399	-	2,500	2,500
International Military Education and Training	449	700	600	-100
International Narcotics Control and Law Enforcement	-	-	2,824	2,824
Nonproliferation, Antiterrorism, Demining and Related Programs	850	850	765	-85

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Armenia	**44,417**	**44,250**	**36,608**	**-7,642**
1 Peace and Security	**8,631**	**9,165**	**8,857**	**-308**
Assistance for Europe, Eurasia and Central Asia	**4,338**	**4,915**	**-**	**-4,915**
1.2 Combating Weapons of Mass Destruction (WMD)	2,351	3,304	-	-3,304
1.3 Stabilization Operations and Security Sector Reform	664	905	-	-905
1.5 Transnational Crime	754	130	-	-130
1.6 Conflict Mitigation and Reconciliation	569	576	-	-576
Economic Support Fund	**-**	**-**	**3,415**	**3,415**
1.2 Combating Weapons of Mass Destruction (WMD)	-	-	3,015	3,015
1.6 Conflict Mitigation and Reconciliation	-	-	400	400
Foreign Military Financing	**2,994**	**2,700**	**2,700**	**-**
1.3 Stabilization Operations and Security Sector Reform	2,994	2,700	2,700	-
International Military Education and Training	**449**	**700**	**600**	**-100**
1.3 Stabilization Operations and Security Sector Reform	449	700	600	-100

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
International Narcotics Control and Law Enforcement	**-**	**-**	**1,377**	**1,377**
1.3 Stabilization Operations and Security Sector Reform	-	-	1,142	1,142
1.5 Transnational Crime	-	-	235	235
Nonproliferation, Antiterrorism, Demining and Related Programs	**850**	**850**	**765**	**-85**
1.2 Combating Weapons of Mass Destruction (WMD)	850	850	765	-85
2 Governing Justly and Democratically	**11,771**	**12,498**	**11,147**	**-1,351**
Assistance for Europe, Eurasia and Central Asia	**11,771**	**12,498**	**-**	**-12,498**
2.1 Rule of Law and Human Rights	2,601	2,496	-	-2,496
2.2 Good Governance	3,757	3,195	-	-3,195
2.3 Political Competition and Consensus-Building	1,410	1,704	-	-1,704
2.4 Civil Society	4,003	5,103	-	-5,103
Economic Support Fund	**-**	**-**	**9,700**	**9,700**
2.1 Rule of Law and Human Rights	-	-	750	750
2.2 Good Governance	-	-	4,200	4,200
2.3 Political Competition and Consensus-Building	-	-	1,350	1,350
2.4 Civil Society	-	-	3,400	3,400
International Narcotics Control and Law Enforcement	**-**	**-**	**1,447**	**1,447**
2.1 Rule of Law and Human Rights	-	-	1,447	1,447
3 Investing in People	**9,488**	**6,664**	**5,000**	**-1,664**
Assistance for Europe, Eurasia and Central Asia	**9,089**	**6,664**	**-**	**-6,664**
3.1 Health	5,973	3,802	-	-3,802
3.3 Social and Economic Services and Protection for Vulnerable Populations	3,116	2,862	-	-2,862
Economic Support Fund	**-**	**-**	**2,500**	**2,500**
3.1 Health	-	-	500	500
3.2 Education	-	-	500	500
3.3 Social and Economic Services and Protection for Vulnerable Populations	-	-	1,500	1,500
Global Health Programs - USAID	**399**	**-**	**2,500**	**2,500**
3.1 Health	399	-	2,500	2,500
4 Economic Growth	**13,527**	**14,773**	**10,804**	**-3,969**
Assistance for Europe, Eurasia and Central Asia	**13,527**	**14,773**	**-**	**-14,773**
4.1 Macroeconomic Foundation for Growth	750	1,052	-	-1,052
4.2 Trade and Investment	455	451	-	-451
4.3 Financial Sector	1,200	1,052	-	-1,052
4.4 Infrastructure	1,832	2,003	-	-2,003
4.6 Private Sector Competitiveness	9,290	10,215	-	-10,215
Economic Support Fund	**-**	**-**	**10,804**	**10,804**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.1 Macroeconomic Foundation for Growth	-	-	800	800
4.2 Trade and Investment	-	-	300	300
4.3 Financial Sector	-	-	1,300	1,300
4.6 Private Sector Competitiveness	-	-	8,404	8,404
5 Humanitarian Assistance	**1,000**	**1,150**	**800**	**-350**
Assistance for Europe, Eurasia and Central Asia	**1,000**	**1,150**	**-**	**-1,150**
5.1 Protection, Assistance and Solutions	1,000	1,150	-	-1,150
Economic Support Fund	**-**	**-**	**800**	**800**
5.1 Protection, Assistance and Solutions	-	-	800	800

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Armenia	**44,417**	**44,250**	**36,608**	**-7,642**
1 Peace and Security	**8,631**	**9,165**	**8,857**	**-308**
1.2 Combating Weapons of Mass Destruction (WMD)	3,201	4,154	3,780	-374
1.3 Stabilization Operations and Security Sector Reform	4,107	4,305	4,442	137
1.5 Transnational Crime	754	130	235	105
1.6 Conflict Mitigation and Reconciliation	569	576	400	-176
2 Governing Justly and Democratically	**11,771**	**12,498**	**11,147**	**-1,351**
2.1 Rule of Law and Human Rights	2,601	2,496	2,197	-299
2.2 Good Governance	3,757	3,195	4,200	1,005
2.3 Political Competition and Consensus-Building	1,410	1,704	1,350	-354
2.4 Civil Society	4,003	5,103	3,400	-1,703
3 Investing in People	**9,488**	**6,664**	**5,000**	**-1,664**
3.1 Health	6,372	3,802	3,000	-802
3.2 Education	-	-	500	500
3.3 Social and Economic Services and Protection for Vulnerable Populations	3,116	2,862	1,500	-1,362
4 Economic Growth	**13,527**	**14,773**	**10,804**	**-3,969**
4.1 Macroeconomic Foundation for Growth	750	1,052	800	-252
4.2 Trade and Investment	455	451	300	-151
4.3 Financial Sector	1,200	1,052	1,300	248
4.4 Infrastructure	1,832	2,003	-	-2,003
4.6 Private Sector Competitiveness	9,290	10,215	8,404	-1,811
5 Humanitarian Assistance	**1,000**	**1,150**	**800**	**-350**
5.1 Protection, Assistance and Solutions	1,000	1,150	800	-350

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
of which: Objective 6	**5,019**	**4,866**	**4,094**	**-772**
6.1 Program Design and Learning	1,047	599	435	-164
6.2 Administration and Oversight	3,972	4,267	3,659	-608

Peace and Security

U.S. assistance to Armenia will work to enhance regional and global security by: strengthening Armenia's control of its borders; helping the Government of Armenia (GOAM) implement effective strategic trade controls to prevent trafficking in weapons of mass destruction (WMD), small arms, narcotics, and persons; and enhancing Armenia's capacity as a partner in international peacekeeping missions. U.S. assistance will support confidence-building measures designed to build civil society and business linkages with Azerbaijan and Turkey. These activities will be implemented by the Departments of State, Defense, and Energy and by USAID.

Economic Support Fund (ESF): U.S. assistance will continue to help support safety enhancements at Armenia's nuclear power plant. Modest funding will support small grants for conflict mitigation projects and international visitor exchanges to promote mutual understanding between neighboring countries, and the prevention of proliferation of weapons of mass destruction.

Foreign Military Financing (FMF): FY 2013 funding will support defense reform and modernization of a professional and transparent Armenian military capable of protecting Armenia, participating in international peacekeeping operations and exercises, and operating in conjunction with North Atlantic Treaty Organization (NATO) forces. U.S. assistance programs will focus on improving areas such as peacekeeping capacity, medical capability, demining, and crisis/disaster response and management.

International Military Education and Training (IMET): Funding will help establish NATO interoperability within the Armenian security forces by providing professional military education, English language training, and technical training.

International Narcotics Control and Law Enforcement (INCLE): Resources will be used to support activities that strengthen, reform, and promote transparency in Armenia's law enforcement sector. Programs will provide training and equipment to law enforcement agencies, such as the police, specialized units, and institutions that deal with transnational crime, corruption, and narcotics trafficking. Assistance will also strengthen the GOAM's response to trafficking in persons, including by providing training for judges, prosecutors, police, border guards, and others to increase awareness, better identify and assist victims, and detect and prosecute traffickers.

Nonproliferation, Antiterrorism, Demining and Related Programs (NADR): FY 2013 funding will help Armenia counter the proliferation of WMD-related commodities and technology. Programs will enhance Armenia's nonproliferation and export control capabilities through the continued provision of training and equipment, legal reform implementation, and strengthened institutional capabilities.

Governing Justly and Democratically

The United States will promote democratic principles, institutions, and processes by strengthening Armenian civil society and government entities, increasing access to objective information, reducing corruption, strengthening the rule of law and access to justice, and promoting political pluralism, including the implementation of election reforms. U.S. assistance will promote free and fair processes for Armenia's 2013 presidential elections.

Economic Support Fund (ESF): The United States will seek to increase civic advocacy; improve local government strategic planning; promote interaction and discussion between civil society and government entities; enhance analysis and debate of public policy; expand citizens' access to objective information by developing regional and alternative media; improve the application of due process and application of the decisions European Court of Human Rights; improve legal aid and representation, including building the capacity of the defense bar, ombudsman, and law schools; promote political pluralism by strengthening political parties; improve the electoral environment and support effective participation in electoral politics; and improve government transparency, accountability, and responsiveness by strengthening the legislature and local governments.

International Narcotics Control and Law Enforcement (INCLE): Funding will be used to support ongoing rule of law programs such as support for the implementation of a new Criminal Procedure Code, which is expected to be adopted in 2012; provide technical assistance such as training and material support to strengthen the justice system, including in the area of criminal procedure; improve respect for the rule of law among youth; and expand access to justice, including access to capable and professional legal representation.

Investing in People

The United States will focus health efforts on maternal and child health, tuberculosis, and family planning and reproductive health, strengthening Armenia's primary health care system, including the capacity to deliver higher-quality and effective health care services. Other programs will provide support for the implementation of pension reforms and provision of integrated social services; and improve access to clean, safe, and reliable water supplies.

Global Health Programs (GHP): FY 2013 assistance will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership. Funding will be used for interventions to improve quality maternal, newborn, and child health services, as well as prevention, detection, care, and treatment services to populations at high risk for tuberculosis (TB). U.S. assistance will continue to focus on strengthening government capacity in promoting reproductive health, as well as on improving prevention and management of high burden diseases affecting women and children through annual physical examinations, health promotion, and diagnosis and referral services.

- Tuberculosis: USAID will work to strengthen the quality of care in TB services by improving infection control measures and improving prevention, diagnosis, and treatment for multi-drug-resistant TB cases. USAID will collaborate closely with other donors and the GOAM. USAID will send a Resident TB Advisor to the National TB Program to build capacity of the GOAM.

- Maternal and Child Health (MCH): U.S. assistance focuses on women and children through its efforts to promote health education and appropriate health-seeking behavior in MCH and family planning and reproductive health, especially on early prenatal care and pre-conception care visits. Specifically, USAID applies an integrated care approach to improve child survival, impact maternal health, strengthen newborn care, increase access to information on reproductive health, and improve management of common chronic diseases. The U.S. Government will promote healthcare-seeking behaviors in communities through active use of community health volunteers and reinforce referrals to community nurses in order to access state guaranteed health care services. Programming will build upon the successes of overall health systems reform and target those areas where gaps remain.

- Family Planning and Reproductive Health: U.S. assistance will expand access to high-quality voluntary family planning services and information and reproductive health care on a sustainable basis. Assistance will strengthen the sustainability of family planning and reproductive health services by building the capacity of non-governmental organizations and local health officials to educate youth and women on the benefits of modern family planning methods and promote women's health, while helping the GOAM to develop guidelines, protocols, and executive orders that use best international practices.

Economic Support Fund (ESF): Assistance will be used to increase access to safe and reliable water supplies, advance innovative higher education initiatives, and strengthen the pension system and the labor market.

- Water Supply and Sanitation: Water supply and sanitation deficiencies continue to present serious health challenges in Armenia. U.S. assistance will help to improve the governance of the water sector to help promote transparent and sustainable water management, improving access to clean, safe, and reliable water supplies.

- Higher Education: U.S. assistance will work to foster university linkages as well as to promote innovation, research, and development.

- Social Services: U.S. assistance will support the continued implementation of pension system reforms in advance of the new pension system going into effect in 2014. U.S. assistance will also help support the introduction of an integrated social services system to integrate persons with disabilities into the workplace and better target social assistance benefits and services to the most vulnerable.

Economic Growth

U.S. assistance will promote sustainable economic growth by increasing the competitiveness and diversification of Armenia's industries and helping improve their access to finance. U.S. assistance will provide technical assistance to identified value chains; assist in reforming Armenia's tax and pension system; and strengthen sustainable integrated energy and water management practices.

Economic Support Fund (ESF): FY 2013 resources will continue to help develop a stable and predictable macroeconomic environment that encourages Armenia's private sector to make productive and growth-enhancing investments. This includes activities to support tax reform to enhance business competitiveness, improve tax administration policies, and strengthen the GOAM's institutional capacity to provide enhanced and efficient taxpayer services. U.S. assistance will also help accelerate the emergence of a more competitive and diversified private sector; strengthen Armenia's financial sector to ensure the availability of private financing for small- and medium-sized enterprise development; and improve the business enabling environment. Programs will also focus on ensuring a systematic and integrated approach to energy and water resource management to address the issues of scarcity and sustainable water and energy development, as well as to help Armenia develop indigenous, diversified, renewable and alternative energy resources. U.S. assistance will also continue to support the development of market value chains, market-oriented and evidence-based agricultural policy, and improved access to affordable credit. Together, these efforts will broaden access to economic opportunity, thereby contributing to U.S. investments in political stability, democratic reforms, and anti-corruption efforts.

Humanitarian Assistance

Armenian health and social welfare agencies struggle to meet the needs of the country's most vulnerable populations. Humanitarian assistance programs carried out by the Department of State are intended to

alleviate the suffering of these groups in remote areas of the country and build relationships between Armenian and U.S. citizens in the through American private voluntary organizations that deliver assistance.

Economic Support Fund (ESF): Funds will be used to assist the neediest populations in Armenia, including those displaced by the Nagorno-Karabakh conflict, through the provision of goods (such as medicines, medical supplies and equipment, food, clothing, and emergency shelter items), disaster relief, and small reconstruction projects.

Linkages with the Millennium Challenge Corporation

Armenia's five-year Millennium Challenge Account Compact expired in September 2011. The program included one of Armenia's largest ever irrigation infrastructure refurbishments, accompanied by strategic assistance farmers, agribusinesses and water supply institutions. U.S. assistance programs will continue to leverage gains made through MCC assistance.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In FY 2013, USAID will draw on the results of its annual portfolio review to report on programmatic results and inform programmatic decisions. USAID uses strategic results frameworks under the program objectives in which it works to guide the development and design of new programs. USAID and the Department of State regularly conduct pipeline analyses to inform budget plans and procurements. In FY 2012, USAID will conduct a Democracy and Governance assessment to inform new and existing programs, as well as to identify strategic priorities for USAID's next five-year strategy.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: In the area of peace and security, the evaluation of Support for Armenia-Turkey Rapprochement (SATR) program will guide programmatic direction for future cross-border activities. In the area of democracy and governance, evaluation data from the evaluations of political process development, election monitoring, and rule of law programs will be used to redesign programs in these key areas to reflect the changing environment in Armenia and fully align with U.S. Government priorities. In the area of economic reform, the findings of the evaluation of the Small-Scale Infrastructure Program (SSIP) will be used in the design of a rural infrastructure development component of the Partnerships for Rural Prosperity Program. This will better align USAID's infrastructure activities to its broader economic reform objectives and desired results.

Relating Past Performance to FY 2013 Plans: In the area of democracy and governance, the USAID-funded civil society program is expected to improve scores on USAID's Non-Governmental Organization Sustainability Index for advocacy, and the alternative media program is expected to result in increased media pluralism as measured by the Media Sustainability Index. In the area of economic reform, the competitiveness program is expected to result in 10 percent expansion of sales and in incremental expansion of market share in targeted export markets for selected value chains, as well as improve Armenia's ranking on the World Economic Forum Global Competiveness Index Score by 2013. In its social reform portfolio, U.S. Government support for health and pension reform will strengthen the health care system by improving the quality and efficiency of services provided, as well as raise the average pension benefit as a proportion of pre-retirement wages from 25 percent to 30 percent by the end of 2013.

Azerbaijan

Foreign Assistance Program Overview

U.S. assistance to Azerbaijan is targeted to encourage reforms that promote regional security, the development of key democratic institutions and processes, and sustainable economic growth. Security assistance works to bolster Azerbaijan's border security and increase Azerbaijan's ability to contribute more effectively to international efforts on peacekeeping, counterterrorism, nonproliferation, and counternarcotics. U.S. programs work to advance democracy by promoting good governance and democratic reforms, increasing public participation in governmental policy-making and oversight, and combating domestic and transnational criminal activities. U.S. assistance also helps broaden and diversify economic growth by addressing critical economic policy and institutional constraints, and promoting stability and sustainable growth in the non-oil sectors of the economy. The United States is partnering with the Government of Azerbaijan (GOAJ) to co-finance some assistance programs, particularly in the areas of economic growth.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**26,400**	**20,865**	**16,330**	**-4,535**
Assistance for Europe, Eurasia and Central Asia	20,000	16,600	-	-16,600
Economic Support Fund	-	-	11,029	11,029
Foreign Military Financing	2,994	2,700	2,700	-
Global Health Programs - USAID	1,248	-	-	-
International Military Education and Training	943	700	600	-100
International Narcotics Control and Law Enforcement	-	-	1,226	1,226
Nonproliferation, Antiterrorism, Demining and Related Programs	1,215	865	775	-90

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Azerbaijan	**26,400**	**20,865**	**16,330**	**-4,535**
1 Peace and Security	**5,653**	**4,421**	**4,301**	**-120**
Assistance for Europe, Eurasia and Central Asia	**501**	**156**	**-**	**-156**
1.2 Combating Weapons of Mass Destruction (WMD)	240	-	-	-
1.5 Transnational Crime	261	156	-	-156
Foreign Military Financing	**2,994**	**2,700**	**2,700**	**-**
1.3 Stabilization Operations and Security Sector Reform	2,994	2,700	2,700	-
International Military Education and Training	**943**	**700**	**600**	**-100**
1.3 Stabilization Operations and Security Sector Reform	943	700	600	-100
International Narcotics Control and Law Enforcement	**-**	**-**	**226**	**226**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.5 Transnational Crime	-	-	226	226
Nonproliferation, Antiterrorism, Demining and Related Programs	**1,215**	**865**	**775**	**-90**
1.2 Combating Weapons of Mass Destruction (WMD)	-	500	450	-50
1.3 Stabilization Operations and Security Sector Reform	1,215	365	325	-40
2 Governing Justly and Democratically	**9,449**	**9,330**	**8,000**	**-1,330**
Assistance for Europe, Eurasia and Central Asia	**9,449**	**9,330**	**-**	**-9,330**
2.1 Rule of Law and Human Rights	2,605	2,108	-	-2,108
2.2 Good Governance	1,476	1,862	-	-1,862
2.3 Political Competition and Consensus-Building	1,511	1,232	-	-1,232
2.4 Civil Society	3,857	4,128	-	-4,128
Economic Support Fund	**-**	**-**	**7,000**	**7,000**
2.1 Rule of Law and Human Rights	-	-	1,000	1,000
2.2 Good Governance	-	-	1,200	1,200
2.3 Political Competition and Consensus-Building	-	-	1,200	1,200
2.4 Civil Society	-	-	3,600	3,600
International Narcotics Control and Law Enforcement	**-**	**-**	**1,000**	**1,000**
2.1 Rule of Law and Human Rights	-	-	1,000	1,000
3 Investing in People	**4,605**	**-**	**-**	**-**
Assistance for Europe, Eurasia and Central Asia	**3,357**	**-**	**-**	**-**
3.1 Health	3,357	-	-	-
Global Health Programs - USAID	**1,248**	**-**	**-**	**-**
3.1 Health	1,248	-	-	-
4 Economic Growth	**6,633**	**6,644**	**4,029**	**-2,615**
Assistance for Europe, Eurasia and Central Asia	**6,633**	**6,644**	**-**	**-6,644**
4.2 Trade and Investment	1,964	2,005	-	-2,005
4.3 Financial Sector	1,641	1,665	-	-1,665
4.6 Private Sector Competitiveness	3,028	2,974	-	-2,974
Economic Support Fund	**-**	**-**	**4,029**	**4,029**
4.2 Trade and Investment	-	-	829	829
4.3 Financial Sector	-	-	1,000	1,000
4.6 Private Sector Competitiveness	-	-	2,200	2,200
5 Humanitarian Assistance	**60**	**470**	**-**	**-470**
Assistance for Europe, Eurasia and Central Asia	**60**	**470**	**-**	**-470**
5.1 Protection, Assistance and Solutions	-	470	-	-470
5.3 Migration Management	60	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Azerbaijan	**26,400**	**20,865**	**16,330**	**-4,535**
1 Peace and Security	**5,653**	**4,421**	**4,301**	**-120**
1.2 Combating Weapons of Mass Destruction (WMD)	240	500	450	-50
1.3 Stabilization Operations and Security Sector Reform	5,152	3,765	3,625	-140
1.5 Transnational Crime	261	156	226	70
2 Governing Justly and Democratically	**9,449**	**9,330**	**8,000**	**-1,330**
2.1 Rule of Law and Human Rights	2,605	2,108	2,000	-108
2.2 Good Governance	1,476	1,862	1,200	-662
2.3 Political Competition and Consensus-Building	1,511	1,232	1,200	-32
2.4 Civil Society	3,857	4,128	3,600	-528
3 Investing in People	**4,605**	**-**	**-**	**-**
3.1 Health	4,605	-	-	-
4 Economic Growth	**6,633**	**6,644**	**4,029**	**-2,615**
4.2 Trade and Investment	1,964	2,005	829	-1,176
4.3 Financial Sector	1,641	1,665	1,000	-665
4.6 Private Sector Competitiveness	3,028	2,974	2,200	-774
5 Humanitarian Assistance	**60**	**470**	**-**	**-470**
5.1 Protection, Assistance and Solutions	-	470	-	-470
5.3 Migration Management	60	-	-	-
of which: Objective 6	**3,715**	**2,606**	**2,447**	**-159**
6.1 Program Design and Learning	284	222	271	49
6.2 Administration and Oversight	3,431	2,384	2,176	-208

Peace and Security

U.S. assistance will work to enhance Azerbaijan's capacity to combat terrorism and aid in the struggle against transnational threats. It will strengthen Azerbaijan's security institutions, moving them towards North Atlantic Treaty Organization (NATO) standards and improving their ability to work with coalition partners in multinational operations. U.S. efforts will also continue to help develop Azerbaijan's maritime capabilities and contribute to the overall security of the resource-rich Caspian Sea. NATO's Partnership for Peace will complement assistance activities by helping modernize the military and improve interoperability with the Alliance.

Foreign Military Financing (FMF): Following Azerbaijan's successful completion of the NATO Individual Partnership Action Plan, the United States will continue to help the GOAJ develop peacekeeping capabilities in support of coalition operations and promote progress towards NATO interoperability. FMF will also be used to increase GOAJ capabilities for counterterrorism operations and border and maritime security.

International Military Education and Training (IMET): Funds will advance overall military professionalism and continue to develop interoperability with NATO. IMET will provide professional

military education for officers to promote institutional capacity and staff development, as well as English language training to build international interoperability.

International Narcotics Control and Law Enforcement (INCLE): Funds will support activities that combat domestic and transnational criminal activities, including activities aimed at building Azerbaijan's capacity to protect victims and prevent trafficking in persons.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): Funds will support Department of State programs to help the GOAJ counter transnational threats such as international terrorism and proliferation of weapons of mass destruction (WMD). The programs will work to strengthen Azerbaijan's strategic trade controls, meet international nonproliferation obligations, and improve border security capacities in order to develop an effective national targeting center to enhance interdiction of suspicious cargo in transit. The Conventional Weapons Destruction (CWD) Program will respond to risks posed by landmines, unexploded ordnance, and excess, loosely-secured, and otherwise at-risk small arms, light weapons, man-portable air defense systems (MANPADS), and ammunition. In FY 2013, CWD assistance will continue to support activities aimed at improving stockpile security and destroying explosive remnants of war.

Governing Justly and Democratically

To address a restrictive environment for democratic activists and other independent voices, the United States will continue to focus assistance on increasing access to objective information and helping to develop an independent media, enhancing the capacity of non-governmental actors to participate in governance, and promoting government transparency and accountability, citizen participation in political processes, the rule of law, and protection of human rights.

Economic Support Fund (ESF): U.S. assistance will aim to strengthen democratic institutions and improve governance by bolstering the rule of law and protection of human rights; building parliamentary capacity, responsiveness, and accountability; and supporting anti-corruption initiatives. The United States will help non-governmental organizations more effectively represent citizen interests and increase public participation. U.S. assistance will also increase access to objective information by improving the professional capacity of journalists and by expanding access to non-traditional media platforms, such as the Internet and mobile devices. Targeted programs will empower citizens to constructively engage the government in regional socio-economic development, enhance legal education capacity and strengthen legal defense for democratic actors and ordinary citizens, and support improvements to the regulatory environment for civil society and independent media. Activities will target women and youth to improve their capacity to more actively participate in governance. Advances in each of these areas will promote the government transparency and accountability needed for Azerbaijan to be a reliable U.S. partner and to ensure that Azerbaijan's energy revenues are used to improve the lives of its citizens.

International Narcotics Control and Law Enforcement (INCLE): Funds will support activities that improve access to justice and strengthen the justice sector by building judicial independence and training justice sector officials. Programs will focus on ensuring the appropriate application of the Criminal Code, the Criminal Procedural Code, and administrative procedures; and building the capacity of the defense bar. Activities will also aim to enhance the justice sector's capability to combat corruption, trafficking in persons, money laundering, and other rule of law-related issues.

Economic Growth

Although Azerbaijan has seen steady growth driven by energy sector export revenues, the country's oil and gas resources are limited, and wealth remains concentrated with a small percentage of the population. As such, Azerbaijan's long-term stability and prosperity depend on the sound management of its energy revenues and progress towards sustainable economic diversification. U.S. assistance will aim to develop a

business enabling environment that will strengthen investor confidence and lead to widespread growth, particularly in the non-energy economy. This will include technical support to promote Azerbaijan's accession to the World Trade Organization (WTO) and key reforms designed to reduce monopolies and enhance investor protections. Other efforts will continue to increase private sector competitiveness and trade, including in the agricultural sector where nearly 40 percent of the population obtains its income and growth has traditionally lagged behind other sectors. U.S. assistance will promote legislative and regulatory reforms that support competitive practices in Azerbaijan can bring about a more robust trade environment.

Economic Support Fund (ESF): U.S. assistance will focus on economic diversification, private sector development, sustainable development, trade and investment capacity building, confidence building in the financial sector, and growth in targeted value chains. The United States will continue to provide technical assistance to Azerbaijan on implementing rules and regulations that improve competitiveness and investment potential and improve the country's bid for WTO accession; best practices in commercial banking and banking supervision, including anti-money laundering regulations; targeted value chains, including in agriculture, that have a high potential for income growth, employment, and exports that meet U.S. or European Union market standards. U.S. assistance will also provide universities and independent economic think tanks with targeted technical assistance to support the GOAJ's proposed trade promotion policies.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Several monitoring and evaluation efforts were undertaken during FY 2011. USAID undertook assessments on gender, anti-corruption, and biodiversity and completed a final evaluation of its Parliamentary Program. A democracy and governance assessment completed in 2011 by a team of independent consultants examined the state of Azerbaijan's polity and democratic institutions. The team found challenges and constraints in the areas of competition, governance, and the rule of law. A regional Department of State evaluation of media development assistance is planned for 2012 and will inform future programmatic decisions.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: With FY 2013 programming, USAID aims to address gender-related issues by implementing key recommendations of the February 2011 Gender Assessment for Azerbaijan, including: promoting women's access to Internet in the regions; fostering the participation of women in political processes and civil society activities; increasing gender sensitivity in activities related to credit, business association development, and business support services; and supporting reproductive health programs. The findings of the democracy and governance assessment were used for the design of new programs, and the Parliamentary Program evaluation informed decisions about future USAID programming in the area of legislative function and process.

Relating Past Performance to FY 2013 Plans: The FY 2013 request is targeted to encourage reforms that promote regional security, the development of key democratic institutions and processes, and sustainable economic growth. For example, USAID programs will aim to enhance political competition and consensus-building through technical assistance, training, and sub-grants to indigenous NGOs to address the challenges identified by the democracy and governance assessment and which build on lessons learned from prior programs. Also, State Department-implemented programs will work to strengthen democratic institutions by providing professional training for justice sector officials on key rule of law issues.

Belarus

Foreign Assistance Program Overview

U.S. assistance to Belarus prioritizes efforts that support the Belarusian people in establishing a government that respects their democratic rights and fundamental freedoms. For years, the authoritarian government of Aleksandr Lukashenka has repressed pro-democracy groups and independent political voices and limited access to objective information. The Government of Belarus (GOB) began a brutal crackdown on civil rights, political opposition, and independent media following the December 2010 presidential election. The crackdown persisted throughout 2011, illustrating the clear need for continued international action and assistance to develop the country's civil society, capacity for political competition, and independent media. In the context of Belarus's restrictive operating environment, U.S. assistance will continue to promote the opening of space for the free expression of political views, human rights, civil society development, and freedom of the media. Where openings for assistance are consistent with U.S. foreign policy, FY 2013 funds will be directed toward strengthening Belarus's private sector, thereby expanding the domestic capacity to support civil society sustainably. U.S. assistance programs will also help Belarusian people in need by building the capacity of non-governmental organizations (NGOs) that fight trafficking in persons and help vulnerable populations.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**13,864**	**11,000**	**11,000**	**-**
Assistance for Europe, Eurasia and Central Asia	13,864	11,000	-	-11,000
Economic Support Fund	-	-	11,000	11,000

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Belarus	**13,864**	**11,000**	**11,000**	**-**
1 Peace and Security	**400**	**430**	**400**	**-30**
Assistance for Europe, Eurasia and Central Asia	**400**	**430**	**-**	**-430**
1.5 Transnational Crime	400	430	-	-430
Economic Support Fund	**-**	**-**	**400**	**400**
1.5 Transnational Crime	-	-	400	400
2 Governing Justly and Democratically	**9,605**	**8,820**	**8,720**	**-100**
Assistance for Europe, Eurasia and Central Asia	**9,605**	**8,820**	**-**	**-8,820**
2.3 Political Competition and Consensus-Building	1,480	1,300	-	-1,300
2.4 Civil Society	8,125	7,520	-	-7,520
Economic Support Fund	**-**	**-**	**8,720**	**8,720**
2.3 Political Competition and Consensus-Building	-	-	1,200	1,200
2.4 Civil Society	-	-	7,520	7,520

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
3 Investing in People	**2,035**	**580**	**500**	**-80**
Assistance for Europe, Eurasia and Central Asia	**2,035**	**580**	**-**	**-580**
3.1 Health	250	-	-	-
3.2 Education	1,225	-	-	-
3.3 Social and Economic Services and Protection for Vulnerable Populations	560	580	-	-580
Economic Support Fund	**-**	**-**	**500**	**500**
3.2 Education	-	-	100	100
3.3 Social and Economic Services and Protection for Vulnerable Populations	-	-	400	400
4 Economic Growth	**1,560**	**820**	**1,380**	**560**
Assistance for Europe, Eurasia and Central Asia	**1,560**	**820**	**-**	**-820**
4.6 Private Sector Competitiveness	1,560	820	-	-820
Economic Support Fund	**-**	**-**	**1,380**	**1,380**
4.6 Private Sector Competitiveness	-	-	1,380	1,380
5 Humanitarian Assistance	**264**	**350**	**-**	**-350**
Assistance for Europe, Eurasia and Central Asia	**264**	**350**	**-**	**-350**
5.1 Protection, Assistance and Solutions	264	350	-	-350

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Belarus	**13,864**	**11,000**	**11,000**	**-**
1 Peace and Security	**400**	**430**	**400**	**-30**
1.5 Transnational Crime	400	430	400	-30
2 Governing Justly and Democratically	**9,605**	**8,820**	**8,720**	**-100**
2.3 Political Competition and Consensus-Building	1,480	1,300	1,200	-100
2.4 Civil Society	8,125	7,520	7,520	-
3 Investing in People	**2,035**	**580**	**500**	**-80**
3.1 Health	250	-	-	-
3.2 Education	1,225	-	100	100
3.3 Social and Economic Services and Protection for Vulnerable Populations	560	580	400	-180
4 Economic Growth	**1,560**	**820**	**1,380**	**560**
4.6 Private Sector Competitiveness	1,560	820	1,380	560
5 Humanitarian Assistance	**264**	**350**	**-**	**-350**
5.1 Protection, Assistance and Solutions	264	350	-	-350
of which: Objective 6	**700**	**893**	**780**	**-113**
6.1 Program Design and Learning	100	150	265	115

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
6.2 Administration and Oversight	600	743	515	-228

Peace and Security

U.S. assistance will help prevent and reduce trafficking in persons from Belarus by targeting the major root causes of trafficking – poverty and unemployment.

Economic Support Fund (ESF): U.S. assistance will focus on trafficking preventing, particularly in border areas and economically depressed areas, and on victim assistance and reintegration. USAID will support NGOs that promote awareness, job training, and victim reintegration services for both victims and at-risk persons, and will continue to build the sustainability of NGOs and emphasize NGO cooperation and networking to help strengthen local civil society.

Governing Justly and Democratically

Following a comprehensive review of assistance to Belarus completed in August 2011, programming under this objective remains the U.S. Government's highest priority. In FY 2013, over three-quarters of U.S. assistance to Belarus will be targeted toward strengthening the capacity of democratic political parties, civil society, and independent media to engage a growing share of the population, with the goal of promoting human rights and increasing informed participation in civic and political processes.

Economic Support Fund (ESF): Assistance provided by the Department of State and USAID will promote a vibrant and effective civil society, which serves as the foundation for a functioning democracy. Through support for the efforts of a broad array of civic organizations, these programs will raise awareness of the constructive role that these NGO groups can play to address civic challenges and empower Belarusians to contribute to systemic reform and the advance of human rights. Support for organizations such as think tanks will promote debate on public policy issues. U.S. assistance to independent media outlets will increase public access to objective information, and U.S.-sponsored exchange programs will expose Belarusians to democratic cultures and values. These exchange programs will also strengthen people-to-people relations between Belarus and the United States, generating more positive perceptions of the United States. The United States will fund programs that reach the broadest number of beneficiaries and involve citizens in advocacy and community development activities in cooperation with local governments and private sector entities.

Also in FY 2013, the United States will continue to seek collaboration with other European countries interested in promoting democracy in Belarus and exposing Belarusians to free societies. Examples of this kind of collaboration during FY 2011 included U.S. contributions to Poland's Kalinowski and Kirkland scholarship programs to support Belarusian students, as well as a commitment to Poland's Foundation for International Development Cooperation on joint programs to assist Belarusian civil society. In FY 2011, the United States also co-funded scholarships for young Belarusian professionals to study international relations at the Estonian Center for Eastern Partnership, and other, similar programs are in development.

Investing in People

U.S. assistance under this objective will focus on higher education and provision of basic social services for vulnerable populations such as children and people with disabilities.

Economic Support Fund (ESF):

- Higher Education: Funding will continue to support critical thinking and academic freedom among Belarusian youth through university-level exchange programs and by encouraging study in the

United States through expanded advising services based in Vilnius. English language studies will also be promoted through programs such as English Language Fellows and English Teaching Assistants, which will also introduce aspects of Western educational practices into largely Soviet-style institutions.

- Social Services: In FY 2013, assistance will focus on assisting people with disabilities to better integrate into the general population by helping targeted NGOs provide effective services while building their capacity for advocacy and sustainability.

Economic Growth

By helping to expand Belarus's private sector, U.S. assistance will help reduce the number of Belarusian citizens dependent on the state for employment (currently up to 80 percent of the workforce), increase their self-reliance and independence, and build the country's economic framework in a way that supports new civil society structures.

Economic Support Fund (ESF): U.S. assistance will focus on strengthening independent business associations and entrepreneurs, and expanding the small- and medium-sized enterprise (SME) sector, as well as helping them organize and advocate for change. Goals for USAID programs include helping businesses get increased access to credit, and improving private sector productivity, competitiveness, and trade potential with European Union member and pre-accession countries. USAID assistance will support the provision of relevant business information and training services through a leading web portal, which serves as a local bilingual electronic resource. The United States will work in concert with other donors to help reduce the regulatory burden on businesses associated with permits, licenses, and other complex administrative procedures, as well as non-transparent and inefficient inspection practices. FY 2013 assistance will also continue to support a new economic development program focusing on local entrepreneurship to be launched by USAID in FY 2012. Designed to support the development and growth of private micro-, small-, and medium-sized enterprises in the western part of Belarus, the program will encourage cross-border economic activity, thereby increasing the interaction of Belarusians with other Europeans and promoting the acceptance of European norms and standards in related business practices.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In 2011, the U.S. Government conducted a comprehensive review of U.S. assistance to Belarus to ensure that assistance efforts were aligned with U.S. foreign policy goals, responsive to the changes in the operating environment of the country, and an effective use of resources. The FY 2011 Performance Plan and Report for Belarus evaluated progress in all major areas of involvement and collected performance information. Performance monitoring plans were reviewed and validated; data quality assessments confirmed the reliability of data; and pipeline analyses assessed the use of funds. In 2011, USAID undertook an evaluation of the needs of the civil society sector and ongoing civil society programming. USAID's tuberculosis (TB) program went through a mid-term participatory evaluation involving USAID, international organizations, and national health experts that revealed that positive gains have greatly improved the National TB Program by drafting an executive order on TB prevention and vaccination, as well as guidelines on TB care at primary healthcare facilities. In FY 2011, USAID supported a drug resistance survey, which discovered a higher-than-previously-estimated rate of multi-drug-resistant TB in Belarus.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The 2011 Belarus review process yielded a change in the prioritization of U.S. assistance objectives, keeping democratic development as the highest priority, but moving efforts under economic growth to the second highest level

and, while recognizing that social and humanitarian programs are still important, recommending funding these programs only as resources allow. Similarly, a 2009 review of SMEs in Belarus and ongoing performance data from existing activities informed the design of a major new SME development program.

Relating Past Performance to FY 2013 Plans: Based on the program performance and achievements in the previous years, and the findings of the comprehensive assessment of U.S. assistance to Belarus mentioned above, the United States identified appropriate FY 2013 funding levels in the areas of civil society development, economic growth, and social programs. These programs provide an efficient way for the United States to promote informed civic participation, private sector growth, and greater integration of Belarus into international markets.

For private sector development, the high number of GOB requests for advice on regulatory issues helped U.S. assistance efforts exceed the target set for USAID-supported recommendations on regulatory changes. In FY 2011, 403 private small and medium companies received U.S. Government-supported training in business management. The training program developed by the International Finance Corporation and adapted to the Belarusian context by a local NGO was officially launched in all six Belarusian regions. The demand for management training is acute and U.S. investment will significantly increase the number of trained SMEs in Belarus in 2012 and 2013.

The USAID response to the challenging budget environment was to use U.S. Government resources more effectively which produced higher results in FY 2011. For example, the number of service providers trained to serve vulnerable persons exceeded the target by 15 times, and the number of vulnerable people benefitting from U.S. Government support exceeded the annual target by 5.6 times. The USAID effective implementation strategy of securing local buy-in accounted for the results that were significantly over expectations. Partnerships with local stakeholders who shared the costs of training activities helped save time, effort and financial resources for additional U.S. Government activities. The strategy will continue to emphasize local buy-in and matching resources to achieve FY 2013 goals in increasing opportunities for a more integrated social and economic life for people with disabilities.

Despite the difficult working environment and a reduced funding level, the United States plans to maintain a robust level of funding for programs under the Governing Justly and Democratically objective and increase efficiency in the Economic Growth and Investing in People areas.

Bosnia and Herzegovina

Foreign Assistance Program Overview

Bosnia and Herzegovina's (BiH) progress toward Euro-Atlantic structures – and the democratic, economic and security commitments that this entails – are essential to the broader stability of the western Balkans. However, well after the end of fighting in the country, BiH remains ethnically fractured, unstable, and with limited capacity to administer itself. It continues to lag behind most of its neighbors on progress toward European integration and in implementing economic and political reforms. In FY 2013, U.S. assistance will help BiH in making the reforms necessary for European Union (EU) and North Atlantic Treaty Organization (NATO) accession. U.S. programs seek to form a multi-ethnic democracy that safeguards the rights of all citizens, values tolerance and diversity, and enables women, youth, and minorities to flourish. U.S. assistance also continues to support effective government institutions and civil society, which enable active citizen involvement and combat corruption; effective and accountable law enforcement, judicial, and prosecutorial systems, which uphold the rule of law for all citizens; an integrated military that meets security needs and NATO membership goals; and an economic space that provides opportunity for all citizens and fosters private sector development. Robust U.S. assistance and continued active engagement will be crucial in order for BiH to make progress on integration goals and to ensure stability.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**48,727**	**49,750**	**45,541**	**-4,209**
Assistance for Europe, Eurasia and Central Asia	42,000	39,000	-	-39,000
Economic Support Fund	-	-	28,556	28,556
Foreign Military Financing	4,491	4,500	4,500	-
International Military Education and Training	986	1,000	1,000	-
International Narcotics Control and Law Enforcement	-	-	6,735	6,735
Nonproliferation, Antiterrorism, Demining and Related Programs	1,250	5,250	4,750	-500

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Bosnia and Herzegovina	**48,727**	**49,750**	**45,541**	**-4,209**
1 Peace and Security	**19,532**	**22,170**	**21,562**	**-608**
Assistance for Europe, Eurasia and Central Asia	**12,805**	**11,420**	**-**	**-11,420**
1.3 Stabilization Operations and Security Sector Reform	7,645	6,760	-	-6,760
1.6 Conflict Mitigation and Reconciliation	5,160	4,660	-	-4,660
Economic Support Fund	**-**	**-**	**5,776**	**5,776**
1.6 Conflict Mitigation and Reconciliation	-	-	5,776	5,776

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Foreign Military Financing	**4,491**	**4,500**	**4,500**	**-**
1.3 Stabilization Operations and Security Sector Reform	4,491	4,500	4,500	-
International Military Education and Training	**986**	**1,000**	**1,000**	**-**
1.3 Stabilization Operations and Security Sector Reform	986	1,000	1,000	-
International Narcotics Control and Law Enforcement	**-**	**-**	**5,536**	**5,536**
1.3 Stabilization Operations and Security Sector Reform	-	-	5,536	5,536
Nonproliferation, Antiterrorism, Demining and Related Programs	**1,250**	**5,250**	**4,750**	**-500**
1.1 Counter-Terrorism	550	550	500	-50
1.2 Combating Weapons of Mass Destruction (WMD)	700	700	650	-50
1.3 Stabilization Operations and Security Sector Reform	-	4,000	3,600	-400
2 Governing Justly and Democratically	**18,995**	**19,529**	**15,814**	**-3,715**
Assistance for Europe, Eurasia and Central Asia	**18,995**	**19,529**	**-**	**-19,529**
2.1 Rule of Law and Human Rights	6,724	5,180	-	-5,180
2.2 Good Governance	3,750	4,700	-	-4,700
2.3 Political Competition and Consensus-Building	1,460	1,300	-	-1,300
2.4 Civil Society	7,061	8,349	-	-8,349
Economic Support Fund	**-**	**-**	**14,615**	**14,615**
2.1 Rule of Law and Human Rights	-	-	3,754	3,754
2.2 Good Governance	-	-	3,365	3,365
2.3 Political Competition and Consensus-Building	-	-	1,229	1,229
2.4 Civil Society	-	-	6,267	6,267
International Narcotics Control and Law Enforcement	**-**	**-**	**1,199**	**1,199**
2.1 Rule of Law and Human Rights	-	-	1,199	1,199
4 Economic Growth	**10,200**	**8,051**	**8,165**	**114**
Assistance for Europe, Eurasia and Central Asia	**10,200**	**8,051**	**-**	**-8,051**
4.2 Trade and Investment	2,270	1,001	-	-1,001
4.5 Agriculture	2,000	-	-	-
4.6 Private Sector Competitiveness	5,930	7,050	-	-7,050
Economic Support Fund	**-**	**-**	**8,165**	**8,165**
4.2 Trade and Investment	-	-	200	200
4.3 Financial Sector	-	-	1,182	1,182
4.4 Infrastructure	-	-	978	978
4.6 Private Sector Competitiveness	-	-	4,275	4,275
4.7 Economic Opportunity	-	-	1,530	1,530

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Bosnia and Herzegovina	**48,727**	**49,750**	**45,541**	**-4,209**
1 Peace and Security	**19,532**	**22,170**	**21,562**	**-608**
1.1 Counter-Terrorism	550	550	500	-50
1.2 Combating Weapons of Mass Destruction (WMD)	700	700	650	-50
1.3 Stabilization Operations and Security Sector Reform	13,122	16,260	14,636	-1,624
1.6 Conflict Mitigation and Reconciliation	5,160	4,660	5,776	1,116
2 Governing Justly and Democratically	**18,995**	**19,529**	**15,814**	**-3,715**
2.1 Rule of Law and Human Rights	6,724	5,180	4,953	-227
2.2 Good Governance	3,750	4,700	3,365	-1,335
2.3 Political Competition and Consensus-Building	1,460	1,300	1,229	-71
2.4 Civil Society	7,061	8,349	6,267	-2,082
4 Economic Growth	**10,200**	**8,051**	**8,165**	**114**
4.2 Trade and Investment	2,270	1,001	200	-801
4.3 Financial Sector	-	-	1,182	1,182
4.4 Infrastructure	-	-	978	978
4.5 Agriculture	2,000	-	-	-
4.6 Private Sector Competitiveness	5,930	7,050	4,275	-2,775
4.7 Economic Opportunity	-	-	1,530	1,530
of which: Objective 6	**2,589**	**2,544**	**2,981**	**437**
6.1 Program Design and Learning	360	238	300	62
6.2 Administration and Oversight	2,229	2,306	2,681	375

Peace and Security

In FY 2013, assistance will help BiH in defending its borders, contributing to U.S. and NATO operations, and combating terrorism. The Armed Forces of Bosnia and Herzegovina (AFBiH) continue to modernize military structures and improve NATO interoperability, with personnel embedded in NATO operations in Afghanistan. BiH law enforcement agencies have increased cross-border operations, improved investigations, and bolstered the country's capacity to investigate and respond to terrorist threats. However, political interference and complex and overlapping jurisdictions complicate BiH's peace and security reform efforts. While the AFBiH is an integrated and functional organization, ethnically tinged political pressure on the military continues. BiH's security services continue to face significant challenges and internal security threats including, notably, a recent armed attack on the U.S. Embassy. Competing jurisdictions as well as corruption inhibit effective law enforcement. Porous borders provide potential openings for trafficking in persons, narcotics, conventional weapons, and weapons of mass destruction (WMD).

Economic Support Fund (ESF): FY 2013 resources will be used to continue U.S. support for the Office of the High Representative (OHR) as the guarantor of the civilian aspects of the Dayton Peace Accords. U.S. funding will also be used to support programs designed to bridge persistent ethnic and religious

divides, reducing the risk of future conflict. Funds will also be used to continue youth programming to promote reconciliation and tolerance-building between youth in divided communities, including entrepreneurship, leadership training, and civic activities.

Foreign Military Financing (FMF): BiH has continued to utilize U.S. funding for modernization initiatives in support of its commitment to partner with the United States to build and deploy NATO-compatible forces. Resources will support expanded efforts to build AFBiH's capacity to participate effectively in coalition operations, such as the International Security Assistance Force (ISAF), by meeting critical training and equipment needs. U.S. funds will continue to emphasize the development of specific units most likely to be needed in NATO deployments such as explosive ordnance disposal, military police, infantry, and engineers.

International Military Education and Training (IMET): As an emerging NATO partner, BiH continues to benefit from professional military education programs provided by the United States and other donors to help address key education gaps. Soldiers who received IMET training have subsequently deployed to ISAF and United Nations peacekeeping missions. In total, AFBiH has contributed 55 troops, now on their third rotation, to the ISAF mission. FY 2013 assistance will support efforts to build a professional AFBiH mid-level officer and noncommissioned officer corps, as well as provide continued support for enrollments in critically-needed specialized basic branch courses (e.g., infantry, military police, signal corps, and military intelligence) and the English language training required for participation in NATO operations. Training will also be provided for senior military personnel through U.S. flagship programs such as the War College and National Defense University.

International Narcotics Control and Law Enforcement (INCLE): Funds will support efforts to streamline and build the capacity of BiH's law enforcement agencies including, where appropriate, border control agencies. Activities will emphasize police-prosecutor cooperation, collaboration between law enforcement agencies, pursuit of organized crime and other complex cases, as well as increased security for courts.

Nonproliferation, Anti-terrorism, Demining and Related Programs (NADR): NADR-funded activities will continue to reduce BiH’s vulnerability to terrorism, help the country secure its borders, help secure or dispose of conventional weapons and munitions, and bolster the government’s ability to identify, interdict, and control WMD-related materials before these threats reach U.S. borders. Antiterrorism Assistance Programs will help BiH continue to build the capacity of its law enforcement agencies to investigate and effectively manage critical terrorism-related incidents. Assistance provided through the Export Control and Related Border Security Assistance Program will support an ongoing program to develop an effective export-control licensing system in compliance with U.S. and European standards and will help national-level security and border control agencies to institutionalize capabilities to combat terrorism. Conventional Weapons Destruction (CWD) funding will help BiH continue to consolidate its arms and munitions depots by demilitarizing excess small arms/light weapons (SA/LW) and munitions and destroying those aging munitions that have become so unstable and prone to self-ignition that they pose an imminent danger to civilians who live in proximity to the depots. These efforts will also help lessen the chance that SA/LW and munitions can be proliferated illicitly or used to fuel new domestic or regional conflict. In addition, some CWD funding will be devoted to continuing to reduce the risk to the civilian population from landmines and explosive remnants of war that still remain from the 1992-1995 conflict.

Governing Justly and Democratically

The development of accountable, functional, and responsible democratic institutions, responsive to citizens’ needs, continues to underpin U.S. assistance goals and is essential for lasting stability, Euro-Atlantic integration, and economic growth in BiH. An involved citizenry, independent and objective media, and robust civil society must demand change and action from the government. U.S. assistance will

continue to support efforts to bolster civil society, engaging BiH's citizens – including women and youth – to participate actively in government, demand transparency and strong anti-corruption measures, and capitalize on opportunities to reform their constitution, laws, and legal institutions.

Economic Support Fund (ESF): Programs implemented by USAID and the Department of State will support better governance, more effective and accountable delivery of justice, and improved capacity for citizen engagement. Rule of law programs will support the institutions that manage and staff courts and prosecutors' offices throughout the country and civil society advocates who contribute to and monitor justice sector reform. Other programs will help to improve the functionality of government at all levels and to strengthen processes and capabilities of governance actors, including enhancing the capacity of local governance to support local economic growth and address the needs of small- and medium-sized enterprises (SMEs). Funding will also support efforts to improve legislative processes, develop political parties, and bolster the capacity of municipal governments to manage their affairs and interact effectively with citizens. Integrated civil society empowerment and sustainability programs, including small grant opportunities and other capacity-building activities, will increase the ability of local non-governmental organizations to advocate for change in key areas, moving BiH closer to EU integration. Priority areas for this assistance include empowerment of women and youth and promotion of human rights and democratic norms. Coordinated with efforts under the peace and security objective, interethnic reconciliation programs will work across generations to address the roots causes of conflict, striving to increase communication and mutual trust among citizens of all ethnic groups. Lastly, targeted support for independent media will be provided that seeks to establish a regulatory environment which allows it to effectively provide information to the public.

International Narcotics Control and Law Enforcement (INCLE): Funding will support efforts to increase the capacity of BiH's state and entity level judicial institutions to prosecute and adjudicate organized crime, war crimes, corruption, and terrorism cases. The program will support the rule of law through capacity-building training for current and future officers of the court and, as appropriate, defense attorneys. A legal advisor will also provide mentoring to prosecutors specializing in terrorism and financial crimes cases.

Economic Growth

Despite the signing of the Stabilization and Association Agreement with the EU in 2008, BiH remains a relatively poor state, with a substantial gray economy, endemic corruption, high unemployment, limited foreign direct investment, a complicated regulatory framework, weak commercial law, and a high concentration of production under direct government control. Overcoming these challenges will require continued U.S. engagement and assistance.

Economic Support Fund (ESF): Through targeted assistance programs, the Department of State and USAID will support BiH's economic growth by improving private sector competitiveness and local economic development – largely at the firm and municipal level. This will help BiH become more competitive and complement technical assistance on structural reforms for EU integration from other donors. FY 2013 assistance will be used to increase new entrepreneurial and economic activity at the local level, including improving the business environment, creating value chains, increasing the production and quality of value-added products, and bolstering governance related to economic growth. Programs will also provide firm-level support that aims to increase competitiveness and profitability in key manufacturing and service sectors such as wood processing, light metal manufacturing, and tourism. Other efforts will focus on increasing entrepreneurship and innovation, especially emphasizing the use of information and communication technologies for improved business processes and products. Technical assistance for the energy sector will focus on reforms that will capitalize on BiH's capacity to be a net regional exporter of energy resources.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Multiple monitoring and evaluation efforts were undertaken during FY 2011 in BiH. USAID completed several assessments that contributed to the five-year Country Development and Country Strategy (CDCS). The CDCS, which promotes U.S. foreign policy objectives and is aligned with host-country development priorities, was completed in FY 2011 and approved in December 2011. USAID conducted a mid-term performance evaluation of its flagship civil society program, Civic Advocacy Partnership Project (CAPP II). The evaluation concluded CAPP II has managed to achieve a number of notable successes in government accountability in a difficult political environment. As a result of this assistance, programs like CAPP II are helping improve the performance of parliamentarians; supporting pieces of legislation that monitor public procurement, address university corruption, and appropriate funds for the employment of vulnerable people; and encouraging and building the capacity of civil society actors and non-governmental organizations to monitor and engage with the government.

A mid-term performance evaluation was also conducted on USAID's Judicial Strengthening Program (JSDP II) in December 2011. The goal of the evaluation was to examine the impact and success of the first three years of JSDP II to the overall development of the rule of law in BiH, as well as the broad status of reforms and needs in the sector. The evaluation recommended, among other things, that USAID continue assistance to the High Judicial and Prosecutorial Council (HJPC) to revise processes for judicial and prosecutorial selection and establish foreseeable case processing timeframes for courts and prosecutors' offices; examine ways to continue assistance to prosecutors initiated through the successful Model Prosecutors' Office Initiative; concentrate more support to sub-national level ministries of justice; continue to support efforts to reduce budget fragmentation in the justice sector; and provide assistance to civil society organizations interested in advocating and lobbying for the independence of the judiciary.

USAID also conducted two impact assessments of programs designed to improve firm-level competitiveness and profitability – Fostering Interventions for Rapid Market Advancement (FIRMA) and Fostering Agricultural Markets Activity (FARMA). These assessments were conducted in August 2011 with the objective of measuring impact and successes and providing recommendations for future changes. The FIRMA project assessment concluded that the project is progressing towards target objectives, with positive impacts on SMEs including increased sales, exports, and jobs. The beneficiaries were satisfied with the quality of assistance and no major issues were identified. The assessment for the FARMA project confirmed that it is effectively delivering assistance, having introduced more than 6,500 farmers, processors, and others from 331 organizations to new technologies that they have now adopted. As a result, sales from participating producers have increased by 23 percent, exports from partners have risen by 20 percent, and investments (including Foreign Direct Investment) are strong.

Given the political importance of the justice and security sectors to BiH's stability, and the history of close U.S. involvement, the Department of State conducted a multi-agency assessment in the summer of 2011 that addressed military and law enforcement assistance, including border control assistance.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: U.S. assistance to BiH was adjusted based on the evaluation efforts noted above. An assessment of the military sector confirmed the decision to partially refocus FMF and IMET funding from additional defense reform, which had stalled due to political obstacles, toward increased NATO interoperability by supporting deployments to ISAF and military professionalization. The Department State's security and justice sector assessment also recommended adjustments to criminal justice programming. The broad range of recommendations remains under consideration, but has resulted in changes, including an increased emphasis on coordinated police-prosecutor investigation and additional review of planned support for visa controls.

USAID has further targeted its assistance under the CAPP II program to build on initiatives to date. Among other adjustments, USAID has focused activities on how to make government more accountable, building linkages between existing civil society initiatives and focusing sub-grant assistance to a number of key policy areas. Based on the JSDP II evaluation's recommendations, USAID will modify the remaining two years of the program to continue support to the HJPC, Prosecutor's Office, Federation Ministry of Justice, and the civil society sector; and assistance will be scaled back.

Relating Past Performance to FY 2013 Plans: Adjustments reflecting BiH's movement away from defense reform in 2011 as a result of political challenges have been incorporated in planned FMF and IMET programming in FY 2013. The mid-term evaluation of the CAPP II program pointed to a need to continue to build on the momentum to date in the civil society sector. Specific recommendations include further development of the methodology used to monitor the government; additional qualitative analysis of think tanks and an assessment of how to link analysis to advocacy movements; efforts to bring together civil society groups working in the same sectors in a more cohesive movement; and efforts to improve linkages between civil society and the media. Finally, the recommendations from the FIRMA project assessment to improve the level of local partner organizations' involvement in the selection of project activities will be incorporated into future programming.

Bulgaria

Foreign Assistance Program Overview

Bulgaria is a reliable ally in an area of strategic importance to the United States. Bulgaria actively participates in North Atlantic Treaty Organization (NATO) and European Union (EU) operations, and has responded swiftly to U.S. and NATO requests for assistance in Libya and Afghanistan. Throughout 2011, over 800 Bulgarian troops were deployed in support of NATO and coalition operations in Libya, Iraq, Afghanistan, Kosovo, and Bosnia. In the spring of 2011, responding to NATO's calls for assistance for Operation Unified Protector, Bulgaria sent a frigate with 160 sailors to Libyan coastal waters to perform interdictions. Bulgaria continued its mission in Afghanistan, retaining over 600 troops in the International Security Assistance Force (ISAF). Further investment in modernization and NATO interoperability for Bulgaria's military will continue to pay dividends by creating stronger, more effective Bulgarian military units that can deploy alongside U.S. forces when needed.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**11,259**	**10,200**	**9,850**	**-350**
Foreign Military Financing	9,481	8,500	7,800	-700
International Military Education and Training	1,778	1,700	1,800	100
Nonproliferation, Antiterrorism, Demining and Related Programs	-	-	250	250

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Bulgaria	**11,259**	**10,200**	**9,850**	**-350**
1 Peace and Security	**11,259**	**10,200**	**9,850**	**-350**
Foreign Military Financing	**9,481**	**8,500**	**7,800**	**-700**
1.3 Stabilization Operations and Security Sector Reform	9,481	8,500	7,800	-700
International Military Education and Training	**1,778**	**1,700**	**1,800**	**100**
1.3 Stabilization Operations and Security Sector Reform	1,778	1,700	1,800	100
Nonproliferation, Antiterrorism, Demining and Related Programs	**-**	**-**	**250**	**250**
1.3 Stabilization Operations and Security Sector Reform	-	-	250	250

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Bulgaria	**11,259**	**10,200**	**9,850**	**-350**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1 Peace and Security	**11,259**	**10,200**	**9,850**	**-350**
1.3 Stabilization Operations and Security Sector Reform	11,259	10,200	9,850	-350

Peace and Security

The top priority for U.S. assistance to Bulgaria in FY 2013 is to help complete its military transformation and improve its NATO interoperability to enable effective participation in NATO and other coalition operations. U.S. assistance will support security restructuring, reform, and operations by building the capabilities of Bulgaria's military to deploy and sustain its ongoing and future participation in coalition operations.

Foreign Military Financing (FMF): U.S. assistance to the Bulgarian Armed Forces (BAF) will focus on training, modernization, and force restructuring in order to improve interoperability with NATO forces, helping Bulgaria fulfill its NATO requirements. In FY 2013, FMF funding will be used to purchase U.S. and other Western equipment and systems to continue the BAF's transformation process. In particular, this assistance will ensure Bulgaria has the long-term capability to sustain its NATO commitments, including by building deployable maneuver battalions.

International Military Education and Training (IMET): IMET will be used to advance overall professional military education in the BAF and Ministry of Defense. Enhanced IMET programs will support the professional education of key Bulgarian government officials involved in the development of the defense establishment. In line with the Department's focus on gender, Bulgaria is a leader in increasing the participation of women in these programs. IMET training will also advance the professional development of Bulgaria's military personnel and improve the country's capabilities. While continuing to send senior level officers to strategic planning courses, the United States seeks to increase the number of junior officers, and especially noncommissioned officers, enrolled in operational-level courses.

Nonproliferation, Anti-Terrorism, Demining and Related Programs (NADR): NADR funds will be used to help Bulgaria destroy some of its excess, deteriorating munitions and support better physical security and stockpile management. This assistance will help to lessen the danger to civilians who live in proximity to Bulgarian military depots that are filled with old, unstable munitions, and reduce the chances that some small arms/light weapons and munitions will be proliferated illicitly.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The Office of Defense Cooperation (ODC) at the U.S. Embassy in Sofia hosts periodic reviews of military assistance programs, with the goal of determining each project's progress and performance. During FY 2011, State Department security assistance program managers conducted a monitoring visit of U.S.-funded programs in Bulgaria, concluding that funds were being well spent on priority projects and that the U.S. Embassy's ODC team is working well with the Government of Bulgaria.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The current Government of Bulgaria is reform-oriented, but hampered by a lack of resources, legacy infrastructure, and systems that are not fully compatible with NATO partners. U.S. military assistance programs are harmonized with strategic planning documents of the Bulgarian military, particularly the 2010 White Paper and the 2011 Plan for Development of the Force. The main objective of the Bulgarian White Paper is to modernize the Bulgarian Land Forces by creating an expeditionary army of six battalion battle groups (BBGs). As a

result, in FY 2011, the United States began focusing its FMF and IMET resources (as well as other U.S. military assistance funding not within the Department of State's purview) on helping the Ministry of Defense develop the first of its BBGs, the first battalion of the 61st Mechanized Brigade.

Relating Past Performance to FY 2013 Plans: FY 2013 FMF and IMET funding will ensure the continued high level of military cooperation that exists between Bulgaria and the United States. IMET continues to provide training to Bulgarian military personnel, and its effects can be seen in the improved interoperability and strategic capabilities of Bulgarian troops serving overseas alongside U.S. forces in Afghanistan and elsewhere. FMF equipment has supported Bulgarian deployments to Iraq and Afghanistan and has continued to be an integral part of Bulgarian deployments in 2011. FMF has also helped improve port and naval base security, including by funding a coastal surveillance radar system.

In FY 2011, centrally-managed NADR funds were used to help Bulgaria destroy some of its excess munitions. The program succeeded in destroying 500 man-portable air-defense systems (MANPADS) and as many grip stocks, and began the surface and sub-surface clearance of 33,000 square meters of land infested by unexploded ordnance (UXO) at the former munitions storage facility of Chelopechene, which exploded in 2008. Approximately 220,000 square meters of adjoining waterways (river, ponds, and a portion of a reservoir) that were also polluted by UXO from the 2008 explosion have already been searched and successfully cleared with this funding. The remainder of the UXO remediation at Chelopechene is scheduled to be completed with centrally-managed FY 2012 and bilateral FY 2013 funds.

Croatia

Foreign Assistance Program Overview

Anticipating accession to the European Union (EU) in July 2013 and having joined the North Atlantic Treaty Organization (NATO) in 2009, Croatia has nearly achieved its aspirations of Euro-Atlantic integration. U.S. assistance has played an important role in enabling Croatia to become a leading partner in Southeast Europe and a model for its neighbors, including by joining forces with the United States to address regional and global challenges in some of the world's toughest spots. This includes Croatia's participation in NATO operations such as the International Security Assistance Force (ISAF) in Afghanistan, the Kosovo Force (KFOR), and Operation Unified Protector (OUP) in Libya, as well as United Nations (UN) peacekeeping missions in places such as Lebanon, Cyprus, India, and Pakistan, the Western Sahara, and the Golan Heights. Likewise, Croatia's mentoring of neighbors in NATO's Partnership for Peace, and especially the Adriatic Charter, has helped those NATO candidates advance their membership aspirations by initiating defense reforms and contributing to Alliance operations. Croatia also actively supports its international commitments to prevent the proliferation of weapons of mass destruction (WMD). The United States will continue its work to strengthen Croatia's strategic trade control system, border controls, and law enforcement mechanisms.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**4,899**	**4,850**	**4,700**	**-150**
Foreign Military Financing	3,493	2,500	2,500	-
International Military Education and Training	956	900	900	-
Nonproliferation, Antiterrorism, Demining and Related Programs	450	1,450	1,300	-150

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Croatia	**4,899**	**4,850**	**4,700**	**-150**
1 Peace and Security	**4,899**	**4,850**	**4,700**	**-150**
Foreign Military Financing	**3,493**	**2,500**	**2,500**	**-**
1.3 Stabilization Operations and Security Sector Reform	3,493	2,500	2,500	-
International Military Education and Training	**956**	**900**	**900**	**-**
1.3 Stabilization Operations and Security Sector Reform	956	900	900	-
Nonproliferation, Antiterrorism, Demining and Related Programs	**450**	**1,450**	**1,300**	**-150**
1.2 Combating Weapons of Mass Destruction (WMD)	450	450	400	-50
1.3 Stabilization Operations and Security Sector Reform	-	1,000	900	-100

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Croatia	**4,899**	**4,850**	**4,700**	**-150**
1 Peace and Security	**4,899**	**4,850**	**4,700**	**-150**
1.2 Combating Weapons of Mass Destruction (WMD)	450	450	400	-50
1.3 Stabilization Operations and Security Sector Reform	4,449	4,400	4,300	-100

Peace and Security

U.S. assistance will continue to secure Croatia's borders, improve cross-border cooperation, and combat WMD proliferation. Funding will also promote defense modernization and military restructuring, which are essential for establishing the interoperability required for Croatia to participate in coalition operations with the United States and to meet its NATO responsibilities. These programs will be implemented through the U.S. Departments of State and Defense.

Foreign Military Financing (FMF): FMF funding is used for military procurements consistent with the Croatian Armed Forces' Long-Term Development Plan and its commitments to NATO, including for military units in Afghanistan. In FY 2011, FMF filled crucial equipment gaps by providing interoperable communications and navigation systems. FY2013 funding will emphasize training on NATO-compatible staff procedures, NATO-designated units, and leadership development. FMF-funded equipment will include night vision goggles, interoperable radios, and upgrades for helicopters that Croatia is deploying to Kosovo. U.S. support has been instrumental in growing the Croatian ISAF contingent to 350 troops in 2011.

International Military Education and Training (IMET): IMET funding is critical in helping Croatia's military develop the professional personnel needed to fulfill the country's NATO obligations. Professional military education courses will be provided to senior noncommissioned officers, and middle and senior level officers. Training will also be provided in Croatia's niche capabilities. English language training will continue to expand Croatia's coalition interoperability and provide additional candidates for U.S. professional military courses. IMET training will also help Croatia implement an initiative to work with other countries in Southeastern Europe to deploy regional training teams to Afghanistan to support the Afghan security forces.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): A critical component in helping Croatia meet its international obligations, including those under UN Security Council Resolution 1540, is the establishment of export controls and enforcement mechanisms to prevent proliferation of WMD, thereby contributing to the security interests of the international community. U.S. funding in FY 2013 will continue to strengthen relationships and partnerships with both law enforcement personnel and the Ministry of Economy to support Croatia's implementation of its strategic trade control system. Additionally, with U.S. support, Croatia will continue to build regional leadership by sharing its experience on border controls with other countries in Southeast Europe, including Kosovo and Montenegro, and will work to build closer border control cooperation with Serbia and Bosnia-Herzegovina.

FY 2013 funding for the Conventional Weapons Destruction Program will continue U.S. Government efforts to abate the dangers of conventional weapons by helping Croatia destroy additional excess and deteriorating conventional munitions stockpiles. By supporting Croatia's efforts to manage expired and surplus munitions, the United States can help Croatia reallocate its defense resources towards training and

deployment for out-of-area operations, and reduce the humanitarian threat to civilians who live in proximity to military depots that are filled with unstable munitions.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The U.S. Embassy's Office of Defense Cooperation (ODC) provides program management and oversight for FMF and IMET programs in Croatia. The ODC maintains an active database of all Croatian military personnel receiving IMET-funded training. The database is important in tracking the long-term benefits of training military personnel because of the recognized delayed payoff when a captain or major receives training. The ODC evaluates the IMET program through monitoring the career progression of IMET recipients in its database and evaluating impact based on the number of IMET recipients that have become senior non-commissioned officers, field grade officers, and general officers in key leadership positions.

In 2011, the Department of State conducted an assessment of Croatia's progress towards meeting international standards on export control and border security and found significant improvements in all areas. The Export Control and Related Border Security Assistance (EXBS) program donated a variety of surveillance, inspection, and detection equipment to Croatian Border Police and Customs in 2011, all of which are operational. Of all the equipment that EXBS has donated over the course of the program since 2002, and that is still eligible for end-use monitoring, 95 percent remained operational in FY 2011.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: In formulating the FY 2013 request level for IMET funding, the ODC considered the positive results of its IMET activities, including Croatia's contribution to ISAF and other regional peacekeeping missions, and Croatia's current Alliance staffing obligations as a NATO member. In FY 2011, NADR-funded implementers helped clear 1.1 million square meters of mines and other ordnance, thanks to excellent cooperation by the Government of Croatia.

Relating Past Performance to FY 2013 Plans: The Croatian military does not have sufficient numbers of bilingual personnel nor staff officers sufficiently trained to fulfill its NATO obligations while continuing to participate in ISAF and other peacekeeping missions. The IMET program in Croatia is addressing this gap through its training, which will improve Croatia's ability to fulfill its NATO obligations without an impact on its participation in other peacekeeping missions. Given these considerations, the IMET request remains at the FY 2012 level.

NADR funding through EXBS has advanced Croatia's control of its borders and prevented illicit activities within its territory by developing its strategic trade control systems to international standards through the provision of equipment and a wide-ranging professional training program. Of special note, U.S. assistance has improved Croatia's detection and interdiction of illicit arms and ammunition through provision of inspection/detection equipment including an X-ray van donated to the customs mobile team, which contributed to a number of successful interdictions, particularly at the Bregana crossing with Slovenia and the Bajakovo crossing with Serbia. The United States will use the results of the recent assessment, as well as Croatia's continued progress towards EU accession, to make a determination on whether to close out the EXBS program in FY 2014.

Cyprus

Foreign Assistance Program Overview

The United States' goal in Cyprus is to build regional stability through a comprehensive settlement of the Cyprus dispute. U.S. assistance focuses on creating conditions conducive to the resolution of the dispute, supporting reunification of the island, promoting mutual understanding between the Greek Cypriot and Turkish Cypriot communities, addressing economic disparities between the two communities, and supporting initiatives that encourage a durable, comprehensive settlement.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**8,862**	**3,500**	**3,200**	**-300**
Economic Support Fund	8,362	3,500	3,200	-300
Nonproliferation, Antiterrorism, Demining and Related Programs	500	-	-	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Cyprus	**8,862**	**3,500**	**3,200**	**-300**
1 Peace and Security	**8,862**	**3,500**	**3,200**	**-300**
Economic Support Fund	**8,362**	**3,500**	**3,200**	**-300**
1.6 Conflict Mitigation and Reconciliation	8,362	3,500	3,200	-300
Nonproliferation, Antiterrorism, Demining and Related Programs	**500**	**-**	**-**	**-**
1.1 Counter-Terrorism	500	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Cyprus	**8,862**	**3,500**	**3,200**	**-300**
1 Peace and Security	**8,862**	**3,500**	**3,200**	**-300**
1.1 Counter-Terrorism	500	-	-	-
1.6 Conflict Mitigation and Reconciliation	8,362	3,500	3,200	-300
of which: Objective 6	**400**	**-**	**-**	**-**
6.2 Administration and Oversight	400	-	-	-

Peace and Security

The United States, the Government of the Republic of Cyprus and the Turkish Cypriot leadership share the long-term vision of a stable, prosperous Cyprus that acts as a partner for progress and peace in the region. However, the long-standing, unresolved conflict in Cyprus continues to undermine that vision by consuming time, energy, and resources that could otherwise be used to fight terrorism and transnational crime, promote economic development, and foster the process of reconciliation. The U.S. foreign assistance program in Cyprus is designed to reduce tensions and promote peace and cooperation between the two communities through measures aimed at the reunification of the island. After decades of division, however, the challenges for the program and for reconciliation in general, remain great. As such, U.S. programs are focused on strengthening the capacity of Cypriots to participate actively in reconciliation and the peace process.

Economic Support Fund (ESF): U.S. assistance addresses the factors impeding a political settlement, encourages the growth of pro-solution political will, and builds the capacity of civil society across the island to advocate for reconciliation and reunification. Training, technical assistance, and grant programs provide opportunities for individuals and civil society groups throughout Cyprus to work together in areas of common interest. Projects in community media, youth activism, and evidence-based research on issues related to settlement encourage the public to get more involved in peace and reconciliation, which for so many years was left almost exclusively to politicians.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: USAID conducted its annual portfolio review in November 2011 with the participation of the Department of State. The review confirmed that U.S. assistance programs are continuing to make progress in promoting peace and reconciliation. Following significant reductions in U.S. assistance to Cyprus in recent years, and the unresolved nature of ongoing, direct negotiations, the U.S. Embassy and USAID are working to develop a new country strategy in 2012.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The U.S. Government met or exceeded all but two of its performance targets in FY 2011. The U.S. Mission's greatest challenge is the general sense of apathy on the part of the Cypriot public – in both communities – towards peace and reconciliation. The public has lost faith in the negotiating process and is increasingly preoccupied by regional developments that eclipse any incremental progress on the political front. These include the repercussions of the financial crisis within the Eurozone and through Turkish economic policies; the "Arab Spring"; and the discovery of hydrocarbon deposits in the waters around the island. The U.S. Government will address these realities in the coming years by: (1) encouraging Cypriot civil society to get back to its roots and better understand the hopes and fears of its constituents; and (2) building the capacity and sustainability of civil society organizations so that they can better advocate to their leaders on behalf of their causes and the benefits of resolution.

Relating Past Performance to FY 2013 Plans: U.S. assistance supports Cypriot civil society in its efforts to link citizen voices to the formal peace process, thereby ensuring that any eventual settlement package receives the necessary public endorsement to become sustainable. If the ongoing peace process yields results in 2012, the United States will reassess its approach to ensuring a smooth transition and will demonstrate U.S. support for the implementation of a sustainable settlement.

Czech Republic

Foreign Assistance Program Overview

With its membership in the North Atlantic Treaty Organization (NATO) and the European Union (EU), combined with its activism in international affairs, the Czech Republic has proven an important and reliable ally in promoting U.S. interests, such as democracy, market reforms, antiterrorism, missile defense, and nonproliferation. Despite the significant political, material, and human costs of supporting and participating in NATO and coalition military operations, the Czech Republic stands resolute among the United States' strongest security partners. The Czech Republic fields 640 soldiers in Afghanistan, including Air Mentoring Teams training helicopter pilots and crews, an Operational Mentoring and Liaison Team working with the Afghan National Army, and 100 Czech Special Forces personnel deployed to the International Security Assistance Force (ISAF) and partnered with Afghan National Police provincial response units in Nangarhar Province. In addition, the Czech Republic will deploy more police trainers and use their Chemical, Biological, Radiological and Nuclear (CBRN) defense unit to train the Afghan National Army.

Providing specialized support has become a priority for the Czech Republic, as shown by these contributions, and the willingness of the Czech Republic to not only maintain, but also increase its support to operations in Afghanistan is a testimony to the effectiveness of U.S. security assistance programs. Continuing this assistance provides an opportunity to secure the benefits of peace and stability for the region, and to support further participation of the Czech Armed Forces (CAF) in coalition operations alongside the United States in pursuit of mutual security interests and goals.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**7,980**	**6,900**	**6,800**	**-100**
Foreign Military Financing	5,988	5,000	5,000	-
International Military Education and Training	1,992	1,900	1,800	-100

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Czech Republic	**7,980**	**6,900**	**6,800**	**-100**
1 Peace and Security	**7,980**	**6,900**	**6,800**	**-100**
Foreign Military Financing	**5,988**	**5,000**	**5,000**	**-**
1.3 Stabilization Operations and Security Sector Reform	5,988	5,000	5,000	-
International Military Education and Training	**1,992**	**1,900**	**1,800**	**-100**
1.3 Stabilization Operations and Security Sector Reform	1,992	1,900	1,800	-100

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Czech Republic	**7,980**	**6,900**	**6,800**	**-100**
1 Peace and Security	**7,980**	**6,900**	**6,800**	**-100**
1.3 Stabilization Operations and Security Sector Reform	7,980	6,900	6,800	-100

Peace and Security

The Czech Republic is making important strides in modernizing its military to provide better-equipped and trained forces to participate in international security operations. U.S. assistance helps secure the Czech Republic's capability to enhance regional stability and contribute to coalition operations around the globe. Funding will provide a range of training and equipment to fulfill NATO niche requirements, and support English language training and professional military education, which will better prepare the CAF for interoperability with U.S. and NATO forces. These programs will be implemented through the U.S. Department of Defense.

Foreign Military Financing (FMF): FMF assistance to the CAF will advance its modernization and improve interoperability with NATO forces. FMF-funded programs will increase the Czech Republic's capacity to independently prepare and deploy forces for U.S. and coalition operations, primarily in Afghanistan, and assist in the development and enhancement of NATO-supported niche capabilities. U.S. assistance will also bolster the CAF's ongoing defense modernization, which will maximize the military capabilities that it can offer to NATO and coalition operations. FY 2013 FMF funds will also support the acquisition of NATO-compatible command and control systems and the provision of additional ground and Special Forces equipment, including night vision devices and other specialized equipment, to support deploying units. Additional emphasis is placed on supporting Czech helicopter crews and enhancing their capabilities in preparation for their next deployment, currently planned for early 2013.

International Military Education and Training (IMET): IMET funding will be used to advance the CAF's overall professional military education and further develop interoperability, including English language facility. IMET will also support training in acquisition management, as well as in technical skills needed in Afghanistan, such as joint terminal attack controllers (JTACs), explosive ordnance disposal (EOD), and improvised explosive device (IED) training.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The U.S. Embassy oversees and assesses the effectiveness of the IMET and FMF programs through a weekly political-military working group. The Embassy's Office of Defense Cooperation (ODC) provides day-to-day planning, coordination, and execution of these programs. Program assessment is based on the observations and evaluations by the U.S. Embassy and other elements of the U.S. Government interacting with the Czech military. Effectiveness is gauged in terms of demonstrated Czech capabilities to train, equip, deploy, and sustain interoperable units participating in NATO operations.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The performance indicators derived from multiple sources within the U.S. Embassy and from elsewhere in the U.S. Government are assessed within the context of the goals of the Mission Strategic Resource Plan (MSRP) and Strategy of Active Security (SAS). Performance gaps are identified, as are new opportunities

related to the evolving nature of operations in theaters such as Afghanistan. Once performance gaps are identified, they are reviewed thoroughly with the Czech General Staff, Joint Forces Command, and unit experts. If judged appropriate, the U.S. Government directs IMET and FMF funding to help reduce these performance gaps. For FY 2013, MSRP and SAS objectives are best achieved through a continued focus on the development of Czech military deployment capability for NATO out-of-area operations, particularly in Afghanistan. The Czech Ministry of Defense's government-approved Strategic Plan, as contained in the 2011 Defense White Book, is similarly focused on this priority. To that end, FMF programmatic choices to fund NATO-interoperable tactical secure communications equipment and command and control capabilities for both conventional and special operations forces operating in ISAF are derived from this goal. FMF and IMET allocations to enhance and expand the capabilities of the Mi-17 helicopter transport unit scheduled to return to Afghanistan in 2013, as well as those of a helicopter air advisory team, are likewise linked to the achievement of out-of-area logistical support and training capabilities. Finally, acquisition management training will support an ongoing need identified by the U.S. Embassy to foster greater transparency within the Czech military procurement system.

Relating Past Performance to FY 2013 Plans: Budgeting and programmatic choices for FY 2013 are specifically linked to sustaining continued success in relevant areas, including professional military education, which has helped improve performance capabilities and leverage Czech niche capabilities. U.S. assistance has complemented the Czech Republic's military resources, greatly increasing the United States' potential to cooperate with Czech defense policymakers, and helping the Czech Government stay on track in its reforms and continue supporting operations led by the United States and NATO.

Estonia

Foreign Assistance Program Overview

Estonia is an effective and reliable trans-Atlantic partner in advancing peace, stability, and democracy in Europe and beyond. Estonia is a strong supporter of coalition operations, at considerable financial and political cost. U.S. assistance to Estonia provides the opportunity to sustain and expand the firm partnership the United States has formed with Estonia, contribute to improved North Atlantic Treaty Organization (NATO) interoperability, and support Estonia's military commitments abroad, including in Afghanistan, Iraq and Kosovo.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**3,838**	**3,525**	**3,500**	**-25**
Foreign Military Financing	2,695	2,400	2,400	-
International Military Education and Training	1,143	1,125	1,100	-25

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Estonia	**3,838**	**3,525**	**3,500**	**-25**
1 Peace and Security	**3,838**	**3,525**	**3,500**	**-25**
Foreign Military Financing	**2,695**	**2,400**	**2,400**	**-**
1.3 Stabilization Operations and Security Sector Reform	2,695	2,400	2,400	-
International Military Education and Training	**1,143**	**1,125**	**1,100**	**-25**
1.3 Stabilization Operations and Security Sector Reform	1,143	1,125	1,100	-25

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Estonia	**3,838**	**3,525**	**3,500**	**-25**
1 Peace and Security	**3,838**	**3,525**	**3,500**	**-25**
1.3 Stabilization Operations and Security Sector Reform	3,838	3,525	3,500	-25

Peace and Security

U.S. assistance is critical to achieving U.S. peace and security goals in Estonia, which in turn support the broader U.S. policy of enhancing multinational deployments so that American soldiers are backed-up by well-trained, effective allies. U.S. security assistance will promote increased NATO interoperability, improved Estonian defense capabilities, and force readiness through training and the provision of military equipment. These programs will be managed by the U.S. Department of Defense.

Foreign Military Financing (FMF): In 2011, the Estonian Defense Forces (EDF) deployed eight percent of its forces, the vast majority in support of the International Security Assistance Force (ISAF) operations in Afghanistan. FMF funds assist the EDF in sustaining its deployments by alleviating the wear-and-tear costs incurred from a high operations tempo in extreme environments, aiding force protection, and contributing to interoperability with other NATO forces (mainly through procurement of communication equipment). Additionally, Estonia's FMF funds support the assignment of a U.S. instructor and a course director/instructor at the Baltic Defense College.

International Military Education and Training (IMET): Approximately 50-55 Estonian military personnel receive IMET training each year. In FY 2013, the focus of IMET funding will be on meeting internal and external force goals, supporting NATO operations, and further developing special operations forces, which will conduct their first deployment in 2012.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The U.S. Embassy's Office of Defense Cooperation (ODC) completes comprehensive end-of-training reports for all IMET-trained students. In addition, ODC has implemented an alumni program, which should provide a more effective way to evaluate the impact of training, and will be used to evaluate whether the overall IMET program for Estonia is helping it to meet its long-term goals and improve its NATO interoperability. Prior to the selection and procurement of complex equipment or systems with FMF, the Estonian Ministry of Defense (MOD) in coordination with the ODC conducts thorough research to determine if a particular platform or system will meet the needs and force development goals established by the Estonian Government. The ODC conducts a quarterly meeting with EDF and MOD to ensure the program meets Estonian needs and U.S. goals for the program. In addition, an interagency team at the U.S. Embassy convenes every five weeks to assess progress in meeting mission priorities and support to Estonia's continued defense development and reform efforts.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Based on an assessment of FMF and IMET in 2009, the U.S. Government is focusing on providing skills training and equipment to rebuild capabilities reduced by EDF deployments in ISAF operations in extreme environments. Estonia is on track to reach its NATO commitment of 2 percent of GDP spent on defense by 2012, also a major benchmark of performance for U.S. security assistance. In 2011, the bulk of Estonia's overseas commitments went to Afghanistan and the NATO Response Force, which is a key indicator of the success of U.S. security assistance to the country. Estonian police trainers also provide critical support to the Afghan transition with their active participation in both the NATO Training Mission-Afghanistan, and the police training mission. Another important performance indicator used by the United States to determine the effectiveness of IMET activities is the number of IMET alumni who are placed in influential positions. Monitoring data continue to show that the EDF and MOD are placing IMET alumni in influential positions upon their return to their duties. The ODC has also seen gains from the EDF's efforts to create a "train-the-trainer" program. Increasingly, EDF soldiers with previous IMET-funded training are able to train their peers and subordinates in-country during EDF training activities.

Relating Past Performance to FY 2013 Plans: The FY 2013 request is based on the strong results that U.S. investments in EDF and the MOD have generated in terms of the career progression of IMET alumni, continued Estonian deployments in support of international coalition operations, the need to sustain future Estonian deployments, and NATO interoperability.

In addition to the U.S. instructor at the Baltic Defense College, in 2011 a new U.S. position of course director for the Joint Command and General Staff Course was filled using joint-Baltic FMF funding. In terms of U.S. security interests, these key positions provide unique opportunities to interact with the future leadership of not only the three Baltic militaries, but also of the other 16 nations represented in the student body, such as NATO Partnership for Peace members Ukraine, Georgia, Bosnia and Herzegovina, Croatia, and Serbia.

Georgia

Foreign Assistance Program Overview

The United States maintains a strong and effective partnership with Georgia. U.S. strategic goals in Georgia include the consolidation of Georgia's democracy; its eventual integration into Euro-Atlantic institutions; progress toward a peacefully unified nation, secure in its borders; and further development of its free market economy. U.S. assistance is designed to sustain, leverage, and build upon programs launched with the $1 billion U.S. assistance package following Georgia's August 2008 conflict with Russia, and to institutionalize gains made in the post-conflict period to ensure strong democratic and economic foundations for Georgia moving forward. The United States will continue to develop assistance projects that bolster democratic and participatory governance, develop institutions that uphold and enforce the rule of law, improve the quality and delivery of social services, promote integration with the North Atlantic Treaty Organization (NATO) and increased regional cooperation, lay the groundwork for a sustainable resolution of conflicts with the separatist regions based on Georgia's territorial integrity, and help Georgia achieve stable economic growth. The U.S.-Georgia Commission on Strategic Partnership continues to provide a framework for meeting these goals.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**87,088**	**85,057**	**68,700**	**-16,357**
Assistance for Europe, Eurasia and Central Asia	65,800	66,732	-	-66,732
Economic Support Fund	-	-	42,660	42,660
Foreign Military Financing	15,968	14,400	14,400	-
Global Health Programs - State	850	-	-	-
Global Health Programs - USAID	-	-	4,000	4,000
International Military Education and Training	1,895	1,900	1,800	-100
International Narcotics Control and Law Enforcement	-	-	4,000	4,000
Nonproliferation, Antiterrorism, Demining and Related Programs	2,575	2,025	1,840	-185

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Georgia	**87,088**	**85,057**	**68,700**	**-16,357**
1 Peace and Security	**25,828**	**22,009**	**21,747**	**-262**
Assistance for Europe, Eurasia and Central Asia	**5,390**	**3,684**	**-**	**-3,684**
1.2 Combating Weapons of Mass Destruction (WMD)	301	301	-	-301
1.3 Stabilization Operations and Security Sector Reform	3,670	2,473	-	-2,473
1.4 Counter-Narcotics	244	203	-	-203

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.5 Transnational Crime	122	204	-	-204
1.6 Conflict Mitigation and Reconciliation	1,053	503	-	-503
Economic Support Fund	**-**	**-**	**700**	**700**
1.2 Combating Weapons of Mass Destruction (WMD)	-	-	200	200
1.6 Conflict Mitigation and Reconciliation	-	-	500	500
Foreign Military Financing	**15,968**	**14,400**	**14,400**	**-**
1.3 Stabilization Operations and Security Sector Reform	15,968	14,400	14,400	-
International Military Education and Training	**1,895**	**1,900**	**1,800**	**-100**
1.3 Stabilization Operations and Security Sector Reform	1,895	1,900	1,800	-100
International Narcotics Control and Law Enforcement	**-**	**-**	**3,007**	**3,007**
1.3 Stabilization Operations and Security Sector Reform	-	-	2,767	2,767
1.4 Counter-Narcotics	-	-	120	120
1.5 Transnational Crime	-	-	120	120
Nonproliferation, Antiterrorism, Demining and Related Programs	**2,575**	**2,025**	**1,840**	**-185**
1.1 Counter-Terrorism	550	-	-	-
1.2 Combating Weapons of Mass Destruction (WMD)	1,425	1,425	1,300	-125
1.3 Stabilization Operations and Security Sector Reform	600	600	540	-60
2 Governing Justly and Democratically	**23,968**	**25,261**	**22,436**	**-2,825**
Assistance for Europe, Eurasia and Central Asia	**23,968**	**25,261**	**-**	**-25,261**
2.1 Rule of Law and Human Rights	4,919	6,452	-	-6,452
2.2 Good Governance	7,693	5,225	-	-5,225
2.3 Political Competition and Consensus-Building	3,913	3,917	-	-3,917
2.4 Civil Society	7,443	9,667	-	-9,667
Economic Support Fund	**-**	**-**	**21,443**	**21,443**
2.1 Rule of Law and Human Rights	-	-	4,143	4,143
2.2 Good Governance	-	-	4,550	4,550
2.3 Political Competition and Consensus-Building	-	-	4,250	4,250
2.4 Civil Society	-	-	8,500	8,500
International Narcotics Control and Law Enforcement	**-**	**-**	**993**	**993**
2.1 Rule of Law and Human Rights	-	-	993	993
3 Investing in People	**11,545**	**7,851**	**6,000**	**-1,851**
Assistance for Europe, Eurasia and Central Asia	**10,695**	**7,851**	**-**	**-7,851**
3.1 Health	7,235	5,782	-	-5,782
3.2 Education	3,460	2,069	-	-2,069
Economic Support Fund	**-**	**-**	**2,000**	**2,000**
3.2 Education	-	-	2,000	2,000
Global Health Programs - State	**850**	**-**	**-**	**-**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
3.1 Health	850	-	-	-
Global Health Programs - USAID	**-**	**-**	**4,000**	**4,000**
3.1 Health	-	-	4,000	4,000
4 Economic Growth	**25,241**	**27,936**	**17,517**	**-10,419**
Assistance for Europe, Eurasia and Central Asia	**25,241**	**27,936**	**-**	**-27,936**
4.1 Macroeconomic Foundation for Growth	1,659	744	-	-744
4.2 Trade and Investment	4,188	5,145	-	-5,145
4.3 Financial Sector	1,562	-	-	-
4.4 Infrastructure	4,515	4,509	-	-4,509
4.5 Agriculture	6,550	5,000	-	-5,000
4.6 Private Sector Competitiveness	2,565	10,054	-	-10,054
4.7 Economic Opportunity	3,019	-	-	-
4.8 Environment	1,183	2,484	-	-2,484
Economic Support Fund	**-**	**-**	**17,517**	**17,517**
4.1 Macroeconomic Foundation for Growth	-	-	685	685
4.2 Trade and Investment	-	-	2,329	2,329
4.4 Infrastructure	-	-	2,758	2,758
4.5 Agriculture	-	-	5,000	5,000
4.6 Private Sector Competitiveness	-	-	4,745	4,745
4.8 Environment	-	-	2,000	2,000
5 Humanitarian Assistance	**506**	**2,000**	**1,000**	**-1,000**
Assistance for Europe, Eurasia and Central Asia	**506**	**2,000**	**-**	**-2,000**
5.1 Protection, Assistance and Solutions	506	2,000	-	-2,000
Economic Support Fund	**-**	**-**	**1,000**	**1,000**
5.1 Protection, Assistance and Solutions	-	-	1,000	1,000

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Georgia	**87,088**	**85,057**	**68,700**	**-16,357**
1 Peace and Security	**25,828**	**22,009**	**21,747**	**-262**
1.1 Counter-Terrorism	550	-	-	-
1.2 Combating Weapons of Mass Destruction (WMD)	1,726	1,726	1,500	-226
1.3 Stabilization Operations and Security Sector Reform	22,133	19,373	19,507	134
1.4 Counter-Narcotics	244	203	120	-83
1.5 Transnational Crime	122	204	120	-84
1.6 Conflict Mitigation and Reconciliation	1,053	503	500	-3

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
2 Governing Justly and Democratically	**23,968**	**25,261**	**22,436**	**-2,825**
2.1 Rule of Law and Human Rights	4,919	6,452	5,136	-1,316
2.2 Good Governance	7,693	5,225	4,550	-675
2.3 Political Competition and Consensus-Building	3,913	3,917	4,250	333
2.4 Civil Society	7,443	9,667	8,500	-1,167
3 Investing in People	**11,545**	**7,851**	**6,000**	**-1,851**
3.1 Health	8,085	5,782	4,000	-1,782
3.2 Education	3,460	2,069	2,000	-69
4 Economic Growth	**25,241**	**27,936**	**17,517**	**-10,419**
4.1 Macroeconomic Foundation for Growth	1,659	744	685	-59
4.2 Trade and Investment	4,188	5,145	2,329	-2,816
4.3 Financial Sector	1,562	-	-	-
4.4 Infrastructure	4,515	4,509	2,758	-1,751
4.5 Agriculture	6,550	5,000	5,000	-
4.6 Private Sector Competitiveness	2,565	10,054	4,745	-5,309
4.7 Economic Opportunity	3,019	-	-	-
4.8 Environment	1,183	2,484	2,000	-484
5 Humanitarian Assistance	**506**	**2,000**	**1,000**	**-1,000**
5.1 Protection, Assistance and Solutions	506	2,000	1,000	-1,000
of which: Objective 6	**6,215**	**7,268**	**6,389**	**-879**
6.1 Program Design and Learning	1,548	831	1,439	608
6.2 Administration and Oversight	4,667	6,437	4,950	-1,487

Peace and Security

Georgia is a committed partner in promoting global peace and security and a steadfast ally in coalition operations. Through the Departments of Defense and State and through USAID, U.S. assistance will continue to support stabilization operations and security and law enforcement sector reform.

Economic Support Fund (ESF): U.S. assistance will create sustainable capacity to support the transition of former weapons scientists and researchers with weapons of mass destruction (WMD)-applicable skills to civilian research careers to help prevent WMD proliferation. Funds will also support USAID programs in conflict-affected areas, promoting confidence building measures targeted at the breakaway regions of Abkhazia and South Ossetia.

Foreign Military Financing (FMF): Assistance will continue to support defense reform by focusing on the development, modernization, and reform of the Georgian Armed Forces (GAF). Funds will provide equipment needed to support deployment operations, while improving the quality of pre-deployment training and Georgia's ability to successfully deploy troops in Afghanistan. Programs will be designed, consistent with international legal considerations, to improve the professionalism, training, defensive operations, and peacekeeping capabilities of the GAF, assist their continuing progress towards NATO interoperability, and enable them to host future NATO exercises.

International Military Education and Training (IMET): FY 2013 resources will be used to advance professional military education and further develop the GAF's interoperability. IMET will provide training for the professional development of officers and noncommissioned officers. Training will also be provided to develop staff interoperability.

International Narcotics Control and Law Enforcement (INCLE): U.S. assistance will continue to develop professional and modern law enforcement officers and increase democratic law enforcement skill sets while also supporting the consolidation of the reforms that have taken place in the criminal justice and security sector. U.S. assistance will strengthen the rule of law through practical skills training for law enforcement officers. Efforts will also be focused to improve ethical policing skills while also building the capacity of Georgian law enforcement to fight transnational crime such as human trafficking, narcotics trafficking, and cybercrime.

Nonproliferation, Antiterrorism, Demining and Related Programs (NADR): Funds will support Department of State programs to help Georgia counter transnational threats such as international terrorism and proliferation of WMD-related commodities and technology. Funding will provide training, equipment, and technical assistance to improve Georgia's capacity to maintain border security and an effective interagency system of export controls. The Export Control and Related Border Security (EXBS) Program will continue to reinforce Georgia's capabilities to detect, identify, and interdict the export, re-export, transit, and trans-shipment of WMD and related materials, delivery systems, dual-use items, and conventional weapons. To accomplish this, the EXBS program will provide training, detection equipment, and assistance in drafting and implementing appropriate legislation. EXBS will also continue to provide equipment and advanced training for the Georgian Coast Guard as part of its effort to rebuild maritime enforcement capabilities following Georgia's 2008 conflict with Russia. The Conventional Weapons Destruction (CWD) Program responds to risks posed by landmines, unexploded ordnance, and excess, loosely-secured, and otherwise at-risk small arms, light weapons, portable air defense weapons, and ammunition. In FY 2013, CWD assistance will continue to support activities aimed at improving stockpile security and destruction of explosive remnants of war.

Governing Justly and Democratically

Promoting a free and democratic Georgia has been and will remain the United States' top priority for the next several years. Georgia's democratic progress since the Rose Revolution is significant in some areas, but uneven and incomplete in others. Despite continued institutional reforms and a motivated civil society, challenges remain in enhancing institutional checks and balances, increasing meaningful civic participation, strengthening political pluralism, and enhancing media and judicial independence. Georgia's 2013 presidential elections and the subsequent entry into force of a new Constitution, which will shift institutional authorities, will be key moments in Georgia's democratic transformation. The U.S. strategy for promoting democratic development in Georgia requires robust levels of funding to help citizens exercise a more active role in their own democracy and to engage constructively in political dialogue and oversight over their government. Programs will enhance the ability of civil society and independent media to enable informed civic participation and public debate, provide improved means of communicating citizen interests, and promote government accountability.

Economic Support Fund (ESF): U.S. assistance through the Department of State and USAID will enhance the ability of civil society and independent media to advocate on behalf of citizen interests, promote government accountability, and promote informed civic participation, including among ethnic minorities. Assistance will also help bolster political pluralism by strengthening democratic political parties; work to improve gender equality in political, public, and community decision-making; and support free and fair electoral processes. U.S. assistance will improve judicial capacity and independence and promote access to justice and the application of due process. U.S. assistance will also support civic education to improve

the public's understanding of its role in a democracy. Assistance will strengthen municipal and national governance, and enhance parliamentary transparency, accountability, and responsiveness. U.S. assistance aims to enhance judicial independence and professionalism by improving the objectivity and transparency of judicial administration as well as increasing judicial capacity and the fairness of the judicial process to enable the courts to effectively exercise their oversight power. U.S. assistance will also support programs that monitor the judicial system, improve legal education, and improve the transparency and effectiveness of adjudications, resolutions, and enforcement of judicial decisions. These reforms are central to helping Georgia meet international democratic standards and realize its aspiration for Euro-Atlantic integration.

International Narcotics Control and Law Enforcement (INCLE): Georgia's new Criminal Procedure Code offers new opportunities to enhance judicial independence and due process protections. Training and technical assistance will be provided to judges, prosecutors, defense attorneys, public defenders, and legal institutions so that lawyers can effectively participate in the new adversarial system and recently introduced due process protections are properly implemented.

Investing in People

U.S. assistance will continue to support ongoing health and education sector policy reforms. Despite improvements in this area, the technical, administrative, and financial capacity of the Government of Georgia (GOG) to deliver health and education services to its people remains limited.

Global Health Programs (GHP): Assistance provided through the GHP account will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership. U.S.-funded health programs will seek to support the GOG's health sector reform efforts, increase access to quality health care services, build the management and technical capacity of the health care system, and enhance public awareness and demand for higher quality health services.

- Tuberculosis (TB): Funds will support TB prevention, detection, and treatment activities, strengthen capacity of health insurers and service providers, and reinforce the stewardship role of the Ministry of Labor, Health, and Social Affairs in privatization.

- Maternal and Child Health (MCH): Assistance will improve the quality of clinical practice and skills in Georgia. Activities will seek to improve health system management capacity and financing; enhance infectious disease prevention and treatment; expand access to MCH services; and improve the quality, consistency, and continuity of medical care. Support will also be provided to meet critical maternal and child health needs as well as private sector-led service delivery models for MCH services and implement evidence-based maternity/newborn care.

- Family Planning and Reproductive Health (FP/RH): Assistance will improve the quality of clinical practice and skills in Georgia through activities targeting FP/RH. Activities will seek to improve health system management capacity and financing and improve the quality, consistency, and continuity of medical care. Support will also be provided to incorporate FP/RH modules and practicum into medical and nursing schools' curricula.

Economic Support Fund (ESF): U.S. assistance will aim to improve the quality of basic education by strengthening fundamentals in Georgian language literacy and math. Activities will strengthen the capacity of Georgia's Ministry of Education and Science (MES) to develop and implement pre- and in-service teacher training programs. Activities will build on the MES's innovative, technology-based program; improve school curricula by making reading and math cornerstones of instruction for basic education; expand learning of Georgian as a second language for ethnic minorities in primary and secondary schools; and improve teacher education programs.

Economic Growth

U.S. assistance programs will continue to help Georgia deepen reforms and improve economic competitiveness in order to create a more stable and efficient economic environment that can attract foreign capital and generate broad-based and sustainable economic growth. Constraints to achieving these goals include unpredictable and inconsistent governance practices, fragmented markets, limited access to capital, a lack of business skills and economic information, and low private sector productivity. High poverty levels and economic inequalities in rural Georgia create a perception of economic injustice that poses a threat to the country's social, economic, and political stability.

Economic Support Fund (ESF): U.S. assistance will seek to improve Georgia's national competitiveness and employment generation by accelerating the development of small- and medium-sized enterprises; improving the ability of Georgian firms and farms to supply products in response to demands of the international marketplace for quality, quantity, and timeliness; expanding the manufacturing and services sector; sustaining capacity-building and skills development initiatives; improving the flow of economic information; expanding trade relations; enabling a broad and well-regulated financial sector; building capacity for sound agricultural, economic, fiscal, and monetary policy making; and developing secure energy sources and markets. Programs will also support ongoing market reforms to improve the trade and investment climate by improving the property rights system, streamlining regulatory and licensing procedures, promoting voluntary taxpayer compliance, facilitating the establishment of effective commercial dispute resolution mechanisms, facilitating public-private dialogues on policy issues, and reforming commercial legislation to further remove barriers to doing business.

U.S. assistance will improve market linkages and productivity in agriculture, including in subsistence farming, support vocational education, and facilitate access to rural credit. Programs will seek to increase incomes in rural Georgia by removing constraints in critical small-scale rural and community infrastructure that hinder economic development. U.S. assistance will introduce modern agricultural practices, strengthen the veterinary sector and reduce incidences of priority animal diseases, shorten harvesting periods, promote off-season production, and increase the availability of cold storage and packing facilities.

USAID will continue to build capacity in Georgian energy institutions, demonstrate the benefits of strategic energy management, promote energy efficiency and renewable energy sources, including hydropower generation, enhance management of natural resources in targeted watersheds, and assist Georgia in developing and advancing low emissions development strategies. The United States will also continue to support the implementation of the GOG's National Environmental Action Plan, which addresses the country's commitments to international treaties and conventions, as well as several initiatives identified as priority for the United States, such as climate change, clean energy, waste management, and recycling. Proposed funding under the Global Climate Change Initiative (GCCI) will include efforts through the Enhancing Capacity for Low-Emission Development Strategies (EC-LEDS) program to support the development and implementation of LEDS in Georgia.

Humanitarian Assistance

Georgia's 2008 conflict with Russia resulted in tens of thousands of internally displaced persons (IDPs), in addition to the estimated 220,000 IDPs from the wars in Abkhazia and South Ossetia in the early 1990s. U.S. humanitarian assistance programs are designed to alleviate the suffering of these and other vulnerable populations in remote areas of the country and build relationships between Georgian citizens and citizens in the United States through the U.S. private voluntary organizations that deliver the assistance.

Economic Support Fund (ESF): U.S. programming implemented by the Department of State will support the GOG in addressing the needs of vulnerable populations including the elderly, disabled, extremely poor,

and institutionalized by improving social services and protection; providing medicines, medical supplies and equipment, food, clothing, and health and emergency shelter items; responding to disasters; and executing small reconstruction projects in areas such as water in villages and heating in IDP centers.

Linkages with the Millennium Challenge Corporation

Georgia concluded its first MCC Compact of $395 million in April 2011. The Compact focused on rehabilitating regional infrastructure and promoting private sector development. The GOG submitted a proposal for a second Compact to MCC in December 2011. Bilateral U.S. assistance programs have and will continue to be closely coordinated with MCC resources, supporting and complementing Compact activities and leveraging MCC's significant investment.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The approach to monitoring and evaluating U.S. assistance in Georgia includes a whole-of-government monitoring and evaluation effort, agency-specific reviews, and an interagency budgeting process. All U.S. Government agencies with staff in Georgia regularly participate in a collaborative structure overseen by an Assistance Coordination Committee (ACC), which reviews the country's development context and U.S. assistance priorities in Georgia. The ACC serves as a forum for programming and budget allocation decisions with consideration of performance data as reported through the Performance Plan and Report and other sources. Assistance Working Groups in Peace and Security, Economic Growth, Investing in People, Democratic Governance, and Conflict Prevention meet on a monthly basis to discuss current activities and coordinate efforts.

USAID is implementing the USAID Evaluation Policy approved in January 2011. To comply with the policy requirements, USAID will conduct at least one external evaluation of each large project and any pilot/ innovative development intervention. USAID will complete five evaluations each year, including FY 2013. The results of a regional Department of State evaluation conducted in 2012 of media development assistance will inform future programs.

In recognition of the extraordinary character of the United States' $1 billion pledge for Georgia, the U.S. allocated $2 million to an outside contractor to monitor the impact of the funding, under what is known as the Georgia Monitoring Project (GMP). As of January 2012, the GMP has released reports on the $250 million direct budget support provided to the GOG, post-conflict assistance to the Shida Kartli region, and maritime security assistance. The project will conclude in May 2012, with four additional reports due to be released.

The State Department's Anti-Crime Training and Technical Assistance (ACTTA) and EXBS programs conduct annual end-use monitoring of all equipment donated to the GOG with a value exceeding $1,000.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Six USAID evaluations were carried out during FY 2011. These included evaluations of the Georgia Land Market Development Program; Georgia Health System Strengthening Project; Judicial Administration and Management Reform Program; and the Rural Energy Program. These evaluations were used to make decisions about follow-on activities in relevant sectors and inform the design of new initiatives. Also in FY 2011, the U.S. conducted a comprehensive assessment of Georgia's agricultural legal and policy environment, which resulted in a specific set of recommendations for the GOG on future legal and regulatory reforms.

USAID conducted a wide variety of sector assessments in FY 2011 in preparation for the development of USAID's Country Development Cooperation Strategy (CDCS), a five-year strategy that will identify key

development objectives and prioritize assistance. These included an assessment of the state of ethnic minority integration in Georgia; a rural productivity assessment; a financial sector assessment; a democracy and governance sector assessment; an education sector assessment; a social capital assessment; a conflict assessment; a waste management assessment; a private sector assessment; and an infrastructure needs assessment. The CDCS will identify key development objectives and prioritize USAID assistance.

In addition to the CDCS, the Department of State launched an Assistance Review of Georgia that is due to be finalized in early 2012. The Assistance Review is an interagency process that will define a set of broad assistance objectives designed to further overarching U.S. policy goals in Georgia. The Assistance Review will inform development of the CDCS, and program development of other U.S. Government agencies implementing assistance programs in Georgia.

Relating Past Performance to FY 2013 Plans: With democratic development being the top priority in Georgia, the United States is committed to help Georgia conduct free and fair parliamentary elections in 2012 and presidential elections in 2013. Georgia's democratic progress since the Rose Revolution is significant, but incomplete. Challenges exist with respect to establishing an environment conducive to political pluralism and ensuring the conditions exist for elections that are widely acknowledged to be free and fair. If successful, this election cycle will result in the first peaceful transition of power in post-independence Georgia. Georgia's success in this regard will be a key indicator of the country's progress toward democratic transformation.

Major programmatic impacts with FY 2013 funding are expected in the agriculture, private sector competitiveness, health, and civil society program areas. While U.S. assistance has facilitated Georgia's vastly improved ranking on the World Bank's Doing Business report (from 112th in 2005 to 16th in 2012), Georgia still lags in certain areas and ranks 88th on the World Economic Forum Global Competitiveness index. Georgia has also seen "jobless growth" in recent years, as much foreign direct investment went into sectors that were not immediately productive or labor-intensive. The FY 2013 request accordingly includes resources for private sector competitiveness and agriculture to help Georgia create jobs in agriculture, manufacturing, and the service sectors; improve the ability of Georgian businesses to compete; and promote further transparency in economic governance and the rule of law.

As capacity grows in the Georgian judicial system, in part as a result of the new Criminal Procedure Code, there is a need for increased assistance to build commercial legal capacity and independence. The United States is in a pivotal position to support further democratic reform. The engagement strategy for democratic development in Georgia will require ongoing work with citizens to encourage them to take an active role in their own democracy and to understand the methods by which active citizens constructively engage in political dialogue and oversight over their government. U.S. programs will remain pivotal for basic education and health activities to maintain the gains of previous U.S. assistance in promoting evidence-based policy-making, sound education administration, and healthier lifestyles with reduced exposure to infectious disease.

Greece

Foreign Assistance Program Overview

Greece occupies a strategic location in the Eastern Mediterranean on the southern flank of the North Atlantic Treaty Organization (NATO). Greece contributes to NATO operations in Afghanistan and Kosovo, as well as to counterterrorism and counter-piracy maritime efforts. Greece provided important basing and logistics support to NATO's mission to enforce United Nations (UN) Security Council resolutions in Libya throughout 2011. U.S. assistance contributes toward interoperability of Greek forces within NATO, helps focus Greek officers on the positive impact Greece can have within the wider Alliance, and assists in countering the anti-American attitudes prevalent throughout Greek society that can work their way into the ranks of the Greek Armed Forces. Greece is currently one of the top ten markets in the world for the U.S. defense industry, contributing to American jobs, the U.S. economy, and sustainment of the U.S. military-industrial base.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**98**	**100**	**100**	**-**
International Military Education and Training	98	100	100	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Greece	**98**	**100**	**100**	**-**
1 Peace and Security	**98**	**100**	**100**	**-**
International Military Education and Training	**98**	**100**	**100**	**-**
1.3 Stabilization Operations and Security Sector Reform	98	100	100	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Greece	**98**	**100**	**100**	**-**
1 Peace and Security	**98**	**100**	**100**	**-**
1.3 Stabilization Operations and Security Sector Reform	98	100	100	-

Peace and Security

U.S. assistance is focused on enhancing regional stability, building close ties and mutual understanding, and assisting with Greek military transformation. U.S. assistance substantially increases NATO interoperability through hands-on equipment training, facilitates understanding between the U.S. and Greek militaries, and augments sales of U.S. defense-related items that are crucial to NATO effectiveness.

U.S. assistance also reinforces the involvement of the Greek Armed Forces in multinational regional peacekeeping, Balkan stabilization efforts and cooperative programs with other regional and NATO allies and Partnership for Peace members. Greece is also used in support of pre- and post-deployment training for U.S. military transiting the Mediterranean en route to missions in Afghanistan and the U.S. Central Command area of responsibility. These programs will be implemented through the U.S. Department of Defense.

International Military Education and Training (IMET): IMET assistance is targeted at encouraging Greece's efforts to modernize its military and expand interoperability with other NATO forces through officer and noncommissioned officer training. It is also aimed at ensuring the junior ranks of the Greek Armed Forces gain familiarity with U.S. methods, culture, and mentality through the projection and sustainment of positive views toward America. This cannot be taken for granted in Greece, an Allied country that possesses some of the highest rates of anti-Americanism in Europe.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: IMET activities are periodically reviewed to determine the extent to which they are enhancing Greek interoperability and participation in multinational operations, as well as their contribution to a strong U.S.-Greece military-to-military relationship. IMET graduates provide a base of responsible, broadly-informed military leaders, many of whom advance to senior positions and contribute to governmental policy decisions on participation in multilateral operations and procurement of defense items. Another important indicator used to monitor the effectiveness of IMET funding is the degree to which Greek Armed Forces are involved in multinational operations, regional peacekeeping and Balkan stabilization efforts, and cooperative programs with other NATO Allies and partners.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: IMET funding was fully utilized in FY 2011 and directly contributed to U.S. strategic goals. Greece continues to participate in NATO missions in Afghanistan, Kosovo, the Mediterranean Sea, the Gulf of Aden against Somali pirates, and in UN operations such as the monitoring operation in Lebanon. Greece contributed to the naval portion of NATO's Operation Unified Protector in Libya and provided numerous air bases and logistics support to U.S., Allied, and partner air missions. Greece also hosts and leads the NATO Maritime Interdiction Operational Training Center at Souda Bay, Crete, and provides training to Allies and Partners in this area which directly impacts regional security and beyond.

Relating Past Performance to FY 2013 Plans: The FY 2013 request maintains the small amount of IMET funding needed to enhance military-to-military relations and bring direct follow-on benefits such as strong U.S.-Greek cooperation at the U.S. Naval Support Facility at Souda Bay, Crete, as well as support for NATO operations elsewhere. Within a constrained budget environment, maintaining IMET funds for Greece will reap positive dividends far beyond the assistance dollar expenditure in terms of enhanced military cooperation and support for U.S. peace and security goals.

Hungary

Foreign Assistance Program Overview

Hungary is a firm ally in coalition operations, contributing troops to North Atlantic Treaty Organization (NATO) missions in Afghanistan and the Balkans. U.S. assistance to Hungary contributes to regional stability and helps maintain strong political support in Hungary for coalition operations, including a willingness to provide personnel, equipment, and other resources for these operations. Funds will promote the continued development of a flexible, sustainable, and NATO-interoperable Hungarian military capable of meeting NATO commitments.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**2,075**	**1,850**	**1,800**	**-50**
Foreign Military Financing	998	900	900	-
International Military Education and Training	1,077	950	900	-50

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Hungary	**2,075**	**1,850**	**1,800**	**-50**
1 Peace and Security	**2,075**	**1,850**	**1,800**	**-50**
Foreign Military Financing	**998**	**900**	**900**	**-**
1.3 Stabilization Operations and Security Sector Reform	998	900	900	-
International Military Education and Training	**1,077**	**950**	**900**	**-50**
1.3 Stabilization Operations and Security Sector Reform	1,077	950	900	-50

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Hungary	**2,075**	**1,850**	**1,800**	**-50**
1 Peace and Security	**2,075**	**1,850**	**1,800**	**-50**
1.3 Stabilization Operations and Security Sector Reform	2,075	1,850	1,800	-50

Peace and Security

U.S. assistance supports formal training for officers and noncommissioned officers in the United States and at NATO schools. Although a cadre of U.S.-trained leaders is rising through the ranks, there remains a possibility that Hungary will lack sufficient military and civilian skill-sets to enable the Hungarian Defense Force (HDF) to fully develop deployable, NATO-standard capabilities. U.S. assistance will help sustain

the HDF as a strong partner in U.S. efforts to counter transnational threats and to contribute to peacekeeping operations.

Foreign Military Financing (FMF): FMF grants will continue to help upgrade Hungarian capabilities and prepare the HDF for operations abroad. Night-vision devices and scopes, global positioning systems, and radios and associated cryptologic gear will continue to improve the ability of Hungarian troops to operate in conjunction with U.S. and other coalition forces in Afghanistan. FMF is also providing key equipment and training for the combined Ohio National Guard/HDF Operational Mentoring and Liaison Team, which is working with elements of the Afghan National Army's 209th Corps in Baghlan Province. In the recent past, the top priority for FMF assistance has been Hungary's Special Forces. Fifteen of the fifty soldiers trained through this program have deployed alongside U.S. Special Forces in Afghanistan. FMF has also been used to provide specialized tactical training for deploying units, such as joint terminal attack controller training, in the United States.

International Military Education and Training (IMET): IMET funds are the most important component of the security assistance program and are key to continued transformation of the HDF. IMET focuses on updating Hungarian training and doctrine to participate in Allied coalition operations. Many mid-level and senior military leaders, and a solid core of noncommissioned officers, are IMET graduates. Most of Hungary's IMET students have deployed or are scheduled to deploy in support of coalition operations.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The U.S. Embassy oversees the FMF and IMET programs through a monthly working group chaired by the Ambassador. The U.S. Embassy's Office of Defense Cooperation (ODC) provides day-to-day planning, coordination, and execution of the programs.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Security assistance is focused on programs and activities that directly support continuing deployments with trained forces, based on the recurring assessments noted above. In 2011, due to challenges encountered at the International Special Forces Qualification Course (ISFQC), which the United States had previously supported with Mobile Training Teams (MTT), FMF was redirected from the ISFQC MTT to provide equipment for the HDF. While U.S. assistance is being used to train and equip HDF professionals who could lead or serve in deployments or other positions abroad, there is no specific peacekeeping training being provided to them or to the Ministry of Defense at this time.

Relating Past Performance to FY 2013 Plans: Hungary continues to deploy up to 1,000 troops in international stabilization missions worldwide, representing 10 percent of its uniformed forces – near the top of NATO-member nations. The HDF currently has over 350 personnel in Afghanistan and 300 in Bosnia and Herzegovina and Kosovo. The need to sustain this high operations tempo and the performance of these units is reflected in the FY 2013 request.

Kosovo

Foreign Assistance Program Overview

The United States' sustained goal is to help Kosovo become a stable, democratic, and economically viable country within Europe, offering equal opportunity and protections to all its citizens. Five policy priorities guide this assistance: (1) encouraging private sector-led economic growth so that Kosovo's citizens can prosper; (2) ensuring that Kosovo's society and government are firmly grounded in the rule of law; (3) ensuring Kosovo remains a home for all its diverse peoples; (4) building the institutions of Kosovo's government and civil society required for a strong democratic society; and (5) working with European partners to realize Kosovo's European and Euro-Atlantic integration aspirations. This assistance will be implemented by a number of U.S. agencies, including USAID and the Departments of State, Defense, Treasury, and Commerce.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**85,428**	**67,450**	**57,668**	**-9,782**
Assistance for Europe, Eurasia and Central Asia	79,000	63,000	-	-63,000
Economic Support Fund	-	-	42,544	42,544
Foreign Military Financing	5,000	3,000	3,000	-
International Military Education and Training	678	700	700	-
International Narcotics Control and Law Enforcement	-	-	10,674	10,674
Nonproliferation, Antiterrorism, Demining and Related Programs	750	750	750	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Kosovo	**85,428**	**67,450**	**57,668**	**-9,782**
1 Peace and Security	**14,487**	**18,535**	**15,151**	**-3,384**
Assistance for Europe, Eurasia and Central Asia	**8,059**	**14,085**	**-**	**-14,085**
1.3 Stabilization Operations and Security Sector Reform	1,189	9,676	-	-9,676
1.5 Transnational Crime	870	-	-	-
1.6 Conflict Mitigation and Reconciliation	6,000	4,409	-	-4,409
Economic Support Fund	**-**	**-**	**2,850**	**2,850**
1.6 Conflict Mitigation and Reconciliation	-	-	2,850	2,850
Foreign Military Financing	**5,000**	**3,000**	**3,000**	**-**
1.3 Stabilization Operations and Security Sector Reform	5,000	3,000	3,000	-
International Military Education and Training	**678**	**700**	**700**	**-**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.3 Stabilization Operations and Security Sector Reform	678	700	700	-
International Narcotics Control and Law Enforcement	**-**	**-**	**7,851**	**7,851**
1.3 Stabilization Operations and Security Sector Reform	-	-	7,851	7,851
Nonproliferation, Antiterrorism, Demining and Related Programs	**750**	**750**	**750**	**-**
1.2 Combating Weapons of Mass Destruction (WMD)	750	750	750	-
2 Governing Justly and Democratically	**22,102**	**22,264**	**20,418**	**-1,846**
Assistance for Europe, Eurasia and Central Asia	**22,102**	**22,264**	**-**	**-22,264**
2.1 Rule of Law and Human Rights	9,944	12,019	-	-12,019
2.2 Good Governance	5,980	7,550	-	-7,550
2.3 Political Competition and Consensus-Building	2,772	1,000	-	-1,000
2.4 Civil Society	3,406	1,695	-	-1,695
Economic Support Fund	**-**	**-**	**17,595**	**17,595**
2.1 Rule of Law and Human Rights	-	-	9,200	9,200
2.2 Good Governance	-	-	3,050	3,050
2.3 Political Competition and Consensus-Building	-	-	3,400	3,400
2.4 Civil Society	-	-	1,945	1,945
International Narcotics Control and Law Enforcement	**-**	**-**	**2,823**	**2,823**
2.1 Rule of Law and Human Rights	-	-	2,823	2,823
3 Investing in People	**3,264**	**1,280**	**1,280**	**-**
Assistance for Europe, Eurasia and Central Asia	**3,264**	**1,280**	**-**	**-1,280**
3.1 Health	814	-	-	-
3.2 Education	2,450	1,280	-	-1,280
Economic Support Fund	**-**	**-**	**1,280**	**1,280**
3.2 Education	-	-	1,280	1,280
4 Economic Growth	**45,575**	**25,371**	**20,819**	**-4,552**
Assistance for Europe, Eurasia and Central Asia	**45,575**	**25,371**	**-**	**-25,371**
4.1 Macroeconomic Foundation for Growth	10,275	5,050	-	-5,050
4.2 Trade and Investment	2,000	150	-	-150
4.3 Financial Sector	1,491	-	-	-
4.4 Infrastructure	6,139	3,250	-	-3,250
4.5 Agriculture	2,520	1,520	-	-1,520
4.6 Private Sector Competitiveness	23,150	15,401	-	-15,401
Economic Support Fund	**-**	**-**	**20,819**	**20,819**
4.1 Macroeconomic Foundation for Growth	-	-	1,900	1,900
4.2 Trade and Investment	-	-	200	200
4.4 Infrastructure	-	-	2,000	2,000
4.6 Private Sector Competitiveness	-	-	16,719	16,719

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Kosovo	**85,428**	**67,450**	**57,668**	**-9,782**
1 Peace and Security	**14,487**	**18,535**	**15,151**	**-3,384**
1.2 Combating Weapons of Mass Destruction (WMD)	750	750	750	-
1.3 Stabilization Operations and Security Sector Reform	6,867	13,376	11,551	-1,825
1.5 Transnational Crime	870	-	-	-
1.6 Conflict Mitigation and Reconciliation	6,000	4,409	2,850	-1,559
2 Governing Justly and Democratically	**22,102**	**22,264**	**20,418**	**-1,846**
2.1 Rule of Law and Human Rights	9,944	12,019	12,023	4
2.2 Good Governance	5,980	7,550	3,050	-4,500
2.3 Political Competition and Consensus-Building	2,772	1,000	3,400	2,400
2.4 Civil Society	3,406	1,695	1,945	250
3 Investing in People	**3,264**	**1,280**	**1,280**	**-**
3.1 Health	814	-	-	-
3.2 Education	2,450	1,280	1,280	-
4 Economic Growth	**45,575**	**25,371**	**20,819**	**-4,552**
4.1 Macroeconomic Foundation for Growth	10,275	5,050	1,900	-3,150
4.2 Trade and Investment	2,000	150	200	50
4.3 Financial Sector	1,491	-	-	-
4.4 Infrastructure	6,139	3,250	2,000	-1,250
4.5 Agriculture	2,520	1,520	-	-1,520
4.6 Private Sector Competitiveness	23,150	15,401	16,719	1,318
of which: Objective 6	**6,252**	**5,443**	**6,413**	**970**
6.1 Program Design and Learning	590	320	1,270	950
6.2 Administration and Oversight	5,662	5,123	5,143	20

Peace and Security

Significant progress has occurred in building the capacity of Kosovo's justice, law enforcement, and security bodies as a result of targeted U.S. bilateral programs and assistance from the European Union's Rule of Law Mission (EULEX). The North Atlantic Treaty Organization's (NATO) Kosovo Force (KFOR) continues its crucial presence, likely remaining at current levels for the near term to help maintain a safe and secure environment. The Kosovo Security Force (KSF) has steadily advanced its competencies and could reach full operational capacity in 2012. Nevertheless, support for peace, security, and stability remain a high assistance priority. The Government of Kosovo (GOK) still lacks capacity in critical security and law enforcement functions and continues to need international assistance to combat endemic corruption and ensure stability. The GOK is working to integrate its minority population, particularly the Kosovo Serb community, into the country's democratic institutions and society. These tasks face additional challenges in northern Kosovo, where the potential for violence is a continual threat. Organized

crime, in tandem with the parallel governing structures that Serbia supports, counteract the GOK's efforts to assert authority over the area and negatively impacts security. Kosovo therefore needs continued U.S. assistance to help maintain a safe and secure environment and administer justice. U.S. assistance also reduces the risk of proliferation of weapons of mass destruction and conventional weapons by building the capacity of Kosovo's border forces and helping to establish an effective export control system.

Economic Support Fund (ESF): Kosovo Serbs are vulnerable to organized crime and illegal Serbian parallel structures. U.S. assistance will focus on Kosovo Serb communities south of the Ibar River to create avenues of cooperation and connections between these communities and the GOK. Specifically, activities will focus on protecting Serbian language and cultural rights, grassroots community engagement, improving local governance, business development, and job creation and training.

Foreign Military Financing (FMF): FMF funding for Kosovo supports the KSF, an emergency response and civil protection force subordinated to the Ministry for the KSF. FMF assistance has been a critical resource for the KSF to meet its equipment requirements since it attained initial operating capacity in 2009. Currently, the United States is the largest donor supporting the KSF, along with other NATO states. FMF funding at the request level will allow the United States to continue to provide equipment to help the KSF attain full operating capacity in its core areas of responsibility: emergency response, search and rescue, explosive ordnance disposal, handling of hazardous materials, firefighting, and civil defense.

International Military Education and Training (IMET): The KSF lacks a fully developed professional education program for its officers. IMET funding will provide technical advisers, English language instruction, and training that focuses on the professional development of the officer and noncommissioned officer corps. This assistance will move the KSF toward the goal of becoming a force that is interoperable with the United States and NATO.

International Narcotics Control and Law Enforcement (INCLE): U.S. assistance supports the development of Kosovo's justice, law enforcement, and security actors, enabling the international community to continue to reduce its presence in these areas as Kosovo institutions work toward assuming full responsibility. The United States will also maintain a contingent in EULEX.

Nonproliferation, Anti-Terrorism, Demining and Related Activities (NADR): The Export Control and Related Border Security Assistance Program will continue to develop the capacity of Kosovo's border forces to interdict trafficking of illicit items of proliferation concern, as well as other contraband, and establish a functioning export control system.

Governing Justly and Democratically

Since its independence, Kosovo has gradually adopted a sound structure of governance, with a body of laws that provide for improved citizen participation, free media, checks and balances among the branches of government, the empowerment of municipal administrations, and an independent justice system. However, the GOK needs to develop the basic capacities required to implement this body of law and govern in an accountable, transparent, and effective manner. Additionally, corruption and a lack of political will are continuing to hinder Kosovo's further democratic development. With the support of U.S. assistance, Kosovo's governance and rule of law institutions are beginning to see progress.

Economic Support Fund (ESF): U.S. assistance is targeted at various areas within the central and local governments, and other democratic institutions, to help build capacity by promoting and instilling respect for the rule of law, particularly as it affects access to justice, public service delivery, commercial transactions, enforcement of judgments, and property rights. Assistance will specifically target Kosovo Serb-majority municipalities to help them establish effective local government administration and create

more opportunities for Kosovo Serbs. Similarly, minority media institutions will receive support designed to increase their professionalism and sustainability. U.S. assistance programs will also support the adoption of democratic best practices among elected officials, improve the effectiveness of the Kosovo Assembly in legislation and oversight, and continue to support the Office of the President. Providing support to civil society actors will be an integral element of U.S. assistance in this area. Small grants will support the development of local non-governmental organizations and help prepare them to engage more actively in civil society and to assume a watchdog function.

International Narcotics Control and Law Enforcement (INCLE): Planned activities will include improving the delivery of justice, increasing the demand and respect for the rule of law, and supporting an independent and accountable justice system. U.S. assistance will build the capacity of prosecutors, law enforcement professionals, and judicial institutions, and assist in reforming criminal procedure and related legislation with a view to making the justice system more accountable and accessible to the citizens of Kosovo. Assistance will also focus on protecting the rights of victims of crime and enable their participation in investigations and judicial proceedings.

Investing in People

An essential element of a functioning democracy is an engaged and informed citizenry that holds government actors accountable. Strides in economic development require a trained and educated workforce.

Economic Support Fund (ESF): U.S. assistance under this objective will continue support for higher education. Planned activities will strengthen local universities through curriculum revision, resource and library collections development, and professional and educational exchanges. Educational advising and testing centers will promote U.S. institutions of higher learning among Kosovo's youth. Exchange programs will continue to build linkages between U.S. and Kosovo faculty and students.

Economic Growth

Kosovo remains one of the poorest countries in Europe. Unemployment is over 40 percent, and about 30,000 new youth entrants join the labor market each year. The poverty rate is approximately 45 percent, and exports relative to gross domestic product are only 7 percent. The main challenges of Kosovo's economy are a lack of reliable electricity, limited access to adequate credit, poor infrastructure, an undertrained workforce, and the absence of a business environment that is conducive to substantial private sector growth. Major economic reforms are needed to facilitate private sector-led growth, create jobs, improve incomes, and ensure fiscal stability. Kosovo needs long-term, sustainable economic opportunities that only the private sector can create. The business environment needs the support of clear and consistently enforced rules, while investors' confidence and protection must be strengthened. Budget discipline and more effective revenue generation are necessary to maintain fiscal stability.

Economic Support Fund (ESF): U.S. assistance will focus on improving economic growth and reducing unemployment in Kosovo. Programs will strengthen the GOK's commitment and ability to create the conditions for a functioning, open market; increase competitiveness by strengthening the private sector; support employment generation; improve the image of Kosovo for investment; and create a more secure and stable environment for business. Programs will also work to increase the transparency and predictability of Kosovo's business regulations. Specifically, U.S. assistance will provide support and advice to GOK ministries and private sector entities on business reforms and macroeconomic policy; help targeted sectors, including agriculture and energy, to become more productive and competitive in domestic and international markets; increase private sector access to financial capital; and improve Kosovo's investment climate. Working in partnership with the GOK, these programs will help Kosovo maintain a healthy economic growth rate, reduce unemployment, and ensure long-term macro-fiscal sustainability.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The U.S. Embassy regularly conducts Mission-wide and agency-specific reviews to evaluate programmatic and financial performance. The Department of Justice conducted an evaluation of the Police Inspectorate of Kosovo (PIK) during and after investigations and inspections to assess training needs and performance. Additionally, the Department of State and USAID conducted a financial sector gap analysis to inform decisions about future programming for economic growth. USAID also conducted performance evaluations on its Kosovo Private Enterprise Program (KPEP) as well as its Systems for Enforcing Agreements and Decisions (SEAD) Program.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The U.S. Embassy drew important conclusions and made targeted actions based on the evaluation efforts noted above:

- The evaluations of the PIK influenced the type of assistance, advice, and training being provided to the PIK senior management, and to the Minister of Internal Affairs, which led to personnel changes and improved performance.
- The financial sector gap analysis reinforced the need to focus assistance towards creating the conditions for robust private sector-led growth.
- USAID's main objective of these two mid-term performance evaluations was to provide an assessment of the effectiveness and strengths and weaknesses of both programs. This included a review of the current and planned activities for its KPEP and SEAD programs to determine what impacts they have had to date and to identify possible adjustments to enhance outcomes.

Relating Past Performance to FY 2013 Plans: Funding at the proposed FY 2013 levels will allow continued support for U.S. priorities, such as promoting private sector-led economic growth, strengthening the rule of law, ensuring Kosovo remains the home of all its diverse peoples, building solid, democratic government institutions, and accelerating Kosovo's European and Euro-Atlantic integration. All programs noted above – in peace and security, governance, rule of law, and economic development – will directly and positively impact these priorities. The requested funding was informed by the information obtained in all of the monitoring and evaluation activities described above.

Latvia

Foreign Assistance Program Overview

Latvia is a strong and reliable transatlantic partner in advancing peace, stability, and democracy in Europe and beyond, and plays a key role in coalition operations, providing substantial diplomatic and military support. Latvia is a valued member of the North Atlantic Treaty Organization (NATO) and continues to support the International Security Assistance Force (ISAF) mission in Afghanistan through the contribution of approximately 200 troops, including a Provincial Reconstruction Team (PRT) and special operations forces. This assistance is essential to the professional development and adequate provisioning and equipping of the Latvian National Armed Forces (LNAF) in order to deploy and operate effectively with U.S. and NATO forces in Afghanistan. U.S. assistance to Latvia sustains and expands a strong partnership, supports Latvia's commitment to ongoing activities in Afghanistan, and supports the development of niche capabilities required by NATO.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**3,929**	**3,400**	**3,400**	**-**
Foreign Military Financing	2,794	2,250	2,250	-
International Military Education and Training	1,135	1,150	1,150	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Latvia	**3,929**	**3,400**	**3,400**	**-**
1 Peace and Security	**3,929**	**3,400**	**3,400**	**-**
Foreign Military Financing	**2,794**	**2,250**	**2,250**	**-**
1.3 Stabilization Operations and Security Sector Reform	2,794	2,250	2,250	-
International Military Education and Training	**1,135**	**1,150**	**1,150**	**-**
1.3 Stabilization Operations and Security Sector Reform	1,135	1,150	1,150	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Latvia	**3,929**	**3,400**	**3,400**	**-**
1 Peace and Security	**3,929**	**3,400**	**3,400**	**-**
1.3 Stabilization Operations and Security Sector Reform	3,929	3,400	3,400	-

Peace and Security

The priority for U.S. assistance to Latvia is to support the professional development and modernization of the LNAF and Ministry of Defense, and ensure interoperability with NATO and U.S. forces. In FY 2013, U.S. training will help the LNAF to continue professionalizing its ranks and acquire needed equipment for coalition deployments. These programs will be implemented through the U.S. Department of Defense.

Foreign Military Financing (FMF): FMF assistance will focus on acquiring the equipment needed to support deployment operations while improving the quality of pre-deployment training and operations. FMF acquisitions will directly contribute to Latvia's ability to deploy troops successfully to Afghanistan. Equipment procurements will include night vision devices, weapons optics, communications equipment, equipment for the Joint Terminal Attack Controllers (JTAC) program, and equipment for the explosive ordnance disposal unit.

International Military Education and Training (IMET): IMET will continue to provide professional military training, with an emphasis on professional development courses for noncommissioned officers and junior officers. Training will include leadership, staff planning, and specialty skill training, along with advanced officer training in niche specialties.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In Latvia, the U.S. Government conducts performance evaluations based on the indicator targets established each fiscal year, along with feedback from personnel receiving professional military education, technical, and related training. The U.S. Embassy's Office of Defense Cooperation (ODC) has been assisting the LNAF with the development of its JTAC program. In FY 2011, the program made significant progress. After a rigorous inspection process by U.S. inspectors, the Latvian JTAC program was recognized as a certified program. Latvia was also recognized by the Commander of ISAF as one of only six other Allied countries authorized to employ U.S. close air support in Afghanistan. Additionally, the Latvians have been approached by other NATO partners for assistance with their JTAC programs and should become a provider of security assistance for JTAC development in FY 2012.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Based on the success of FMF assistance, FY 2013 funding will continue to provide vital equipment for deployment. The portion of IMET funding for English language training was shifted to developing tactical and technical skills of junior officers for expeditionary operations.

In 2011, the LNAF completed a long-term capabilities development strategy that addresses capabilities to support homeland defense, expeditionary support to NATO, and military assistance to civil authorities. With this strategy, the ODC will be able to develop a more focused and coordinated three- to five-year engagement strategy. The ODC will work with the LNAF's prioritized capabilities list to develop strategies that incorporate all aspects of U.S. security assistance, including FMF and IMET funding.

Relating Past Performance to FY 2013 Plans: FMF and IMET funding continues to increase Latvia's defense capabilities and to support troop deployments. The FY 2013 request for FMF and IMET funding will support the provision of training and communications equipment, personal protective equipment, optics, vehicles, and other equipment to Latvia's defense forces, resulting in an increased capability of Latvia to deploy its troops in support of international coalition operations. This includes the further development of a JTAC capability requiring specialized equipment procurement.

Lithuania

Foreign Assistance Program Overview

Lithuania is assuming a heightened role in international efforts to achieve security and stability in the world. U.S. military assistance produces tangible benefits for the Lithuanian military by helping to shape a Lithuanian Armed Forces (LAF) which has deployed troops alongside U.S. and coalition forces in Afghanistan, Iraq, and the Balkans. Lithuania remains staunchly committed to coalition operations in Afghanistan, where it leads a Provincial Reconstruction Team (PRT) in Ghor Province (the 14th Lithuania-led PRT deployed in November 2011), and deploys its Special Operations Forces in the south. Both contingents are serving successfully and without caveats. Lithuania also deploys a Police Operational Mentoring and Liaison Team, augmented by members of the Pennsylvania National Guard (their state partner) and in 2011 deployed an Air Mentoring Team. Simultaneously, Lithuania continues to transform its own forces, including the transition to an all-volunteer force. U.S. assistance in this transformation enhances regional stability and helps the LAF provide an example of a modern, Western-oriented force that serves as a model for other post-Soviet states in their efforts to transform their own forces.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**4,137**	**3,675**	**3,650**	**-25**
Foreign Military Financing	2,994	2,550	2,550	-
International Military Education and Training	1,143	1,125	1,100	-25

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Lithuania	**4,137**	**3,675**	**3,650**	**-25**
1 Peace and Security	**4,137**	**3,675**	**3,650**	**-25**
Foreign Military Financing	**2,994**	**2,550**	**2,550**	**-**
1.3 Stabilization Operations and Security Sector Reform	2,994	2,550	2,550	-
International Military Education and Training	**1,143**	**1,125**	**1,100**	**-25**
1.3 Stabilization Operations and Security Sector Reform	1,143	1,125	1,100	-25

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Lithuania	**4,137**	**3,675**	**3,650**	**-25**
1 Peace and Security	**4,137**	**3,675**	**3,650**	**-25**
1.3 Stabilization Operations and Security Sector Reform	4,137	3,675	3,650	-25

Peace and Security

U.S. assistance will provide military equipment and training to support the transformation of the Lithuanian military, ensure its interoperability with North Atlantic Treaty Organization (NATO) forces, and maintain Lithuania's continued active participation in international peacekeeping missions as well as in other U.S. and NATO stability operations. This transformation will allow Lithuania to coordinate, deploy, and sustain capable, flexible, and interoperable formations within NATO structures to respond to changing security conditions. These programs will be implemented through the U.S. Department of Defense.

Foreign Military Financing (FMF): FMF resources will augment the professionalized LAF's already substantial contributions to stabilization operations in Afghanistan. FMF will help improve the LAF's ability to interoperate with U.S. and NATO partners and strengthen its capability to deploy and to sustain its forces on operations. Further, U.S. assistance will support the LAF's efforts to build multi-functional and network-capable forces. The end result will be a force more capable of meeting its national security objectives and international military commitments, especially those tied to NATO operational plans. Funds will also be used to acquire night vision equipment, communications equipment, unmanned aerial systems, and vehicle spare and replacement parts.

International Military Education and Training (IMET): The United States will continue to provide professional military training for noncommissioned officers and junior officers, and English language training, primarily for instructors. Lithuania continues to take full advantage of IMET, with a significant return on investment as individuals trained through IMET funding return to take key leadership positions and prove critical to Lithuania's continued transformation and modernization. Lithuania highly values IMET and uses national funds for travel to allow increased opportunities to study in the United States, especially for the mid- to senior-grade schools, which Lithuania relies on for professionalization.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The approach to planning FMF and IMET programs for Lithuania is based on the performance of the previous year. Successful programming is built on to maximize the effectiveness of the FMF and IMET funding, which directly supports U.S. strategic goals in Afghanistan and strengthens NATO capabilities. Due to the small size of Lithuania's military, changes and improvements are easily observed.

Past IMET graduates are monitored to ensure they are being properly utilized. Since the beginning of the program, 84 Lithuanians have attended senior- and mid-level professional military education courses in the United States, including 6 who will graduate this year. Currently, 89 percent of those individuals are still actively serving. Six of eight Lithuanian General Officers are U.S. Military school graduates, including the current Chief of Defense. Eight of Lithuania's thirty-five Sergeants Major and Command Sergeants Major have attended the U.S. Army Sergeants Major Academy. Since 1992, 759 soldiers, noncommissioned officers and officers have attended over 1,000 different courses.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: With the support of U.S. assistance, the Lithuanian Simulation Center (STC) staff continues to advance their knowledge of the Joint Conflict and Tactical Simulation system. At the STC, the success of U.S. advice and training has resulted in the transition of three Lithuanian personnel into positions previously held by U.S. advisors. Based on the current training plan and the STC staff's performance, it is projected that the number of U.S. resident advisors will be reduced from four to two by the end of 2012. Likewise, the number of computer-assisted exercises has increased, with these events serving as the key pre-deployment certification event for Lithuania's PRT leadership and staff personnel.

Relating Past Performance to FY 2013 Plans: Based on this experience, modest U.S. assistance to Lithuania in FY 2013 will provide a significant return on investment by maintaining strong political support as well as the capability to support coalition operations.

Macedonia

Foreign Assistance Program Overview

The United States' overarching foreign assistance goal in Macedonia is to support progress toward a sustainable, stable, multiethnic, and democratic Macedonia that is fully integrated in European and Euro-Atlantic structures and contributes to the stability of the western Balkans. Sector-specific foreign assistance goals include strengthening Macedonian law enforcement and military organizations; addressing corruption; improving the checks and balances in democratic processes; improving the performance and independence of the judiciary; building the capacity of civil society organizations and independent media to contribute to public policy-making and debate and improving the environment in which they work; and increasing business growth, investment, and exports.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**28,203**	**19,070**	**16,445**	**-2,625**
Assistance for Europe, Eurasia and Central Asia	22,650	14,000	-	-14,000
Economic Support Fund	-	-	9,812	9,812
Foreign Military Financing	3,992	3,600	3,600	-
International Military Education and Training	1,041	950	900	-50
International Narcotics Control and Law Enforcement	-	-	1,663	1,663
Nonproliferation, Antiterrorism, Demining and Related Programs	520	520	470	-50

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Macedonia	**28,203**	**19,070**	**16,445**	**-2,625**
1 Peace and Security	**7,153**	**6,010**	**5,933**	**-77**
Assistance for Europe, Eurasia and Central Asia	**1,600**	**940**	**-**	**-940**
1.3 Stabilization Operations and Security Sector Reform	1,600	940	-	-940
Foreign Military Financing	**3,992**	**3,600**	**3,600**	**-**
1.3 Stabilization Operations and Security Sector Reform	3,992	3,600	3,600	-
International Military Education and Training	**1,041**	**950**	**900**	**-50**
1.3 Stabilization Operations and Security Sector Reform	1,041	950	900	-50
International Narcotics Control and Law Enforcement	**-**	**-**	**963**	**963**
1.3 Stabilization Operations and Security Sector Reform	-	-	963	963
Nonproliferation, Antiterrorism, Demining and Related Programs	**520**	**520**	**470**	**-50**
1.2 Combating Weapons of Mass Destruction (WMD)	520	520	470	-50

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
2 Governing Justly and Democratically	**10,603**	**6,670**	**6,459**	**-211**
Assistance for Europe, Eurasia and Central Asia	**10,603**	**6,670**	**-**	**-6,670**
2.1 Rule of Law and Human Rights	4,410	1,965	-	-1,965
2.2 Good Governance	1,020	445	-	-445
2.4 Civil Society	5,173	4,260	-	-4,260
Economic Support Fund	**-**	**-**	**5,759**	**5,759**
2.1 Rule of Law and Human Rights	-	-	2,083	2,083
2.2 Good Governance	-	-	310	310
2.4 Civil Society	-	-	3,366	3,366
International Narcotics Control and Law Enforcement	**-**	**-**	**700**	**700**
2.1 Rule of Law and Human Rights	-	-	700	700
3 Investing in People	**2,100**	**100**	**-**	**-100**
Assistance for Europe, Eurasia and Central Asia	**2,100**	**100**	**-**	**-100**
3.2 Education	2,100	100	-	-100
4 Economic Growth	**8,347**	**6,290**	**4,053**	**-2,237**
Assistance for Europe, Eurasia and Central Asia	**8,347**	**6,290**	**-**	**-6,290**
4.4 Infrastructure	1,265	408	-	-408
4.6 Private Sector Competitiveness	5,692	4,356	-	-4,356
4.7 Economic Opportunity	1,390	1,526	-	-1,526
Economic Support Fund	**-**	**-**	**4,053**	**4,053**
4.4 Infrastructure	-	-	320	320
4.6 Private Sector Competitiveness	-	-	3,733	3,733

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Macedonia	**28,203**	**19,070**	**16,445**	**-2,625**
1 Peace and Security	**7,153**	**6,010**	**5,933**	**-77**
1.2 Combating Weapons of Mass Destruction (WMD)	520	520	470	-50
1.3 Stabilization Operations and Security Sector Reform	6,633	5,490	5,463	-27
2 Governing Justly and Democratically	**10,603**	**6,670**	**6,459**	**-211**
2.1 Rule of Law and Human Rights	4,410	1,965	2,783	818
2.2 Good Governance	1,020	445	310	-135
2.4 Civil Society	5,173	4,260	3,366	-894
3 Investing in People	**2,100**	**100**	**-**	**-100**
3.2 Education	2,100	100	-	-100
4 Economic Growth	**8,347**	**6,290**	**4,053**	**-2,237**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.4 Infrastructure	1,265	408	320	-88
4.6 Private Sector Competitiveness	5,692	4,356	3,733	-623
4.7 Economic Opportunity	1,390	1,526	-	-1,526
of which: Objective 6	**2,477**	**2,154**	**2,545**	**391**
6.1 Program Design and Learning	386	350	270	-80
6.2 Administration and Oversight	2,091	1,804	2,275	471

Peace and Security

U.S. assistance seeks to ensure that Macedonia, as a global security partner, has a modern military in line with North Atlantic Treaty Organization (NATO) standards and is able to contribute effectively to international missions. Programs also are designed to help build the capacity of law enforcement agencies to combat transnational crime, control the country's borders, and address the threat of terrorism and the proliferation of weapons of mass destruction (WMD).

Foreign Military Financing (FMF): Through FMF assistance, the United States supports Macedonia's progress toward NATO integration, enhances its contribution to regional security, and improves the country's ability to support international missions. To that end, FMF assistance provides Macedonia with the proper equipment to sustain a high degree of interoperability with its allies. U.S. assistance will provide training and equipment, including support for Macedonia's goals of achieving the following capabilities: building an improvised explosive device jamming capability for deployed units by 2014; building a medium infantry battalion capable of conducting combat and peace support missions in NATO operations abroad by 2014; building a NATO-compatible logistics system across the entire Army of the Republic of Macedonia capable of conducting logistics operations effectively and efficiently by 2014; and building a rotary wing capability for transport/utility helicopters able to operate in all modes of flight in a deployed location by 2014.

International Military Education and Training (IMET): IMET funds continue to be critical to enhancing the capacity and interoperability of Macedonia's armed forces. IMET training helps ensure that Macedonia maintains a professional military capable of deploying and interacting with allies as part of global security operations. At the request level, planned activities will include professional military education courses for senior, mid-level, and noncommissioned officers, as well as training in niche capabilities to enhance Macedonian contributions to coalition operations.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): Funding for the Export Control and Related Border Security Assistance Program will help Macedonia reduce its vulnerability to terrorism and improve its capacity to control and interdict WMD components. Funding at the request level will assist Macedonia in meeting international obligations concerning arms control, nonproliferation, a functioning export control system, and WMD terrorism. Training courses, combined with surveillance, inspection, and detection equipment, will enhance Macedonia's capacity to interdict illicit trafficking in WMD-related materials and dual-use items.

International Narcotics Control and Law Enforcement (INCLE): State Department programs will focus on developing the capacity of the police to combat effectively both domestic and transnational crime in the context of major reforms of the criminal justice system and the decentralization of police authority to local levels. Planned activities will include training and equipment for police agencies in fighting organized

crime and corruption and assistance to the Ministry of Interior in developing an effective, merit-based personnel system for police.

Governing Justly and Democratically

The United States seeks to advance the rule of law, promote good governance, encourage the engagement of civil society in public policy-making, promote stability and interethnic integration, and support the media as sources of independent and objective information.

Economic Support Fund (ESF): U.S. assistance is critical to strengthen Macedonia's governance and delivery of justice through programming that addresses the following five areas: (1) the ability of courts to operate in a transparent, effective, accountable, and independent manner and to meet the need of the citizens for timely and fair adjudication of their legal disputes; (2) the ability of local civil society organizations to monitor, advocate, and represent citizens' interests in the democratic process, including judicial reform; (3) an improved enabling environment for journalists to report freely and objectively to better represent the interests of the media sector; (4) the promotion of ethnic integration and its vital importance for the future stability of Macedonia; and (5) the ability of Parliament to conduct oversight and exercise its right to draft legislation with active citizen participation.

International Narcotics Control and Law Enforcement (INCLE): U.S. programs will advance the ability of judges, prosecutors, and defense attorneys to perform their duties in an independent, professional, and legally consistent manner. U.S. assistance will also support the implementation of criminal procedure and substantive law reform, as well as the effective application of international standards on fair trial and human rights standards.

Economic Growth

The United States seeks to promote broad-based economic growth in Macedonia by improving the business environment and strengthening key private sector capacities.

Economic Support Fund (ESF): U.S. programs will support Macedonia's economic development by providing skills-training to increase workforce competitiveness and enhance productivity in the private sector; technical assistance on reducing burdensome regulations, with the goal of increasing the attractiveness of Macedonia's economy to foreign investment; and by ensuring that regulatory rules and enforcement meet European Union standards. Additionally, U.S. programs will work to increase the understanding of the energy reform process and the role of energy-efficient interventions, and help build the capacity of the institutions to develop and implement energy policies. USAID will also work to support a lower-emissions development pathway for Macedonia.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Several monitoring and evaluation efforts were undertaken during FY 2011 in Macedonia. In FY 2011, the Department of State led an interagency phase-out review of development assistance in Macedonia. The review committee researched the current state of Macedonia's political, social, economic, and security development. Findings highlighted Macedonia's backsliding on democratic reforms and slow progress on economic reforms. The review committee noted insufficient progress in these areas to justify a phasing-out from U.S. development assistance at this time. Additionally, the Department of State conducted a rule of law assessment of Macedonia's criminal justice sector in March 2011. The key assessment findings focused on the implementation of the Criminal Procedure Code (CPC), which will enhance due process protections and the neutrality of judges. The assessment recommended that the Department address CPC implementation within rule of law

programming, involving police, prosecutors, judges, the defense bar, and the media. At the end of FY 2011, USAID conducted its annual Democracy and Governance (DG) Survey as part of its monitoring activities in the DG sector. Despite a general acceptance of democratic values by Macedonian citizens, the survey results indicated the following: a very low level of political participation on the national and local levels beyond elections; citizens' disempowerment to influence policy decisions; low trust in governmental institutions; a perception of a widespread corruption; political influence in the judiciary; declining media freedom; and a lack of civic activism. In June 2011, USAID adopted a new Monitoring and Evaluation Mission Order that provided guidance for conducting high-quality performance and impact evaluations to be executed in coming years. As a result, USAID has planned three performance and impact evaluations of major activities in the economic growth and DG sectors in FY 2012 and 2013.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The U.S. Embassy was able to draw important conclusions, and take targeted actions, based on the evaluation efforts noted above. In FY 2013, the Mission will focus on strengthening the judiciary, parliament, civil society, and the media – areas where greater impact is anticipated. As a result of the Department of State's rule of law assessment, the Department launched new projects to promote public awareness of legal rights, including those under the CPC, and to prepare the police, defense bar, prosecutors, and judiciary for CPC implementation.

Relating Past Performance to FY 2013 Plans: USAID will launch a number of new activities in FY 2012 that will continue into FY 2013. USAID reviewed the performance of current and former activities, as well as the performance of host country institutions, to inform the design of these new activities. These critical new projects will focus on building the capacity of the media, civil society, and the parliament to strengthen their involvement in the political decision-making processes and as a balance to the power of the executive branch of government.

Malta

Foreign Assistance Program Overview

Malta's location at the crossroads of key Mediterranean transport lanes makes it an important partner of the United States in addressing regional security concerns. Malta enhanced its North Atlantic Treaty Organization (NATO) cooperation by rejoining the Partnership for Peace in March 2008. U.S assistance is intended to improve the effectiveness of Malta's efforts to combat transnational threats through training that enhances the interoperability of its forces with NATO and improves their maritime interdiction capabilities.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**552**	**150**	**150**	**-**
Foreign Military Financing	399	-	-	-
International Military Education and Training	153	150	150	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Malta	**552**	**150**	**150**	**-**
1 Peace and Security	**552**	**150**	**150**	**-**
Foreign Military Financing	**399**	**-**	**-**	**-**
1.3 Stabilization Operations and Security Sector Reform	399	-	-	-
International Military Education and Training	**153**	**150**	**150**	**-**
1.3 Stabilization Operations and Security Sector Reform	153	150	150	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Malta	**552**	**150**	**150**	**-**
1 Peace and Security	**552**	**150**	**150**	**-**
1.3 Stabilization Operations and Security Sector Reform	552	150	150	-

Peace and Security

U.S. assistance will provide training to help professionalize Malta's officer and enlisted corps, as well as providing maritime interdiction training, since Malta is strategically located in the midst of illicit trafficking routes. Funding will provide Maltese participants with access to the U.S. military training system, promote defense reform and modernization of the military, and foster a stronger military-to-military

relationship between the United States and Malta. Assistance programs will be implemented by the U.S. Department of Defense.

International Military Education and Training (IMET): The objective of IMET training in Malta is to increase the overall interoperability of the Armed Forces of Malta (AFM) with NATO and to improve its maritime interdiction capabilities, which are essential to combat illicit trafficking and other transnational threats in the Mediterranean. IMET funds will continue to improve the capabilities of Malta's forces, as well as enabling overseas operations and encouraging equipment sustainment.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Malta's returning IMET graduates have in every case assumed key leadership positions in the AFM. In addition, U.S. aid to Malta's Maritime Safety and Security Training Center has a highly leveraged effect. The Center draws many of its students from countries where the effectiveness, standards, and professionalism of the armed forces are of substantial interest to the Unites States. These include nations from the Balkans, the Black Sea region, Equatorial and Sub-Saharan Africa, and the Middle East. U.S. assistance is thus multiplied in its effect and reaches into areas where terrorism, drug trafficking, and proliferation can be disrupted during their conception.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: IMET funds will continue to improve the capabilities of Malta's maritime forces, with a particular focus on enabling overseas operations and encouraging equipment sustainment. A primary achievement related to this training was the deployment of a Maltese counter-terrorist detail to the European Union's (EU) Operation Atalanta anti-piracy mission. Training also enhanced the capability of the AFM to continue to carry out other missions potentially related to counter-terrorism, including anti-smuggling and border security patrols.

Relating Past Performance to FY 2013 Plans: The recent increase in AFM participation in multilateral counter-piracy and peacekeeping operations through the context of the EU and the United Nations indicates that the United States has provided appropriate skill sets to the AFM through IMET and that the program should continue.

Moldova

Foreign Assistance Program Overview

The overarching goals of U.S. assistance to Moldova are to help it strengthen its democratic institutions and processes, instill rule of law, increase prosperity, secure its recognized borders, and become a full partner in the Euro-Atlantic community. Moldova presents significant development challenges, but the country's continued reform-oriented trajectory has created an historic opportunity for U.S. assistance to have a profound impact. FY 2013 assistance will enable the United States to continue to play a central role within the donor community in supporting a pro-Western, pro-reform government to help Moldova become a fully democratic and prosperous state, firmly anchored to Europe. If these objectives are realized, Moldova would serve as a model for its neighbors, spurring reforms in the wider region. U.S. programs are targeted to improve governance, increase transparency and accountability, and strengthen the rule of law, while continuing to strengthen civic actors working to facilitate informed citizen participation. Assistance aimed at promoting economic growth will work to increase employment and incomes, improve the business environment, and reduce corruption. Programming to advance democracy and economic growth will continue to be extended, where feasible, into Transnistria, to increase ties with the breakaway region, take advantage of a possible thaw following a late 2011 change in leadership, and underscore U.S. commitment to peaceful reintegration. In addition, U.S. assistance to Moldovan law enforcement will build capacity and help officials better prevent, investigate, and prosecute illicit cross-border activities. To the extent possible, U.S. assistance programs will seek to enact reforms necessary for Moldova's integration with the European Union (EU).

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**22,295**	**23,400**	**19,680**	**-3,720**
Assistance for Europe, Eurasia and Central Asia	19,500	21,000	-	-21,000
Economic Support Fund	-	-	14,050	14,050
Foreign Military Financing	1,497	1,250	1,250	-
International Military Education and Training	898	750	750	-
International Narcotics Control and Law Enforcement	-	-	3,230	3,230
Nonproliferation, Antiterrorism, Demining and Related Programs	400	400	400	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Moldova	**22,295**	**23,400**	**19,680**	**-3,720**
1 Peace and Security	**4,440**	**3,937**	**4,062**	**125**
Assistance for Europe, Eurasia and Central Asia	**1,645**	**1,537**	**-**	**-1,537**
1.3 Stabilization Operations and Security Sector Reform	1,186	1,191	-	-1,191
1.5 Transnational Crime	459	346	-	-346

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Foreign Military Financing	**1,497**	**1,250**	**1,250**	**-**
1.3 Stabilization Operations and Security Sector Reform	1,497	1,250	1,250	-
International Military Education and Training	**898**	**750**	**750**	**-**
1.3 Stabilization Operations and Security Sector Reform	898	750	750	-
International Narcotics Control and Law Enforcement	**-**	**-**	**1,662**	**1,662**
1.3 Stabilization Operations and Security Sector Reform	-	-	1,312	1,312
1.5 Transnational Crime	-	-	350	350
Nonproliferation, Antiterrorism, Demining and Related Programs	**400**	**400**	**400**	**-**
1.2 Combating Weapons of Mass Destruction (WMD)	400	400	400	-
2 Governing Justly and Democratically	**9,745**	**10,870**	**8,625**	**-2,245**
Assistance for Europe, Eurasia and Central Asia	**9,745**	**10,870**	**-**	**-10,870**
2.1 Rule of Law and Human Rights	3,115	4,153	-	-4,153
2.2 Good Governance	1,405	2,665	-	-2,665
2.3 Political Competition and Consensus-Building	2,433	3,047	-	-3,047
2.4 Civil Society	2,792	1,005	-	-1,005
Economic Support Fund	**-**	**-**	**7,057**	**7,057**
2.1 Rule of Law and Human Rights	-	-	2,377	2,377
2.2 Good Governance	-	-	2,077	2,077
2.3 Political Competition and Consensus-Building	-	-	1,603	1,603
2.4 Civil Society	-	-	1,000	1,000
International Narcotics Control and Law Enforcement	**-**	**-**	**1,568**	**1,568**
2.1 Rule of Law and Human Rights	-	-	1,568	1,568
4 Economic Growth	**7,360**	**7,893**	**6,793**	**-1,100**
Assistance for Europe, Eurasia and Central Asia	**7,360**	**7,893**	**-**	**-7,893**
4.2 Trade and Investment	100	100	-	-100
4.3 Financial Sector	200	400	-	-400
4.6 Private Sector Competitiveness	5,060	5,903	-	-5,903
4.7 Economic Opportunity	2,000	1,490	-	-1,490
Economic Support Fund	**-**	**-**	**6,793**	**6,793**
4.2 Trade and Investment	-	-	100	100
4.6 Private Sector Competitiveness	-	-	5,203	5,203
4.7 Economic Opportunity	-	-	1,490	1,490
5 Humanitarian Assistance	**750**	**700**	**200**	**-500**
Assistance for Europe, Eurasia and Central Asia	**750**	**700**	**-**	**-700**
5.1 Protection, Assistance and Solutions	750	700	-	-700
Economic Support Fund	**-**	**-**	**200**	**200**
5.1 Protection, Assistance and Solutions	-	-	200	200

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Moldova	**22,295**	**23,400**	**19,680**	**-3,720**
1 Peace and Security	**4,440**	**3,937**	**4,062**	**125**
1.2 Combating Weapons of Mass Destruction (WMD)	400	400	400	-
1.3 Stabilization Operations and Security Sector Reform	3,581	3,191	3,312	121
1.5 Transnational Crime	459	346	350	4
2 Governing Justly and Democratically	**9,745**	**10,870**	**8,625**	**-2,245**
2.1 Rule of Law and Human Rights	3,115	4,153	3,945	-208
2.2 Good Governance	1,405	2,665	2,077	-588
2.3 Political Competition and Consensus-Building	2,433	3,047	1,603	-1,444
2.4 Civil Society	2,792	1,005	1,000	-5
4 Economic Growth	**7,360**	**7,893**	**6,793**	**-1,100**
4.2 Trade and Investment	100	100	100	-
4.3 Financial Sector	200	400	-	-400
4.6 Private Sector Competitiveness	5,060	5,903	5,203	-700
4.7 Economic Opportunity	2,000	1,490	1,490	-
5 Humanitarian Assistance	**750**	**700**	**200**	**-500**
5.1 Protection, Assistance and Solutions	750	700	200	-500
of which: Objective 6	**2,311**	**2,981**	**2,908**	**-73**
6.1 Program Design and Learning	278	500	502	2
6.2 Administration and Oversight	2,033	2,481	2,406	-75

Peace and Security

U.S. assistance will focus on helping Moldova to secure its borders, increase its interoperability with North Atlantic Treaty Organization (NATO) partners, and build the capacity of its law enforcement agencies to prevent, investigate, and prosecute illicit cross-border activities.

Foreign Military Financing (FMF): Funds will support Moldova's efforts to achieve its NATO Individual Partnership Action Plan objectives. Assistance will focus on the development and reform of Moldova's armed forces to promote interoperability with NATO and support participation in peacekeeping and coalition operations. FMF assistance will provide training and modest equipment purchases.

International Military Education and Training (IMET): Funds will support military reform through professional military education and technical training that improves interoperability in international operations with NATO. IMET also provides in-country and U.S.-based English language training. Through the Expanded IMET program, both military and civilian leaders will be trained on concepts ranging from international defense management to strategies for internal development.

International Narcotics Control and Law Enforcement (INCLE): Moldova's law enforcement suffers from a lack of public trust as well as the impact of low salaries, insufficient training and equipment, and widespread corruption. U.S. assistance will address these issues through continued support of law

enforcement reform by providing training and technical assistance. Funds will be used to increase the capacity of law enforcement to effectively conduct criminal investigations with an emphasis on forensics, as well as to combat transnational crime, particularly trafficking in persons and cybercrime.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): The Export Control and Related Border Security (EXBS) Program will provide much-needed support in assisting the Government of Moldova (GOM) to meet international standards for strategic trade controls. EXBS will offer training and equipment in these areas with the goal of strengthening border controls, building the capacity of enforcement agencies to interdict illicit proliferation activities, and increasing the general effectiveness of export controls. Moldova's enforcement capabilities are particularly limited in the separatist Transnistria region and will require increasing assistance to reduce the prevalence of smuggling and other illicit transfers and trafficking.

Governing Justly and Democratically

The United States will promote democratic principles, institutions, and processes by strengthening Moldovan civil society and government entities, increasing access to objective information, reducing corruption, and strengthening the rule of law and access to justice.

Economic Support Funds (ESF): The Department of State and USAID will use FY 2013 funding to support the GOM's democratic reform efforts, hastening its progress toward meeting EU norms by promoting more decentralized, participatory, and democratic governance. Programming will strengthen the professionalism and capacity of registered and unofficial civil society groups and media outlets in order to improve the ability of the country's civil society to link informed citizens and government. Assistance will help local authorities better meet the needs of citizens, increase energy efficiency and revenue collection, and provide better municipal services. Other programs will help political parties be more responsive to their constituents and promote free and fair electoral processes. U.S. assistance will aim to improve judicial administration and independence, further the professional development of judges and prosecutors, and support civil society advocacy and public awareness campaigns concerning justice sector reforms and legislation.

International Narcotics Control and Law Enforcement (INCLE): Assistance will be provided to address systemic weaknesses in the criminal justice system through training and technical assistance, which may include legislative drafting assistance; the professional development of judges, prosecutors, and defense lawyers; and improvements in prosecutorial and defense bar management and administration. Rule of law assistance will be aimed at enhancing judicial independence, skills, and knowledge; building the capacity of the defense bar and prosecutors, and thereby increasing citizen confidence in the institutions and professionals that draft, adjudicate, and enforce the law; and helping advance Moldova's European integration prospects.

Economic Growth

Sustainable economic development in Moldova depends on achieving economic reform and the cultivation of a stable and business-oriented middle class.

Economic Support Fund (ESF): U.S. assistance programs focus on encouraging economic reform, achieving broad-based economic growth through diversification of exports, and integration with European markets. Programs support the development of business and industry clusters and high-value chains, financial and investment intermediation, and enhancement of Moldova's business regulatory and tax framework. Priority FY 2013 funding will support the improvement of the business environment, competitiveness of the private sector, and the increased productivity of high-value industries such as

information and communication technology, wine, and furniture sectors, resulting in increased employment and economic opportunities.

Humanitarian Assistance

Due to budget constraints, Moldovan health and social welfare agencies struggle to meet the needs of the country's most vulnerable populations. Programs under this objective are designed to alleviate the suffering of these groups in remote areas of the country and prepare such communities to better cope with disasters. These programs also build relationships between Moldovan and U.S. citizens through the U.S. private voluntary organizations that deliver the assistance.

Economic Support Fund (ESF): U.S. assistance implemented by the Department of State will help the most vulnerable members of the population, including the elderly, disabled, orphans, children, the extremely poor, and the institutionalized. FY 2013 assistance will provide medical supplies and equipment, food, clothing, and health and emergency shelter items; meet community objectives; provide training for disaster prevention and response; execute small reconstruction projects; and provide water filters to schools that lack access to clean water.

Linkages with the Millennium Challenge Corporation

Moldova's Millennium Challenge Corporation Compact began its five-year implementation period in September 2010. The Compact supports a $262 million program targeted at reducing poverty through economic growth by improving the country's road network and supporting high-value agricultural production by improving irrigation infrastructure. By targeting specific areas related to the Compact, such as supporting the transition to high-value agriculture, establishing export-enabling quality assurance systems, and improving the transparency of Moldova's customs regulations, U.S. bilaterally-funded assistance will complement, support, and leverage Compact activities.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The U.S. Government carried out assessments of the democracy and rule of law sectors, together with external evaluations of USAID activities in private sector competitiveness and rule of law. An external evaluation of the USAID business enabling environment activity was conducted and informed the design of a follow-on project. A 2010 assessment of U.S. assistance to the Center for Combating Trafficking in Persons (CCTIP) was also conducted to determine how well law enforcement officials are handling human trafficking cases.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The evaluation of USAID's competitiveness activity pointed out that the activity's strongest contribution was in the area of improved public-private dialogue. It also revealed the need to further reinforce product quality and pricing in order to expand into new markets. To this end, USAID strengthened its private sector competitiveness activities in six emerging export industries, and is working to develop and strengthen industry clusters. The evaluation of USAID's rule of law program noted the importance of investing in strengthening the capacity of justice sector institutions. It also recognized the importance of the GOM's continued efforts to harmonize national laws with regional and international standards. A more robust rule of law program will better integrate legal reforms into Moldovan society. In the case of the U.S. Embassy's small grants activities, staff monitored these projects to ensure that they were implemented according to the established goals and guidelines.

Relating Past Performance to FY 2013 Plans: The largest program impact with FY 2013 funds will be in the area of economic growth, which has demonstrated important improvements in recent years. U.S. efforts

are expected to result in expanded markets for Moldovan products, as quality increases and pricing comes into line with the markets for those products. For example, for six emerging export market sectors, U.S. assistance will focus on increasing productivity, meeting established global standards, and assisting industries to move to higher levels in the value chain. U.S. assistance is helping high-value agricultural producers to increase their incomes by lowering production costs, increasing marketable output, and capturing better prices as they learn to adopt new production and post-harvest technologies and practices that allow them to better satisfy end-market demands. In 2012, a new business-enabling project will be launched that focuses on targeted improvements in the business regulatory, investment, and trade environments. The project will also strengthen public-private dialogue through the creation of a national communications strategy on the reform process.

Montenegro

Foreign Assistance Program Overview

U.S. assistance to Montenegro seeks to consolidate democratic institutions, contribute to stability in the Balkans, and advance its aspirations of Euro-Atlantic integration. In FY 2013, the United States will continue to focus on core remaining concerns: reforming the security sector, supporting democratic institutions, and reducing Montenegro's vulnerability to corruption and organized crime.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**10,927**	**6,340**	**5,261**	**-1,079**
Assistance for Europe, Eurasia and Central Asia	8,000	3,140	-	-3,140
Economic Support Fund	-	-	335	335
Foreign Military Financing	1,472	1,200	1,200	-
International Military Education and Training	455	500	500	-
International Narcotics Control and Law Enforcement	-	-	1,826	1,826
Nonproliferation, Antiterrorism, Demining and Related Programs	1,000	1,500	1,400	-100

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Montenegro	**10,927**	**6,340**	**5,261**	**-1,079**
1 Peace and Security	**3,859**	**4,000**	**3,702**	**-298**
Assistance for Europe, Eurasia and Central Asia	**932**	**800**	**-**	**-800**
1.3 Stabilization Operations and Security Sector Reform	932	800	-	-800
Foreign Military Financing	**1,472**	**1,200**	**1,200**	**-**
1.3 Stabilization Operations and Security Sector Reform	1,472	1,200	1,200	-
International Military Education and Training	**455**	**500**	**500**	**-**
1.3 Stabilization Operations and Security Sector Reform	455	500	500	-
International Narcotics Control and Law Enforcement	**-**	**-**	**602**	**602**
1.3 Stabilization Operations and Security Sector Reform	-	-	602	602
Nonproliferation, Antiterrorism, Demining and Related Programs	**1,000**	**1,500**	**1,400**	**-100**
1.2 Combating Weapons of Mass Destruction (WMD)	500	500	500	-
1.3 Stabilization Operations and Security Sector Reform	500	1,000	900	-100
2 Governing Justly and Democratically	**6,773**	**2,340**	**1,559**	**-781**
Assistance for Europe, Eurasia and Central Asia	**6,773**	**2,340**	**-**	**-2,340**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
2.1 Rule of Law and Human Rights	1,528	1,290	-	-1,290
2.2 Good Governance	4,345	-	-	-
2.4 Civil Society	900	1,050	-	-1,050
Economic Support Fund	**-**	**-**	**335**	**335**
2.4 Civil Society	-	-	335	335
International Narcotics Control and Law Enforcement	**-**	**-**	**1,224**	**1,224**
2.1 Rule of Law and Human Rights	-	-	1,224	1,224
4 Economic Growth	**295**	**-**	**-**	**-**
Assistance for Europe, Eurasia and Central Asia	**295**	**-**	**-**	**-**
4.6 Private Sector Competitiveness	295	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Montenegro	**10,927**	**6,340**	**5,261**	**-1,079**
1 Peace and Security	**3,859**	**4,000**	**3,702**	**-298**
1.2 Combating Weapons of Mass Destruction (WMD)	500	500	500	-
1.3 Stabilization Operations and Security Sector Reform	3,359	3,500	3,202	-298
2 Governing Justly and Democratically	**6,773**	**2,340**	**1,559**	**-781**
2.1 Rule of Law and Human Rights	1,528	1,290	1,224	-66
2.2 Good Governance	4,345	-	-	-
2.4 Civil Society	900	1,050	335	-715
4 Economic Growth	**295**	**-**	**-**	**-**
4.6 Private Sector Competitiveness	295	-	-	-
of which: Objective 6	**1,114**	**88**	**649**	**561**
6.1 Program Design and Learning	50	-	-	-
6.2 Administration and Oversight	1,064	88	649	561

Peace and Security

Full integration into Euro-Atlantic institutions requires that Montenegro have complete command of its borders as well as effective and coordinated security and law enforcement institutions. Montenegro's developing military forces must also continue to take steps toward becoming interoperable with North Atlantic Treaty Organization (NATO) forces.

Foreign Military Financing (FMF): FMF funding will help support Montenegro's efforts to meet these requirements, specified in their Annual National Plan for NATO Membership. At the requested level, FMF funding will emphasize integrating Montenegro's sovereign maritime, air, and land space into larger NATO command structures to develop a common operational picture of the western Balkans and Adriatic

Sea. FMF funding will also seek to strengthen Montenegro's capabilities and expand its contributions to peacekeeping missions.

International Military Education and Training (IMET): U.S. funding will help enhance Montenegro's capacity to participate in NATO missions, and build its human capital, by training entry-level and mid-career service members to be professional, NATO-oriented military officers.

International Narcotics Control and Law Enforcement (INCLE): Funds will continue to support Montenegro's efforts to combat organized crime and corruption through assistance projects designed to improve cooperation between prosecutors and law enforcement officers, support the implementation of the new Criminal Procedure Code, and maximize criminal justice sector resources. Focused assistance will be provided to the newly staffed task force as well as to the reorganization of the National Police.

Nonproliferation, Anti-terrorism, Demining and Related Programs (NADR): U.S. support will strengthen Montenegro's ability to control its borders, a key prerequisite for NATO and European Union (EU) membership. U.S. funding under the Export Control and Related Border Security Assistance Program will help Montenegro establish a more effective export control system that meets international standards and effective border controls that interdict illicit trafficking in weapons of mass destruction-related materials and other contraband. U.S. assistance through the Conventional Weapons Destruction Program will help Montenegro prevent proliferation and protect its civilian population from the accidental detonation of excess small arms, light weapons, and aging surplus munitions by supporting better security, or demilitarization, of these stockpiles.

Governing Justly and Democratically

The destructive impact of corruption combined with weak democratic institutions hinders Montenegro's economic and political stability and impedes progress toward EU and NATO membership. U.S. assistance will support efforts to reform the government institutions that are essential to the growth of democracy, consolidate the rule of law, and build public demand for reform.

Economic Support Fund (ESF): U.S. funds will support activities including a small grants program for local non-governmental organizations advocating for government accountability and forward progress on integration goals and limited exchanges that will help students obtain the necessary skills to strengthen government institutions.

International Narcotics Control and Law Enforcement (INCLE): U.S. assistance to strengthen the rule of law will include support for judges, prosecutors, and the defense bar in the implementation of the new Criminal Procedure Code, which fundamentally changes the roles of criminal justice officials, both in the courtroom and during investigations. Planned rule of law programming will also support the Special Prosecutor and staff in implementing the Special Investigative Team concept, which provides new tools to combat corruption and organized crime. Targeted support for civil society will help stimulate public demand for the rule of law and engage the non-governmental sector in combating corruption and organized crime.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: U.S. Government personnel continued to monitor the impact of foreign assistance programs during 2011 through site visits of grantees and travel by Washington-based staff. The planned closure of the bilateral USAID presence in Montenegro resulted in limited formal assessments of grants and contracts during 2011.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: In late 2010, the United States developed a detailed strategy for narrowing the focus of U.S. assistance in the non-security sphere. As a result, economic programming has been eliminated. In FY 2013, the United States will focus its remaining assistance resources on addressing key priorities, to include strengthening the rule of law and developing effective democratic institutions and sustainable civil society.

Relating Past Performance to FY 2013 Plans: Decreased funding in FY 2013 reflects the implementation of the 2010 plan to focus U.S. assistance resources on the highest priorities – democracy, security, and the justice sector.

Poland

Foreign Assistance Program Overview

Poland is a key ally in Central Europe, and one of the United States' strongest partners on the continent. Poland contributes 2,500 soldiers to the International Security and Assistance Force (ISAF) in Afghanistan, and has independent command of Ghazni Province, now supplemented by more than 800 U.S. troops under Polish tactical command. In addition to its ISAF contribution, Poland maintains about 250 troops in the Balkans, mainly in the North Atlantic Treaty Organization (NATO) Kosovo Force. In 2012, for the first time, Poland is contributing a full battalion to the NATO Response Force, with 1,600 soldiers on call for rapid deployment. U.S. assistance maintains political support in Poland for a range of U.S. security objectives, and increases Poland's capability to meet its NATO obligations and to deploy and sustain professional forces in multilateral operations, often in support of U.S. deployments in places like Iraq and Afghanistan. U.S. assistance is also helping Poland to prepare for hosting missile defense assets and a U.S. aviation detachment – scheduled to be in place in 2012 – and to begin F-16 rotations in 2013.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**36,022**	**29,265**	**25,000**	**-4,265**
Assistance for Europe, Eurasia and Central Asia	-	3,000	-	-3,000
Economic Support Fund	-	-	3,000	3,000
Foreign Military Financing	33,932	24,165	20,000	-4,165
International Military Education and Training	2,090	2,100	2,000	-100

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Poland	**36,022**	**29,265**	**25,000**	**-4,265**
1 Peace and Security	**36,022**	**29,265**	**25,000**	**-4,265**
Assistance for Europe, Eurasia and Central Asia	**-**	**3,000**	**-**	**-3,000**
1.6 Conflict Mitigation and Reconciliation	-	3,000	-	-3,000
Economic Support Fund	**-**	**-**	**3,000**	**3,000**
1.6 Conflict Mitigation and Reconciliation	-	-	3,000	3,000
Foreign Military Financing	**33,932**	**24,165**	**20,000**	**-4,165**
1.3 Stabilization Operations and Security Sector Reform	33,932	24,165	20,000	-4,165
International Military Education and Training	**2,090**	**2,100**	**2,000**	**-100**
1.3 Stabilization Operations and Security Sector Reform	2,090	2,100	2,000	-100

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Poland	**36,022**	**29,265**	**25,000**	**-4,265**
1 Peace and Security	**36,022**	**29,265**	**25,000**	**-4,265**
1.3 Stabilization Operations and Security Sector Reform	36,022	26,265	22,000	-4,265
1.6 Conflict Mitigation and Reconciliation	-	3,000	3,000	-
of which: Objective 6	**-**	**30**	**-**	**-30**
6.2 Administration and Oversight	-	30	-	-30

Peace and Security

U.S. assistance to Poland contributes to regional stability and strong political support for NATO and coalition operations. U.S. security assistance is aimed at maximizing the capabilities of Polish deployments in support of U.S. and NATO security operations by providing needed training and equipment. U.S. assistance finances assets that directly facilitate Polish deployments and support Poland's defense transformation into a more modern and effective NATO-integrated force. These programs are implemented through the U.S. Department of Defense. Funding requested in support of a U.S. contribution to the Auschwitz-Birkenau Foundation will help ensure the success of an international effort to preserve the site of the Auschwitz-Birkenau concentration and death camp for future generations.

Economic Support Funds (ESF): ESF funds will support a U.S. contribution, part of a multiyear, $15 million commitment, to the Auschwitz-Birkenau Foundation in order to join the international effort to preserve the site of the Auschwitz-Birkenau concentration and death camp – one of the most widely recognized symbols of racism and bigotry. Support to the Foundation will help future generations understand that a place of such hatred and persecution must never again be allowed to exist and to demonstrate the reality of the Holocaust to any who may doubt it.

Foreign Military Financing (FMF): FMF resources will support the modernization of Poland's military, including its capability to deploy or receive forces engaged in counterterrorism and international security operations. The FMF budget supports maintenance and support for Poland's C-130 aircraft (upgrades to enhance lift capability to alleviate demand on U.S. air assets), F-16 program upgrades and pilot training, and provision of specialized soldier equipment, including night vision capabilities, hand-held global positioning systems, thermal optics, and tactical radios for Polish Special Operations Forces.

International Military Education and Training (IMET): IMET will be used to advance the professional military education of Poland's Armed Forces and Ministry of Defense. Funds will be used for the professional development of senior and noncommissioned officers, and a variety of technical and coalition-focused combat operation and interoperability training, including special forces operations and other areas.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The U.S. Embassy's Office of Defense Cooperation (ODC) oversees several mechanisms to monitor and evaluate on a continuing basis the impact of FMF and IMET on Polish military performance. The process begins with a weekly ODC internal evaluation of current FMF and IMET activities, and then a biweekly status review of each program. The ODC obtained Polish

General Staff approval to permit a Polish officer to attend the weekly meetings in order to improve bilateral effectiveness. Every two years, the U.S. Defense Security Cooperation Agency (DSCA) conducts a Security Assistance Management Review on every security assistance case. These tools focus on determining the ability of the Polish military to effectively spend allocated funding and receive security assistance training or items.

Several other mechanisms look at the connection between input (assistance) and performance (new capabilities). ODC officers frequently discuss the status of Polish programs with in-country U.S. instructor pilots and have access to the self-evaluations of Polish personnel. Certain programs have special monitoring regimes. For example, the U.S. Air Force Security Assistance Command conducts a semi-annual Performance Monitoring Review of the F-16 program. Looking more closely at output capability, U.S. European Command (EUCOM) has a yearly European Strategy Conference (ESC) to assess its engagement with Polish military forces. During the ESC, EUCOM reviews the Poland-specific Country Campaign Plan to evaluate the entire spectrum of security cooperation. Also once a year, U.S. Chairman of the Joint Chiefs of Staffs (CJCS) conducts Joint Staff talks. DSCA is represented on the CJCS delegation to lead discussion of foreign assistance. These high-level talks are supplemented by annual mid-level service-specific talks. In addition, U.S. Central Command continually evaluates performance of Polish Special Operations Forces as part of Operation Enduring Freedom in Afghanistan.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: As a result of its evaluation of the Polish Air Force programs, the United States plans to allocate FY 2013 funds towards C-130 capacity development, as well as for upgrades of Polish airfields and navigational aids. As a result of an evaluation of Polish special operations and other forces' activities with ISAF in Ghazni Province, U.S. assistance will fund specialized equipment for Joint Terminal Attack Controllers, including four-wheel-drive ground mobility equipment, land force and special operations force equipment, and an expansion of an integrated logistics support system.

Relating Past Performance to FY 2013 Plans: As a result of Poland's success in taking military responsibility for Ghazni Province in Afghanistan, a significant portion of FY 2013 funds will go towards training and equipment for Polish Land and Special Forces, as well as for its C-130 program so that it can supply its own forces in-theater. Looking ahead, Poland's F-16 force will become an increasing factor in Alliance and regional defense planning, and sustainment programs will remain a priority. U.S. Special Operations Command and Special Operations Command Europe (SOCEUR) Joint Process Action Teams have helped develop Polish force counter-terror skills to the point where they perform mission planning, targeting and mission execution successfully without the help of U.S. forces.

Portugal

Foreign Assistance Program Overview

The objective of U.S. assistance to Portugal is to increase Portugal's willingness and ability to participate in military operations around the globe. During 2011, Portugal expanded its contribution to international military operations, continued cooperation with the United States on mutual goals on the African continent, and continued providing access to Lajes Field in the Azores. U.S. military assistance not only offers direct opportunities to improve the efficiencies of the Portuguese Armed Forces (PAF), but participation in the program offers the PAF discounted pricing for other training opportunities purchased through the Foreign Military Sales (FMS) program. Combined, these two sets of training opportunities maintain and develop the capabilities of the PAF such that they are able to participate in multilateral operations of key interest to the United States and the North Atlantic Treaty Organization (NATO) including in Afghanistan, Kosovo, East Timor and elsewhere.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**93**	**100**	**100**	**-**
International Military Education and Training	93	100	100	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Portugal	**93**	**100**	**100**	**-**
1 Peace and Security	**93**	**100**	**100**	**-**
International Military Education and Training	**93**	**100**	**100**	**-**
1.3 Stabilization Operations and Security Sector Reform	93	100	100	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Portugal	**93**	**100**	**100**	**-**
1 Peace and Security	**93**	**100**	**100**	**-**
1.3 Stabilization Operations and Security Sector Reform	93	100	100	-

Peace and Security

U.S. assistance is focused on military training to strengthen Portugal's ability to play an active role in collective defense and international peacekeeping efforts. Portugal's continued participation in both NATO and other international peacekeeping operations directly benefits U.S. security goals.
U.S. assistance continues to be an essential component of Portugal's military force modernization program,

its internal reorganization of service and joint headquarters staffing, as well as PAF's overall professional military education. This program will be implemented through the U.S. Department of Defense.

International Military Education and Training (IMET): IMET assistance encourages strong ties to NATO and promotes its modernization efforts toward greater interoperability with U.S., NATO, and coalition forces. In FY 2013, IMET will provide joint and combined operations training.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Success of the IMET program is monitored based on Portugal's contributions to international military operations and is otherwise maintained for the purpose of providing Portugal access to the reduced purchase prices available through the FMS program. Training courses purchased through IMET directly support the PAF's professionalization and are often also selected for relevance to FMS equipment purchases, thus directly supporting the sustainment of long-term interoperability between U.S. and Portuguese forces. The fact that Portugal continues to effectively operate U.S. weapons systems in various United Nations and NATO deployments worldwide demonstrates the effectiveness of U.S. military training programs.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Continued IMET assistance pays great benefits in the U.S.-Portugal military-to-military relationship and ongoing monitoring of the program has not indicated any need for a significant shift in the objectives and tactics of the IMET program. In FY 2011, PAF personnel were trained in the United States under IMET and used the FMS incremental rate to acquire additional training under FMS. Portugal expanded its contributions to international military operations and continued cooperation with the United States on mutual goals on the African continent. In addition, Portuguese Navy recipients of IMET training strengthened Portugal’s ability to patrol and interdict narcotics shipments.

Relating Past Performance to FY 2013 Plans: The FY 2013 program will strengthen Portugal’s ability to cooperate in international counterterrorism activities, particularly in the International Security Assistance Force in Afghanistan. This relatively small investment will pay large dividends in terms of the U.S.-Portugal relationship.

Romania

Foreign Assistance Program Overview

Romania remains a steadfast strategic partner in the North Atlantic Treaty Organization (NATO) and coalition operations, including significant contributions of troops, equipment, and other assistance in Afghanistan and Kosovo. Romania continues to improve its capabilities for NATO and multinational operations, and has repeatedly demonstrated its willingness to provide forces and assets in support of U.S. national security interests. The U.S.-Romania agreement authorizing U.S. access to military facilities in Romania, particularly along the Black Sea coast, provides for combined training and rapid deployment to unstable regions to the east. Romania's efforts to promote greater cooperation among its Black Sea neighbors in the areas of defense, law enforcement, energy, economic development, environment, and democratization complement U.S. goals to enhance stability in this sensitive and important region. U.S. assistance will support Romania in completing its military modernization, improving its interoperability with U.S. and NATO forces, and increasing its expeditionary deployment capabilities in support of NATO's collective defense and coalition operations with the United States.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**14,724**	**13,750**	**13,700**	**-50**
Foreign Military Financing	12,974	12,000	12,000	-
International Military Education and Training	1,750	1,750	1,700	-50

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Romania	**14,724**	**13,750**	**13,700**	**-50**
1 Peace and Security	**14,724**	**13,750**	**13,700**	**-50**
Foreign Military Financing	**12,974**	**12,000**	**12,000**	**-**
1.3 Stabilization Operations and Security Sector Reform	12,974	12,000	12,000	-
International Military Education and Training	**1,750**	**1,750**	**1,700**	**-50**
1.3 Stabilization Operations and Security Sector Reform	1,750	1,750	1,700	-50

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Romania	**14,724**	**13,750**	**13,700**	**-50**
1 Peace and Security	**14,724**	**13,750**	**13,700**	**-50**
1.3 Stabilization Operations and Security Sector Reform	14,724	13,750	13,700	-50

Peace and Security

U.S. security assistance will facilitate Romania's continued integration into NATO, expand its capabilities, and support continued contributions to coalition operations in Afghanistan and peacekeeping efforts in Kosovo. Assistance is tailored toward meeting common U.S. and Romanian security interests and goals. U.S. military assistance will contribute to Romania's modernization efforts, in particular by helping to improve key communications and information technology and training military personnel. These programs will be implemented through the U.S. Department of Defense.

Foreign Military Financing (FMF): FMF-provided equipment will enhance Romanian special forces and peacekeeping capabilities by increasing interoperability for NATO and coalition operations. Equipment procurements will include C-130 military transport aircraft spare parts and logistical support equipment; brigade equipment, including vehicles and command, control, communications, computer and other equipment; improved secure communications with the U.S. European Command; and unmanned aerial vehicle maintenance support. FMF will also support specialized training in support of coalition operations, including special operations forces training and brigade combat team development.

International Military Education and Training (IMET): IMET will be used to advance overall professional military education and the NATO interoperability of Romania's Armed Forces. A significant portion of IMET for FY 2013 will be used to provide professional development courses to junior and noncommissioned officers.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The U.S. Government periodically assesses the performance of its security assistance to Romania according to the Romanian Government's ability to deploy units capable of participating in coalition operations.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Romania has maintained a battalion of mechanized infantry in Afghanistan, along with special forces, virtually free of caveats. U.S. assistance allows Romania to continue to commit forces to these missions. A further indication of the success of U.S. security assistance to Romania is the consideration being given to making the Romanian Combat Training Center a substitute for training at the U.S. Joint Multinational Training Command in Germany, rather than an augmentation to such training. This endorsement elevates the training center to world-class status.

Relating Past Performance to FY 2013 Plans: Romania will be able to continue to expand its special operations forces capability with a goal of deploying a battalion to the International Security Assistance Force (ISAF) in Afghanistan in 2012. This represents an increase in commitment and a contribution of an important asset to ISAF operations.

Russia

Foreign Assistance Program Overview

U.S. assistance programs are designed to promote Russia's role as a stable, democratic, and reliable partner in addressing crucial global issues, to support U.S.-Russian cooperation in areas of common interest, to advance priorities outlined by the Bilateral Presidential Commission (BPC) Working Groups, and to develop partnerships that leverage Russia's considerable resources in solving domestic and international problems. At the same time, the United States will support Russian organizations that encourage the adoption of policies and practices that promote democratic norms on issues such as human rights, civil society, and the rule of law. Programs under the Peace and Security objective will complement broader U.S. Government efforts under the Cooperative Threat Reduction Program to enhance nuclear cooperation and reduce the threat of proliferation of weapons of mass destruction (WMD). Secretary Clinton noted that the coming years will be crucial for Russian democracy, as Russians from all walks of life make their voices heard and express their hopes for the future. Programs under the Governing Justly and Democratically objective will promote U.S. interests in a strong, politically vibrant, open, democratic Russia, as well as deepening the U.S.-Russian partnership. Resources will also help fight the transnational threats of epidemic disease, such as multi-drug-resistant tuberculosis (MDR-TB).

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**66,138**	**62,935**	**51,961**	**-10,974**
Assistance for Europe, Eurasia and Central Asia	54,350	52,335	-	-52,335
Economic Support Fund	-	-	36,229	36,229
Global Health Programs - State	2,300	1,300	-	-1,300
Global Health Programs - USAID	8,488	8,500	10,750	2,250
International Narcotics Control and Law Enforcement	-	-	4,182	4,182
Nonproliferation, Antiterrorism, Demining and Related Programs	1,000	800	800	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Russia	**66,138**	**62,935**	**51,961**	**-10,974**
1 Peace and Security	**9,657**	**9,784**	**8,902**	**-882**
Assistance for Europe, Eurasia and Central Asia	**8,657**	**8,984**	**-**	**-8,984**
1.2 Combating Weapons of Mass Destruction (WMD)	1,000	1,200	-	-1,200
1.3 Stabilization Operations and Security Sector Reform	125	110	-	-110
1.4 Counter-Narcotics	625	614	-	-614
1.5 Transnational Crime	849	870	-	-870
1.6 Conflict Mitigation and Reconciliation	6,058	6,190	-	-6,190
Economic Support Fund	**-**	**-**	**7,063**	**7,063**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.2 Combating Weapons of Mass Destruction (WMD)	-	-	773	773
1.5 Transnational Crime	-	-	100	100
1.6 Conflict Mitigation and Reconciliation	-	-	6,190	6,190
International Narcotics Control and Law Enforcement	**-**	**-**	**1,039**	**1,039**
1.4 Counter-Narcotics	-	-	449	449
1.5 Transnational Crime	-	-	590	590
Nonproliferation, Antiterrorism, Demining and Related Programs	**1,000**	**800**	**800**	**-**
1.2 Combating Weapons of Mass Destruction (WMD)	1,000	800	800	-
2 Governing Justly and Democratically	**37,243**	**34,561**	**31,809**	**-2,752**
Assistance for Europe, Eurasia and Central Asia	**37,243**	**34,561**	**-**	**-34,561**
2.1 Rule of Law and Human Rights	10,402	9,259	-	-9,259
2.2 Good Governance	6,082	7,823	-	-7,823
2.3 Political Competition and Consensus-Building	5,280	2,500	-	-2,500
2.4 Civil Society	15,479	14,979	-	-14,979
Economic Support Fund	**-**	**-**	**28,666**	**28,666**
2.1 Rule of Law and Human Rights	-	-	5,790	5,790
2.2 Good Governance	-	-	6,910	6,910
2.3 Political Competition and Consensus-Building	-	-	2,500	2,500
2.4 Civil Society	-	-	13,466	13,466
International Narcotics Control and Law Enforcement	**-**	**-**	**3,143**	**3,143**
2.1 Rule of Law and Human Rights	-	-	2,011	2,011
2.2 Good Governance	-	-	1,132	1,132
3 Investing in People	**18,588**	**17,890**	**10,750**	**-7,140**
Assistance for Europe, Eurasia and Central Asia	**7,800**	**8,090**	**-**	**-8,090**
3.1 Health	6,956	6,000	-	-6,000
3.3 Social and Economic Services and Protection for Vulnerable Populations	844	2,090	-	-2,090
Global Health Programs - State	**2,300**	**1,300**	**-**	**-1,300**
3.1 Health	2,300	1,300	-	-1,300
Global Health Programs - USAID	**8,488**	**8,500**	**10,750**	**2,250**
3.1 Health	8,488	8,500	10,750	2,250
4 Economic Growth	**650**	**700**	**500**	**-200**
Assistance for Europe, Eurasia and Central Asia	**650**	**700**	**-**	**-700**
4.2 Trade and Investment	150	-	-	-
4.6 Private Sector Competitiveness	-	200	-	-200
4.8 Environment	500	500	-	-500
Economic Support Fund	**-**	**-**	**500**	**500**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.8 Environment	-	-	500	500

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Russia	**66,138**	**62,935**	**51,961**	**-10,974**
1 Peace and Security	**9,657**	**9,784**	**8,902**	**-882**
1.2 Combating Weapons of Mass Destruction (WMD)	2,000	2,000	1,573	-427
1.3 Stabilization Operations and Security Sector Reform	125	110	-	-110
1.4 Counter-Narcotics	625	614	449	-165
1.5 Transnational Crime	849	870	690	-180
1.6 Conflict Mitigation and Reconciliation	6,058	6,190	6,190	-
2 Governing Justly and Democratically	**37,243**	**34,561**	**31,809**	**-2,752**
2.1 Rule of Law and Human Rights	10,402	9,259	7,801	-1,458
2.2 Good Governance	6,082	7,823	8,042	219
2.3 Political Competition and Consensus-Building	5,280	2,500	2,500	-
2.4 Civil Society	15,479	14,979	13,466	-1,513
3 Investing in People	**18,588**	**17,890**	**10,750**	**-7,140**
3.1 Health	17,744	15,800	10,750	-5,050
3.3 Social and Economic Services and Protection for Vulnerable Populations	844	2,090	-	-2,090
4 Economic Growth	**650**	**700**	**500**	**-200**
4.2 Trade and Investment	150	-	-	-
4.6 Private Sector Competitiveness	-	200	-	-200
4.8 Environment	500	500	500	-
of which: Objective 6	**5,791**	**7,994**	**7,234**	**-760**
6.1 Program Design and Learning	1,250	1,795	1,733	-62
6.2 Administration and Oversight	4,541	6,199	5,501	-698

Peace and Security

U.S. assistance under this objective will focus on reducing the threat of trafficking in WMD and related materials, narcotics, and persons. In addition, U.S. efforts will focus on law enforcement training and criminal justice reforms. Programs will also support conflict mitigation in the North Caucasus.

Economic Support Fund (ESF): U.S. assistance in the North Caucasus will focus on conflict mitigation and human rights. These programs seek to stem the spread of violence, instability, and extremist ideologies by promoting economic opportunities, good governance, and civic participation. ESF funds will also support nonproliferation efforts by enhancing scientific cooperation, helping to redirect weapons scientists, and improve opportunities for young scientists.

International Narcotics Control and Law Enforcement (INCLE): U.S.-funded programs will support efforts to combat organized and transnational crime, including narcotics trafficking, money laundering, human trafficking, and cybercrime, and implement law enforcement and criminal justice reforms.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): While Russia's export control system is technically sound, there is still considerable room for improvement. In FY 2013, as Russia increases internal efforts to make improvements to its system, the Export Control and Related Border Security (EXBS) Program will continue to shift toward a partnering relationship. Bilateral exchanges will help secure the gains that have been made through the EXBS program, avoid backsliding, and provide a forum for Russian and U.S. officials to share information on addressing changing threats. EXBS will also foster opportunities for Russia to assume greater responsibility for helping its trading partners and third countries to improve their export control systems.

Governing Justly and Democratically

Democratic reform in Russia remains a top priority for the United States. Although the United States will continue to work with targeted Russian Government institutions, most of the resources requested under this objective will be used in support of civil society programs that strengthen non-governmental organizations (NGOs) and other groups, increase transparency and accountability, build peer-to-peer links, and promote awareness and observance of human rights and the rule of law.

Economic Support Fund (ESF): U.S. programs will improve the capacity of civil society groups to promote civic participation; advocate on behalf of public interests; work to achieve an environment in which civil society groups can operate more effectively; develop policy alternatives; and implement activities in areas such as anti-corruption, tolerance, human rights, government accountability, and civic education. U.S. support will strengthen independent media by increasing the professionalism of journalists and expanding the application of information communication technologies, as well as by fostering associations and professional networks within Russia and with counterparts in other countries. At the local level, U.S. programs will promote good governance by helping to implement decentralization; create transparency and accountability mechanisms; and increase collaboration between civil society, the public, and local governments. U.S. programs will also seek to achieve increased protection of rights and freedoms by building on the growing momentum of citizens who are willing to voice their concerns and seek legal means to protect their rights.

International Narcotics Control and Law Enforcement (INCLE): U.S. assistance programs will work to support the Russian Government's stated commitment to fight corruption and bolster the rule of law by increasing the independence and capacity of the justice system, helping to expand the use of jury trials and a fair and effective system of criminal justice, improving transparency and self-regulation in government and the private sector, and increasing access to justice.

Investing in People

Challenges in Russia's health sector pose a transnational threat to the region and beyond. Russia ranks eleventh among high tuberculosis (TB)-burden countries, and MDR-TB cases account for more than 15 percent of its new TB cases. Russia and the United States share an interest in addressing serious health challenges, an area in which cooperation provides mutual benefits in combating transnational disease.

Global Health Programs (GHP): Assistance provided through the Global Health Programs account will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership. In FY 2013, the majority of health funding will be devoted to helping Russia combat TB. Other collaborative efforts will focus on improving reproductive and maternal and child health.

- Tuberculosis (TB): Funds will be used to support TB control efforts, with a focus on MDR-TB diagnosis and treatment in targeted regions to develop and implement guidelines, best practices, tools, and models that can be replicated and used nationwide.

- Maternal and Child Health (MCH): Funds will be used to support efforts to institutionalize best practices and to develop and implement guidelines and models that can be replicated and scaled up nationally.

- Family Planning and Reproductive Health: U.S. assistance seeks to expand access to high-quality voluntary family planning services and information and reproductive health care on a sustainable basis. The requested funds will be used to improve reproductive health and birth outcomes, and to institutionalize the best evidence-based models of delivering reproductive health and family planning services at the regional and federal levels, with a focus on neglected, vulnerable groups.

Economic Growth

Limited U.S. Government efforts under this objective will center on environmental protection. Due to its size and its concentration of fresh water and forest cover, environmental issues in Russia take on a regional and global significance.

Economic Support Fund (ESF): In FY 2013, the U.S. Forest Service and USAID will continue to work with the Russian Government and Russian specialists to promote sustainable forest management, habitat management, and the conservation of biodiversity in Russia. This will be achieved through a combination of technical exchanges, training, collaborative research work, pilot projects, and policy engagement.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The U.S. Government agencies that implement assistance programs for Russia regularly collect, review, and apply information about programmatic and financial performance in order to manage results effectively. Evaluation and performance monitoring systems improve the performance, effectiveness, and design of assistance activities; inform decisions on how to modify programs that are not achieving intended results; and measure the impact of development assistance. In addition, evaluations and monitoring studies enable the U.S. Government to complement routine performance monitoring with more rigorous, in-depth analyses on topics of special interest.

A robust monitoring and evaluation system is critical to the success of the recently approved USAID Country Development Cooperation Strategy for 2012-2016 (CDCS). In accordance with USAID's agency-wide policy to integrate evaluation mechanisms into project and program designs, USAID activities in Russia will incorporate key performance evaluation and impact assessment questions. USAID plans to complete at least two performance evaluations annually, and to conduct three impact evaluations over the life of the CDCS. In FY 2011, USAID entered into a three-year umbrella agreement under which a contractor will design and carry out various evaluations, surveys, performance management studies, data management tools, and targeted monitoring and evaluation in support of USAID programs. During FY 2012, special consideration will be given to monitoring surveys that track the resiliency of civil society organizations and collect data on the quality and quantity of citizens' participation in civic causes.

The results of a regional Department of State evaluation of media development assistance to be conducted in FY 2012 will inform future programs. Similarly, with respect to elections in Russia, USAID will

conduct an impact evaluation in FY 2012 that gauges the effectiveness of a USAID-funded election observation program. The evaluation seeks primarily to assess the influence of U.S.-assisted election monitoring on Russian democracy and the electoral process. The impact evaluation should also provide data that will enable USAID to assess the credibility and quality of the reporting done by Russian election monitors.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: In addition to the impact evaluations and surveys discussed above, USAID is currently implementing a final, summative evaluation of the Maternal and Child Health Initiative project in order to evaluate the project's sustainability and to provide suggestions for the future direction of program designs for reproductive and infant health. Future programming will be further informed by an evaluation in FY 2012 that seeks to assess the performance of USAID's key activities under the Mainstreaming Human Rights ("I've Got Rights") Program. The focus will be on evaluating the sustainability of program activities and their results, identifying lessons learned, and providing concrete recommendations that will inform the design of future USAID programs in this sector.

USAID has also initiated an annual monitoring survey that will provide information about the social, political, economic, and other issues that are fueling instability in the North Caucasus. The survey will inform USAID's programming under the North Caucasus Assistance Project.

Relating Past Performance to FY 2013 Plans: Informed by the results of the above-mentioned assessments, FY 2013 ESF funding requested for the Governing Justly and Democratically objective will allow the United States to enhance incentives for NGOs and local governments to work together to enhance citizen participation to implement reforms.

Serbia

Foreign Assistance Program Overview

A fully democratic and economically stable Serbia will foster the peaceful development of the western Balkans. Serbia's integration into the European Union (EU) and other Euro-Atlantic institutions remains key to U.S. foreign policy interests in the region. However, obstacles to achieving that integration remain in a variety of sectors, requiring Serbia to exercise a deeper respect for human rights, continue to implement democratic reforms, combat economic and organized crime, address regional imbalances (particularly in southern Serbia), and create conditions that support widespread economic growth. Corruption continues to be a major challenge in Serbia – undermining the rule of law, slowing economic development, reducing investor confidence and therefore foreign investment, and eroding trust in public institutions. Concentrated U.S. support continues to be essential in helping Serbia strengthen and entrench democratic institutions and good governance, increase the capacity of civil society organizations, overcome past ethnic divisions, foster broad-based economic progress, enhance its export and border controls, and build good relationships with its neighbors.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**48,939**	**38,850**	**28,063**	**-10,787**
Assistance for Europe, Eurasia and Central Asia	45,000	33,500	-	-33,500
Economic Support Fund	-	-	19,913	19,913
Foreign Military Financing	1,896	1,800	1,800	-
International Military Education and Training	893	900	900	-
International Narcotics Control and Law Enforcement	-	-	3,000	3,000
Nonproliferation, Antiterrorism, Demining and Related Programs	1,150	2,650	2,450	-200

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Serbia	**48,939**	**38,850**	**28,063**	**-10,787**
1 Peace and Security	**6,009**	**6,825**	**6,259**	**-566**
Assistance for Europe, Eurasia and Central Asia	**2,070**	**1,475**	**-**	**-1,475**
1.3 Stabilization Operations and Security Sector Reform	2,070	1,475	-	-1,475
Foreign Military Financing	**1,896**	**1,800**	**1,800**	**-**
1.3 Stabilization Operations and Security Sector Reform	1,896	1,800	1,800	-
International Military Education and Training	**893**	**900**	**900**	**-**
1.3 Stabilization Operations and Security Sector Reform	893	900	900	-
International Narcotics Control and Law Enforcement	**-**	**-**	**1,109**	**1,109**
1.3 Stabilization Operations and Security Sector Reform	-	-	1,109	1,109

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Nonproliferation, Antiterrorism, Demining and Related Programs	**1,150**	**2,650**	**2,450**	**-200**
1.2 Combating Weapons of Mass Destruction (WMD)	650	650	650	-
1.3 Stabilization Operations and Security Sector Reform	500	2,000	1,800	-200
2 Governing Justly and Democratically	**24,330**	**20,114**	**12,813**	**-7,301**
Assistance for Europe, Eurasia and Central Asia	**24,330**	**20,114**	**-**	**-20,114**
2.1 Rule of Law and Human Rights	6,684	5,212	-	-5,212
2.2 Good Governance	2,310	2,124	-	-2,124
2.3 Political Competition and Consensus-Building	2,568	2,289	-	-2,289
2.4 Civil Society	12,768	10,489	-	-10,489
Economic Support Fund	**-**	**-**	**10,922**	**10,922**
2.1 Rule of Law and Human Rights	-	-	3,204	3,204
2.2 Good Governance	-	-	2,053	2,053
2.3 Political Competition and Consensus-Building	-	-	1,165	1,165
2.4 Civil Society	-	-	4,500	4,500
International Narcotics Control and Law Enforcement	**-**	**-**	**1,891**	**1,891**
2.1 Rule of Law and Human Rights	-	-	1,891	1,891
3 Investing in People	**150**	**160**	**-**	**-160**
Assistance for Europe, Eurasia and Central Asia	**150**	**160**	**-**	**-160**
3.2 Education	150	160	-	-160
4 Economic Growth	**18,450**	**11,751**	**8,991**	**-2,760**
Assistance for Europe, Eurasia and Central Asia	**18,450**	**11,751**	**-**	**-11,751**
4.5 Agriculture	4,500	3,500	-	-3,500
4.6 Private Sector Competitiveness	13,950	8,251	-	-8,251
Economic Support Fund	**-**	**-**	**8,991**	**8,991**
4.6 Private Sector Competitiveness	-	-	8,991	8,991

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Serbia	**48,939**	**38,850**	**28,063**	**-10,787**
1 Peace and Security	**6,009**	**6,825**	**6,259**	**-566**
1.2 Combating Weapons of Mass Destruction (WMD)	650	650	650	-
1.3 Stabilization Operations and Security Sector Reform	5,359	6,175	5,609	-566
2 Governing Justly and Democratically	**24,330**	**20,114**	**12,813**	**-7,301**
2.1 Rule of Law and Human Rights	6,684	5,212	5,095	-117
2.2 Good Governance	2,310	2,124	2,053	-71

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
2.3 Political Competition and Consensus-Building	2,568	2,289	1,165	-1,124
2.4 Civil Society	12,768	10,489	4,500	-5,989
3 Investing in People	**150**	**160**	**-**	**-160**
3.2 Education	150	160	-	-160
4 Economic Growth	**18,450**	**11,751**	**8,991**	**-2,760**
4.5 Agriculture	4,500	3,500	-	-3,500
4.6 Private Sector Competitiveness	13,950	8,251	8,991	740
of which: Objective 6	**4,404**	**4,366**	**3,426**	**-940**
6.1 Program Design and Learning	600	522	300	-222
6.2 Administration and Oversight	3,804	3,844	3,126	-718

Peace and Security

Funding under this objective will help improve border Serbia's security, law enforcement, and justice sector capacity.

Foreign Military Financing (FMF): Funds will be used to further defense cooperation and help build the capacity of the Serbian Armed Forces to train and deploy with other regional partners on United Nations (UN) and EU peacekeeping operations. Targeted assistance will also help modernize Serbia's existing North Atlantic Treaty Organization (NATO) Partnership for Peace declared forces, consisting of motorized infantry, military police, chemical defense, and deployable medical teams.

International Military Education and Training (IMET): IMET training will facilitate the increased professionalization of the Serbian Ministry of Defense and Armed Forces, enabling greater efficacy in the building of bilateral and regional partnerships, as well as expanding peacekeeping competencies for use in UN, EU, and potentially future NATO operations.

International Narcotics Control and Law Enforcement (INCLE): Funds will support efforts to combat organized crime and terrorism, and investigate war crimes, financial crimes and corruption cases. U.S. assistance will help strengthen law enforcement by providing mentoring, police training, and support for law enforcement-related infrastructure.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): The United States will work with Serbia, through the Export Control and Related Border Security Assistance Program, to counter the proliferation of weapons of mass destruction and illicit trafficking in conventional weapons. Promoting sound import-export controls will help deter terrorist access to weapons of mass destruction and materiel. The Conventional Weapons Destruction Program will continue to help Serbia eliminate explosive remnants of war remaining from past conflicts and, to the extent possible, provide physical security and stockpile management (PSSM) assistance to help the Serbian military better maintain its small arms/light weapons and munitions. Proper PSSM will reduce the likelihood of civilians who live in proximity to munitions depots being harmed by additional depot explosions, or illicit proliferation of those munitions.

Governing Justly and Democratically

U.S. assistance will strengthen the rule of law and the justice sector, rein in corruption, hold public officials more accountable, foster independent media, and increase the participation of citizens in decision-making processes.

Economic Support Fund (ESF): Improving the administration and transparency of Serbia's courts, promoting accountability on the part of public officials and improving local governance will help to strengthen the country's democratic institutions and foster long-term stability. Assistance programs implemented by USAID will continue to focus on judicial reform and improved governance. U.S. assistance will also promote citizen engagement in advancing democratic reforms by building the capacity of civil society organizations and fostering a more supportive environment for this engagement. Department of State and USAID training and capacity-building activities will help strengthen independent media, essential to promoting reform and maintaining democratic and accountable governance. Additionally, U.S. support for university-level exchange programs promotes democratic values in Serbia's future leaders.

International Narcotics Control and Law Enforcement (INCLE): Funds will support Serbia's fight against organized crime and corruption, and aid the prosecution of war crimes and the implementation of the Criminal Procedure Code. In addition, technical assistance will be provided to prosecutors, judges, and defense attorneys through mentoring and training activities.

Economic Growth

Serbia has made substantial progress on economic reforms, but it must increase the pace and scope of these reforms to realize its goal of EU membership. To that end, Serbia must continue to improve its competitiveness by improving the business-enabling environment, reducing public debt, and cutting bureaucratic red tape. While the economic situation has improved in a number of areas, unemployment remains very high – especially among youth. Further progress is needed to create a legal and policy framework for broad-based economic growth, and expand economic opportunity to less developed areas, particularly in the economically depressed region of southern Serbia.

Economic Support Fund (ESF): U.S. assistance programs will help strengthen Serbia's macroeconomic stability, support fiscal responsibility, and improve local economic growth and management of public resources. USAID will support the Government of Serbia's (GOS) reforms in the complex system of inspections and construction permitting. These programs will also help expand access to finance, a key constraint for both businesses and municipalities. U.S. programming will continue to improve the competitiveness of Serbian businesses in key sectors and help them expand into domestic and regional markets. This assistance is helping Serbia to improve livelihoods and shift to a more broad-based market economy in preparation for EU and World Trade Organization accession. USAID will continue to involve the private sector in its development activities, especially in the identification or public-private partnership opportunities. Increasingly, USAID will work directly with GOS entities to achieve its development objectives.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In 2010, the U.S. Government completed an amended Country Strategic Plan (CSP) for FY 2011-2015. USAID conducted a number of evaluations and sector assessments as part of that effort. Conclusions and recommendations from these undertakings were incorporated into the revised CSP, along with key assessments in biodiversity and gender. In FY 2011, USAID completed civil society and media assessments to guide programming in those sectors and is currently conducting assessments of agribusiness and of economic growth in southern Serbia. As resources permit, additional program evaluations will be completed in line with USAID's new evaluation guidelines. The U.S. Department of Agriculture (USDA) also conducted assessments on several of its capacity-building projects.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: In accordance with USAID Portfolio Reviews (November 2011), the Operational Plan, the Performance Plan and Report, and anticipated program budget reductions, U.S. assistance to Serbia will become even more targeted to where it is needed most and where the U.S. Government can have the greatest impact. The U.S. Embassy will continue to coordinate all activities through productive partnerships to ensure that assistance programs advance U.S. interests and goals. FY 2011 and FY 2012 resources are being used to further strengthen the capacity of the GOS via agricultural programs. However, based on assessments and ongoing planning processes, USDA will be phasing-out capacity-building projects where the GOS now has the capacity to provide such services to the Serbia's agricultural sector.

Relating Past Performance to FY 2013 Plans: With Serbia having made progress towards EU accession, there is now a considerable opening for reform and the possibility to build on previous U.S. assistance to advance Serbia's Euro-Atlantic integration.

Slovakia

Foreign Assistance Program Overview

The goal of U.S. security assistance to Slovakia is to support Slovakia's continuing contribution to North Atlantic Treaty Organization (NATO) operations and regional stability. U.S. assistance provides critical support to Slovakia's expanding contributions to NATO missions, particularly in Afghanistan. The continuation of U.S. assistance will help Slovakia consolidate its gains and maintain its development as a positive and stabilizing influence among its neighbors, in the region and globally.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**2,347**	**1,900**	**1,900**	**-**
Foreign Military Financing	1,397	1,000	1,000	-
International Military Education and Training	950	900	900	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Slovakia	**2,347**	**1,900**	**1,900**	**-**
1 Peace and Security	**2,347**	**1,900**	**1,900**	**-**
Foreign Military Financing	**1,397**	**1,000**	**1,000**	**-**
1.3 Stabilization Operations and Security Sector Reform	1,397	1,000	1,000	-
International Military Education and Training	**950**	**900**	**900**	**-**
1.3 Stabilization Operations and Security Sector Reform	950	900	900	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Slovakia	**2,347**	**1,900**	**1,900**	**-**
1 Peace and Security	**2,347**	**1,900**	**1,900**	**-**
1.3 Stabilization Operations and Security Sector Reform	2,347	1,900	1,900	-

Peace and Security

U.S. assistance promotes NATO interoperability and capabilities within the Slovak Armed Forces (SAF). Funds will be used to support the development of Slovakia's niche capabilities for NATO and to help Slovakia increase its ability to contribute to NATO peacekeeping missions and provide a better-prepared and more interoperable combat force at tactical and operational levels. Additionally, funding will provide

equipment and training to further defense reform and promote modernization. These programs will be implemented through the U.S. Department of Defense.

Foreign Military Financing (FMF): FMF-funded equipment will contribute to Slovakia's effort to achieve its NATO Force Goals, in particular supporting three maneuver battalions to the NATO Response Force. Specific requested equipment of benefit to forces deploying to the International Security Assistance Force in Afghanistan includes tactical communications equipment, night vision devices, and handheld global positioning systems. This equipment will increase the tactical capabilities and combat effectiveness of a battalion-sized mechanized unit.

International Military Education and Training (IMET): Funding will support the continued development of a professional, educated, and Western-oriented noncommissioned officer and officer corps. Training will also support Slovakia's development of explosive ordnance disposal and counter-nuclear, biological, and chemical capabilities.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: To monitor the impact of IMET programs in Slovakia, the U.S. Embassy hosts regular meetings of program graduates. In this way, and through regular contacts during professional duties, officers from the Defense Attaché's Office and the Office for Defense Cooperation are able to track the influence and responsibility of IMET alumni in the SAF. FMF-funded equipment is tracked by regular inspections and site visits, which indicate how units are making use of the equipment and when it is deployed.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The data gathered from inspections and consultations, along with comments and requests from end users, reveal future needs of the SAF, and inform decisions on the best use of IMET and FMF funds. After evaluating the SAF's communications capabilities and their compatibility with NATO systems, the United States is directing security assistance resources to provide the SAF with tactical communications equipment to make their deployed units more fully interoperable with NATO command and control elements. After reviewing the status of Slovakia's military training capabilities, the United States will continue technical support to the SAF's military training center.

Relating Past Performance to FY 2013 Plans: The FY 2013 request for Slovakia will enable the SAF to conduct mission readiness exercises linking fully-instrumented troops in the field with commanders and staffs in a state-of-the-art simulations center. IMET training opportunities and FMF funds are targeted to units and needs that facilitate deployment to operations of importance to the United States, and interoperability with NATO forces. Better equipment and familiarity with U.S. military tactics and methods generates confidence in Slovak military units that they are able to deploy and operate alongside U.S. and other NATO forces.

Slovenia

Foreign Assistance Program Overview

Despite the country's small size, Slovenia's military personnel work alongside U.S. and international forces on stabilization and reconstruction efforts around the globe. Slovenia currently has troops deployed in Afghanistan, Kosovo, Bosnia and Herzegovina, Lebanon, and Somalia. Slovenia's peacekeeping troops and contributions to international security operations help bolster stability specifically in the Western Balkans, but also strengthen common defense against transnational terrorism more broadly. Continued U.S. security assistance will help Slovenia maintain its position as a positive and stabilizing influence in southeastern Europe, and will assist its forces to further modernize as Slovenia qualitatively increases its participation in North Atlantic Treaty Organization (NATO) missions further abroad, particularly in Afghanistan.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**1,460**	**1,125**	**1,100**	**-25**
Foreign Military Financing	748	450	450	-
International Military Education and Training	712	675	650	-25

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Slovenia	**1,460**	**1,125**	**1,100**	**-25**
1 Peace and Security	**1,460**	**1,125**	**1,100**	**-25**
Foreign Military Financing	**748**	**450**	**450**	**-**
1.3 Stabilization Operations and Security Sector Reform	748	450	450	-
International Military Education and Training	**712**	**675**	**650**	**-25**
1.3 Stabilization Operations and Security Sector Reform	712	675	650	-25

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Slovenia	**1,460**	**1,125**	**1,100**	**-25**
1 Peace and Security	**1,460**	**1,125**	**1,100**	**-25**
1.3 Stabilization Operations and Security Sector Reform	1,460	1,125	1,100	-25

Peace and Security

U.S. assistance will promote NATO interoperability and assist in the ongoing transformation of Slovenia's military, as well as increase its ability to participate in international missions. Military assistance will support Slovenia's deployment of an Operational Mentoring and Liaison Team (OMLT) in Afghanistan;

provide technical training to Slovenia's deployable combat forces and support elements; identify and develop Slovenia's niche capabilities; and promote the rule of law, human rights, and civilian control of the military. These programs will be implemented by the U.S. Department of Defense.

Foreign Military Financing (FMF): In FY 2013, FMF funding will provide exposure to multinational operations concepts with Joint Multinational Training Command and Joint Multinational Readiness Center rotations. U.S. support will include support for the tactical and operational capabilities of Slovenia's deployable First Brigade. The main goal of FMF assistance will be to support deployed forces with equipment and maintenance, as well as with specialized training.

International Military Education and Training (IMET): IMET training will further strengthen the professionalism and leadership skills of the Slovenian Armed Forces' (SAF) military and civilian personnel, focusing on mid- to senior-level professional military education and deployability in support of NATO operations. Slovenia greatly values the IMET program and contributes its own funding to cover living expenses for its IMET participants, effectively doubling the number of students trained. In 2011, U.S. military education assistance provided Slovenian officers and noncommissioned officers (NCOs) with critical leadership and implementation skills through their participation in the basic career, captain career, field-grade and senior officer, senior NCO, infantry squad leader, logistics, and Joint Terminal Attack Controller courses. At the NCO and officer levels, Slovenia's IMET alumni are key leaders in the units currently deploying to Afghanistan and Kosovo.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The U.S. Embassy provides oversight of IMET and FMF programs through a Political-Military Task Force that is chaired by the Ambassador and meets monthly. The U.S. Embassy's Office of Defense Cooperation (ODC) provides day-to-day planning, coordination, and execution of these programs, and develops training and equipment assistance plans in coordination with the Ministry of Defense and the Training Command of the SAF. These plans include short-term goals (e.g., OMLT deployment and NATO unit certification) and long-term goals (e.g., NATO Force Goals and interoperability) in support of U.S. European Command's (EUCOM) Strategy of Active Security targets. The ODC monitors these goals and evaluates performance during the year and at year's end to examine successes and failures. For the IMET program, the ODC works closely with the Ministry of Defense to maximize the number of students who can participate. The ODC tracks where Slovenian IMET alumni are assigned following their training.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: In conjunction with EUCOM and the Slovenian General Staff, the ODC developed a country plan for 2011, which is a working document that outlines goals and implementation mechanisms, and is reviewed and revised as necessary by EUCOM, the ODC and the Political-Military Task Force to evaluate progress toward goals. Slovenia's international deployments are also a key indicator. In 2010, Slovenia increased its troops in the International Security Assistance Force in Afghanistan from 70 to 90, and began operating an OMLT without caveats for the first time. Mission efforts contributed significantly to Slovenia's battalions achieving unit certification from NATO.

Relating Past Performance to FY 2013 Plans: The focusing of FMF and IMET assistance in a balanced way on noncommissioned officers and officers (lieutenant through general) has helped Slovenia develop the tactical capabilities to lead an OMLT, as well as the strategic planning and vision to prepare and plan for this qualitative increase in their contribution to NATO's overall mission.

Turkey

Foreign Assistance Program Overview

Situated at the crossroads of Europe, the Middle East, and the Caucasus, Turkey plays a vital leadership role in the region. Turkey remains a transit point of interest to traffickers of nuclear materials and weapons of mass destruction (WMD)-related items, underscoring the need for training in illicit weapons detection, licensing, and enhanced border controls. U.S. assistance will maximize Turkish cooperation with other countries, especially Afghanistan, and enhance the interoperability of the Turkish military with North Atlantic Treaty Organization (NATO) forces.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**5,415**	**4,900**	**4,450**	**-450**
International Military Education and Training	3,990	3,800	3,600	-200
Nonproliferation, Antiterrorism, Demining and Related Programs	1,425	1,100	850	-250

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Turkey	**5,415**	**4,900**	**4,450**	**-450**
1 Peace and Security	**5,415**	**4,900**	**4,450**	**-450**
International Military Education and Training	**3,990**	**3,800**	**3,600**	**-200**
1.3 Stabilization Operations and Security Sector Reform	3,990	3,800	3,600	-200
Nonproliferation, Antiterrorism, Demining and Related Programs	**1,425**	**1,100**	**850**	**-250**
1.1 Counter-Terrorism	500	250	-	-250
1.2 Combating Weapons of Mass Destruction (WMD)	925	850	850	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Turkey	**5,415**	**4,900**	**4,450**	**-450**
1 Peace and Security	**5,415**	**4,900**	**4,450**	**-450**
1.1 Counter-Terrorism	500	250	-	-250
1.2 Combating Weapons of Mass Destruction (WMD)	925	850	850	-
1.3 Stabilization Operations and Security Sector Reform	3,990	3,800	3,600	-200
of which: Objective 6	**-**	**10**	**-**	**-10**
6.1 Program Design and Learning	-	10	-	-10

Peace and Security

U.S. assistance is essential to help the Turkish military participate in reconstruction and stabilization efforts in Afghanistan and to meet the challenges of regional instability, international terrorism, and long-term peacekeeping. U.S. programming likewise promotes a strong alliance and interoperability among Allied forces. U.S. assistance also focuses on efforts to combat the spread of WMD. The United States seeks to enhance Turkey's role as a regional leader against weapons proliferation. These programs will be implemented through the U.S. Departments of Defense and State.

International Military Education and Training (IMET): IMET provides professional military education to enhance Turkey's bilateral and NATO interoperability and solidifies the United States' strong relationship with Turkey's military, including with junior-ranking service members who will likely become future leaders.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): To prevent WMD proliferation, the NADR-funded Export Control and Related Border Security Assistance (EXBS) Program supports activities that enhance Turkey's strategic trade control system; delivers training and train-the-trainer programs for licensing officers, customs officers, police, and border guards; and provides equipment designed to enhance detection, targeting, and inspection capabilities.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Performance is directly monitored by the managers of each program through periodic working group meetings at the U.S. Embassy. IMET programs are coordinated and executed by the U.S. Embassy's Office of Defense Cooperation (ODC) and EXBS programs are coordinated and executed by the Political/Military Affairs Section.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The relationship between budget and performance is demonstrated by Turkish participation in bilateral operations and international security, stability, and peacekeeping efforts. Turkey remains a staunch ally and partner of the United States. Meanwhile, the IMET program has grown in importance in Turkey as it continues substantively transforming, and directly improving, NATO interoperability. IMET funding is also enhancing Turkey's deployed troop capabilities in coalition operations in Afghanistan. Turkey funds the international airfare and per diem for its participants in IMET programs, which demonstrates Turkey's commitment to these programs and helps stretch program funds further.

Relating Past Performance to FY 2013 Plans: Based on the strong performance of the IMET programs described above, robust funding is requested for FY 2013. The NADR Anti-Terrorism Assistance Program will complete its activities with FY 2012 funding, so no further funding is requested in FY 2013.

Ukraine

Foreign Assistance Program Overview

Twenty years after its independence, Ukraine continues to struggle with its transition from a Soviet, totalitarian past to a European future. Progress on Ukraine's reforms and integration into European structures remains fragile and inconsistent. In 2011, backsliding on democracy was pronounced enough that Freedom House downgraded Ukraine from "free" to "partially free." Other major challenges include pervasive public corruption, structural weaknesses in the economy, and energy insecurity. To address these issues, U.S. assistance programs focus on encouraging the development of a democratic, prosperous, and secure Ukraine, fully integrated into the Euro-Atlantic community. To achieve these goals, the United States will continue to promote the development of sustainable institutions and processes that consolidate and advance democracy, human rights, and the rule of law; bolster nuclear security; toughen nonproliferation regimes; support energy efficiency and independence; and improve conditions for investment and economic growth. With the support of U.S. assistance, Ukraine has made progress on reforms in some areas that move it closer to European Union (EU) standards. Assistance will also support the Global Health Initiative (GHI) and Global Climate Change Initiative (GCCI), as well as help Ukraine increase its military's interoperability with Western forces.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**123,243**	**113,878**	**104,407**	**-9,471**
Assistance for Europe, Eurasia and Central Asia	86,261	79,100	-	-79,100
Economic Support Fund	-	-	53,957	53,957
Foreign Military Financing	8,982	7,000	7,000	-
Global Health Programs - State	19,378	19,378	27,200	7,822
Global Health Programs - USAID	3,997	4,000	7,900	3,900
International Military Education and Training	1,925	1,900	1,900	-
International Narcotics Control and Law Enforcement	-	-	4,100	4,100
Nonproliferation, Antiterrorism, Demining and Related Programs	2,700	2,500	2,350	-150

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Ukraine	**123,243**	**113,878**	**104,407**	**-9,471**
1 Peace and Security	**41,120**	**36,624**	**34,009**	**-2,615**
Assistance for Europe, Eurasia and Central Asia	**27,513**	**25,224**	**-**	**-25,224**
1.2 Combating Weapons of Mass Destruction (WMD)	23,460	21,200	-	-21,200
1.3 Stabilization Operations and Security Sector Reform	2,596	2,334	-	-2,334
1.5 Transnational Crime	1,457	1,690	-	-1,690

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Economic Support Fund	**-**	**-**	**20,100**	**20,100**
1.2 Combating Weapons of Mass Destruction (WMD)	-	-	19,600	19,600
1.5 Transnational Crime	-	-	500	500
Foreign Military Financing	**8,982**	**7,000**	**7,000**	**-**
1.3 Stabilization Operations and Security Sector Reform	8,982	7,000	7,000	-
International Military Education and Training	**1,925**	**1,900**	**1,900**	**-**
1.3 Stabilization Operations and Security Sector Reform	1,925	1,900	1,900	-
International Narcotics Control and Law Enforcement	**-**	**-**	**2,659**	**2,659**
1.3 Stabilization Operations and Security Sector Reform	-	-	2,379	2,379
1.5 Transnational Crime	-	-	280	280
Nonproliferation, Antiterrorism, Demining and Related Programs	**2,700**	**2,500**	**2,350**	**-150**
1.2 Combating Weapons of Mass Destruction (WMD)	1,200	1,000	1,000	-
1.3 Stabilization Operations and Security Sector Reform	1,500	1,500	1,350	-150
2 Governing Justly and Democratically	**28,425**	**28,422**	**21,441**	**-6,981**
Assistance for Europe, Eurasia and Central Asia	**28,425**	**28,422**	**-**	**-28,422**
2.1 Rule of Law and Human Rights	7,047	6,791	-	-6,791
2.2 Good Governance	7,961	9,153	-	-9,153
2.3 Political Competition and Consensus-Building	2,386	2,036	-	-2,036
2.4 Civil Society	11,031	10,442	-	-10,442
Economic Support Fund	**-**	**-**	**20,000**	**20,000**
2.1 Rule of Law and Human Rights	-	-	4,420	4,420
2.2 Good Governance	-	-	5,520	5,520
2.3 Political Competition and Consensus-Building	-	-	1,410	1,410
2.4 Civil Society	-	-	8,650	8,650
International Narcotics Control and Law Enforcement	**-**	**-**	**1,441**	**1,441**
2.1 Rule of Law and Human Rights	-	-	1,441	1,441
3 Investing in People	**29,601**	**28,056**	**35,100**	**7,044**
Assistance for Europe, Eurasia and Central Asia	**6,226**	**4,678**	**-**	**-4,678**
3.1 Health	5,648	4,200	-	-4,200
3.2 Education	578	478	-	-478
Global Health Programs - State	**19,378**	**19,378**	**27,200**	**7,822**
3.1 Health	19,378	19,378	27,200	7,822
Global Health Programs - USAID	**3,997**	**4,000**	**7,900**	**3,900**
3.1 Health	3,997	4,000	7,900	3,900
4 Economic Growth	**23,012**	**19,419**	**13,057**	**-6,362**
Assistance for Europe, Eurasia and Central Asia	**23,012**	**19,419**	**-**	**-19,419**
4.1 Macroeconomic Foundation for Growth	604	-	-	-

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.2 Trade and Investment	3,599	3,449	-	-3,449
4.3 Financial Sector	3,155	2,800	-	-2,800
4.4 Infrastructure	6,325	6,000	-	-6,000
4.5 Agriculture	2,705	200	-	-200
4.6 Private Sector Competitiveness	5,064	5,110	-	-5,110
4.7 Economic Opportunity	1,460	1,760	-	-1,760
4.8 Environment	100	100	-	-100
Economic Support Fund	**-**	**-**	**13,057**	**13,057**
4.2 Trade and Investment	-	-	1,795	1,795
4.3 Financial Sector	-	-	1,613	1,613
4.4 Infrastructure	-	-	5,000	5,000
4.6 Private Sector Competitiveness	-	-	4,078	4,078
4.7 Economic Opportunity	-	-	571	571
5 Humanitarian Assistance	**1,085**	**1,357**	**800**	**-557**
Assistance for Europe, Eurasia and Central Asia	**1,085**	**1,357**	**-**	**-1,357**
5.1 Protection, Assistance and Solutions	1,085	1,357	-	-1,357
Economic Support Fund	**-**	**-**	**800**	**800**
5.1 Protection, Assistance and Solutions	-	-	800	800

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Ukraine	**123,243**	**113,878**	**104,407**	**-9,471**
1 Peace and Security	**41,120**	**36,624**	**34,009**	**-2,615**
1.2 Combating Weapons of Mass Destruction (WMD)	24,660	22,200	20,600	-1,600
1.3 Stabilization Operations and Security Sector Reform	15,003	12,734	12,629	-105
1.5 Transnational Crime	1,457	1,690	780	-910
2 Governing Justly and Democratically	**28,425**	**28,422**	**21,441**	**-6,981**
2.1 Rule of Law and Human Rights	7,047	6,791	5,861	-930
2.2 Good Governance	7,961	9,153	5,520	-3,633
2.3 Political Competition and Consensus-Building	2,386	2,036	1,410	-626
2.4 Civil Society	11,031	10,442	8,650	-1,792
3 Investing in People	**29,601**	**28,056**	**35,100**	**7,044**
3.1 Health	29,023	27,578	35,100	7,522
3.2 Education	578	478	-	-478
4 Economic Growth	**23,012**	**19,419**	**13,057**	**-6,362**
4.1 Macroeconomic Foundation for Growth	604	-	-	-

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.2 Trade and Investment	3,599	3,449	1,795	-1,654
4.3 Financial Sector	3,155	2,800	1,613	-1,187
4.4 Infrastructure	6,325	6,000	5,000	-1,000
4.5 Agriculture	2,705	200	-	-200
4.6 Private Sector Competitiveness	5,064	5,110	4,078	-1,032
4.7 Economic Opportunity	1,460	1,760	571	-1,189
4.8 Environment	100	100	-	-100
5 Humanitarian Assistance	**1,085**	**1,357**	**800**	**-557**
5.1 Protection, Assistance and Solutions	1,085	1,357	800	-557
of which: Objective 6	**9,229**	**7,416**	**5,214**	**-2,202**
6.1 Program Design and Learning	1,864	1,813	1,546	-267
6.2 Administration and Oversight	7,365	5,603	3,668	-1,935

Peace and Security

Ukraine has been a strong participant in peacekeeping and other international missions, and has been a key partner in tackling the challenge of weapons proliferation. A priority of U.S. assistance will be to support the necessary restructuring, modernization, and reform of the Ukrainian Armed Forces (UAF) for interoperability with the North Atlantic Treaty Organization (NATO) as Ukraine continues to participate, through the Partnership for Peace, in virtually every NATO-flagged military operation. In addition, the harmonization of Ukraine's law enforcement bodies with European standards is essential to the country's European integration. U.S. assistance within this objective will also focus on countering weapons of mass destruction (WMD) and conventional weapons proliferation; nuclear safety; engagement of former weapons scientists in civilian pursuits; strengthening export control and border security; and combating transnational crime, particularly trafficking in persons (TIP).

Economic Support Fund (ESF): Funding under this objective will addresses nuclear safety concerns through the United States' multi-year commitment to support Ukraine and others in reverting the damaged Chornobyl nuclear facility to an environmentally safe and stable condition. In addition, the United States will contribute to the establishment of an independent site monitoring and reporting contract to help ensure that the final stages of the Chornobyl projects remain on schedule and within budget. Funds under this objective will also be used to prevent TIP and provide social and economic assistance to victims of trafficking.

International Military Education and Training (IMET): Assistance funds will be used to provide training to help transform and restructure the UAF into a modern, professional, contract-based force. IMET will train members of the developing noncommissioned officer corps, broaden the understanding and application of Western military concepts for military officers, and advance the overall professional military education in the UAF and Ministry of Defense. Enhanced IMET will be used for the professional education of key civilian government officials involved in the development of Ukraine's defense establishment. IMET will also be used to assist the UAF in improving its English language teaching capacity.

International Narcotics and Law Enforcement (INCLE): Assistance programs will help strengthen border control and management, harmonize law enforcement with European and international standards, fight cybercrime, and prevent and combat TIP.

Foreign Military Financing (FMF): FY 2013 resources will support Ukrainian efforts to transform and restructure the UAF into a modern, professional, contract-based force. Funding will provide equipment that will improve the capability and interoperability of special NATO-designated Ukrainian units toward the goal of continued and increased participation in coalition operations. Assistance will also provide funds for overall interoperability and capability upgrades in the Army, Navy, and Air Force.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): Programs will help the Government of Ukraine (GOU) counter transnational threats such as international terrorism and proliferation of WMD-related commodities and technology. Ukraine's strategic trade control system is structurally at or near international standards; however, implementation is lacking, especially with respect to licensing procedures and enforcement. The Export Control and Related Border Security (EXBS) Program will provide regulatory training and assistance designed to improve Ukraine's regulations and procedures related to control over brokering, catch-all controls, intangible transfers of technology, and transit and trans-shipment. EXBS will host exchanges with U.S. Government officials who work on effective imposition of administrative penalties and best practices for investigation and prosecution of criminal export control violations. Development of export control-specific courses at the border guard and customs academies will also be continued. The Conventional Weapons Destruction (CWD) Program responds to security threats and risks posed by landmines, unexploded ordnance, and excess, loosely-secured, and otherwise at-risk small arms, light weapons, portable air defense weapons, and ammunition. In FY 2013, CWD assistance will continue to support activities aimed at improving stockpile security.

Governing Justly and Democratically

Recent democratic backsliding, including elections which have not met international standards and politically motivated prosecution of members of the opposition, poses considerable risk to Ukraine's Euro-Atlantic integration. At the same time, Ukraine's civil society continues to work actively and, together with the independent media, has proven it can increase government accountability and encourage key reforms.

Economic Support Fund (ESF): Programs will be targeted to address the two highest priorities for U.S. assistance to Ukraine: improving governance and increasing the accountability and effectiveness of the justice system. ESF funds will advance these objectives through efforts to decentralize political power and increase the capacity, transparency, and accountability of Ukraine's Parliament. U.S. assistance will improve the capacity of local government to improve budget management and implementation, increase outreach to citizens, and improve the quality and reliability of municipal services and infrastructure. U.S. assistance will also strengthen political competition by increasing the demand for more effective representation of the public interest by political parties and elected officials, as well as improving electoral systems based on an evaluation of the October 2012 parliamentary elections. In addition, the U.S. Government will help strengthen Ukraine's justice sector through technical assistance and training to improve judicial administration and the capacity of judges, lawyers, and court staff, as well as the availability of *pro bono* legal services. U.S. assistance will also help bring Ukraine closer to compliance with European and international standards relating to judicial administration.

U.S. assistance will help encourage civil society actors to play a more prominent role in advocating for democratic change. U.S. programs will improve the operating environment for civil society, strengthen the management and financial sustainability of non-governmental organizations (NGOs), and support grassroots and national-level advocacy efforts. A particular emphasis will be placed on supporting civil society to serve as a watchdog over government, helping combat corruption across sectors. In order to increase access to objective information, U.S. assistance will promote an environment in which

independent media can flourish, build the capacity of online media outlets, and improve the professionalism and quality of journalism.

International Narcotics and Law Enforcement (INCLE): Funds will be targeted at strengthening the criminal justice system and adversarial-based court proceedings in line with an anticipated improved Criminal Procedure Code, related legislation, and international standards; improving the capacity of judges, prosecutors, and defense attorneys to implement the new legislation; and bringing Ukraine closer to compliance with European and international standards relating to the definition, prevention, and detection of corrupt practices.

Investing in People

Assistance provided through the Global Health Programs (GHP) accounts will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership. Supported by a significant commitment of GHI funding, U.S. assistance will continue to build Ukraine's capacity to respond to serious health challenges, in particular HIV/AIDS.

Global Health Programs (GHP): With the most severe HIV/AIDS epidemic in the region, programs will build government and NGO capacity to implement an effective national response that reduces transmission among most at-risk populations by expanding access to prevention, treatment, and care services, including services for HIV-infected injection drug users. Assistance will respond to mutual U.S. Government and GOU priorities as articulated in a Partnership Framework signed in February 2011. Programs will also seek to mitigate the spread of tuberculosis (TB) and address significant challenges in multi-drug-resistant TB (MDR-TB) and HIV-TB co-infection.

- HIV/AIDS – Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR): Ukraine will receive significant support to build partnerships to provide integrated prevention, care and treatment programs throughout the country and support orphans and vulnerable children. The U.S.-Ukraine Partnership Framework on HIV/AIDS is a five-year strategic approach that deepens cooperation, strengthens coordination, and enhances collaboration, technical and financial resources in concerted, strategic support of Ukraine's national HIV/AIDS response. GHP funds implemented through the Partnership Framework will help strengthen HIV/AIDS programs, policies, country leadership, and resources, and will increase access to effective prevention, treatment, and care, and support services for those most-at-risk populations living with and affected by HIV/AIDS.

- Tuberculosis (TB): The U.S. Government will also seek to strengthen Ukraine's response to TB, improving the quality and expanding availability of World Health Organization-recommended TB services; creating a safer medical environment; building capacity to implement programs countering MDR-TB and extensively-drug-resistant TB; and improving access to services for those co-infected with HIV/AIDS and TB.

- Family Planning and Reproductive Health (FP/RH): U.S. assistance will strengthen the sustainability of Ukraine's FP/RH services by building the capacity of NGOs and local health officials to educate youth and women on the benefits of modern family planning methods and promote women's health, while helping the GOU to develop guidelines, protocols, and executive orders that use best international practices.

Economic Growth

Ukraine's long-term political stability is closely linked to its economic prosperity, security, and transparency. Sustainable economic development depends on the cultivation of a stable and business-oriented middle class.

Economic Support Fund (ESF): U.S. Government assistance will continue to focus on developing the financial sector, building a stronger investment environment that broadly benefits Ukrainian citizens, and securing the energy sector. These efforts aim to promote growth, improve the investment climate, facilitate EU integration, and fulfill International Monetary Fund (IMF) and World Trade Organization (WTO) commitments. Activities will also focus on improving policies, laws, regulations, and administrative practices affecting the private sector's ability to compete. Financial sector assistance will target systemic weaknesses, and include banking and capital markets reform. Sustained U.S. assistance aims to develop a stable, resilient, and transparent financial sector that supports long-term economic growth. Funding will also promote anti-corruption measures, support exchanges to build human capital in the agricultural and other sectors, and increase financial literacy. Other U.S. programs will also continue to improve private sector competitiveness and productivity in key sectors, including agriculture, through market-oriented reforms, increased access to finance, and increased capacity of producers and industry associations.

Ukraine's economy is one of the most inefficient and pollution-intensive in the world; it is also amongst the least energy-independent globally. Assistance in the energy sector will contribute to the GCCI's Clean Energy component by reducing energy dependence through a program of energy efficiency activities at the residential and municipal levels, promoting transparency and source diversification, and encouraging energy policy reform. Proposed activities will support a lower emissions development pathway for Ukraine.

Humanitarian Assistance

Economic Support Fund (ESF): U.S. assistance through the Department of State will work to alleviate suffering of the neediest population groups in Crimea and the depressed areas of eastern Ukraine. Assistance will be focused on the elderly, disabled, orphans, children, the extremely poor, and the institutionalized. The U.S. Government will distribute privately-donated medical supplies and equipment, food, clothing, and health and emergency shelter items; respond to disasters; and execute small reconstruction projects.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Several monitoring and evaluation efforts were undertaken during FY 2011 in Ukraine. The U.S. Government drafted USAID Country Development Cooperation and Global Health Initiative Strategies and launched several new activity designs. In addition, the U.S. Government conducted several evaluations and assessments in the health sector, including a family planning assessment, an HIV/AIDS assessment, and an assessment of the GOU's National TB Program. An evaluation of USAID's legislative drafting and reform efforts in the economic sector was conducted to identify areas of primary strategic importance and ways of improving coordination. A mid-term evaluation was completed for USAID's local economic development program, and a final evaluation was conducted for USAID's flagship media program. Over the coming year, USAID will implement its new evaluation policy through evaluations of rule of law, HIV/AIDS, energy efficiency, and financial sector strengthening programs.

The U.S. Embassy's Office of Defense Cooperation (ODC) conducted program management reviews that showed that the UAF's lack of funding has negatively affected its transition to a Western-based training system as well as NATO-based curriculum development and implementation.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The U.S. Embassy was able to draw important conclusions and take targeted actions based on the evaluation efforts described above:

- The design of U.S. Government health programs strengthened coordination of initiatives to focus on the growing problem of HIV-TB co-infection, as well as a more concerted effort to combat MDR-TB.

- U.S. Government-funded media activities are refocusing on ensuring media freedoms and protection for journalists, as well as development of sustainable in-country training capacity.

- A review by EXBS of funding provided to Ukraine's State Service for Export Control (SSEC) to allow this agency to carry out its mission of identifying and licensing strategic trade goods resulted in EXBS funding being shifted to the SSEC in FY 2011. The funds were used to procure information technology equipment and fund training and outreach events.

Relating Past Performance to FY 2013 Plans: Given the progress being made in reducing the spread of HIV/AIDS, additional resources are requested to help implement the U.S. Government's new PEPFAR Partnership Framework with the GOU. The U.S. Government's request under the Peace and Security objective will also be maintained to help meet prior commitments to the international effort to secure the Chornobyl site. Under the Economic Growth objective, the request has been focused on the priority sector of energy efficiency, with more modest requests in financial sector reform, business enabling environment, and trade.

Eurasia Regional

Foreign Assistance Program Overview

The Eurasian countries remain of enormous foreign policy importance to the United States. The states of the region can serve as key partners on a range of U.S. interests if they develop into secure, prosperous, and democratic countries, rooted in the rule of law. Trends in the political sector – illustrated by marked democratic progress in Moldova, the surge in civic activism in Russia, and democratic backsliding in Belarus and Ukraine – highlight the ongoing process of political transition in the region. The Eurasian countries were particularly hard-hit by the global financial crisis and, more recently, the Eurozone debt crisis has increased fear of contagion in the region. Among other sources of potential conflict, tensions persist between Georgia and Russia in the aftermath of their 2008 conflict, as well as between Armenia and Azerbaijan over the disputed territory of Nagorno-Karabakh. While improving, the weakened state of human capital remains a constraint to growth and stability in a number of states.

Regionally-budgeted assistance boosts the effectiveness of bilateral programs by fostering regional cooperation through organizations and structures which address transnational challenges; and by providing technical analysis and support that helps U.S. Embassies and USAID Missions to utilize U.S. assistance resources as productively and efficiently as possible. Among other activities, the Eurasia Regional budget supports analytical publications on the stability of the financial sector, the state of non-governmental organizations (NGOs), independent media, and the overall political environment that help identify needs and inform analysis of the effectiveness of U.S. assistance to the region. Washington-managed programs also seek to strengthen and standardize adherence to democratic principles and economic reform, thereby helping to integrate the Eurasian countries into the Euro-Atlantic community. As in previous years, the United States will work through multilateral mechanisms to address instability, promote open markets, consolidate democratic progress made to date and mitigate backsliding. Eurasia Regional funding will support U.S. contributions to the Organization for Security and Cooperation in Europe (OSCE) and other regional organizations. In addition, these funds support regional and Washington-based personnel and platforms that provide technical expertise and implement development programs and initiatives. Eurasia Regional funding also supports ongoing efforts in the Nagorno-Karabakh region, as well as areas of common interest to the U.S.-Russia bilateral relationship through the NATO-Russia Council.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**41,805**	**31,200**	**22,560**	**-8,640**
Assistance for Europe, Eurasia and Central Asia	37,860	29,500	-	-29,500
Economic Support Fund	2,495	-	21,137	21,137
Global Health Programs - USAID	450	1,050	1,100	50
International Narcotics Control and Law Enforcement	-	-	323	323
Nonproliferation, Antiterrorism, Demining and Related Programs	1,000	650	-	-650

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Eurasia Regional	**41,805**	**31,200**	**22,560**	**-8,640**
1 Peace and Security	**13,710**	**12,639**	**8,848**	**-3,791**
Assistance for Europe, Eurasia and Central Asia	**12,710**	**11,989**	**-**	**-11,989**
1.3 Stabilization Operations and Security Sector Reform	1,309	1,294	-	-1,294
1.4 Counter-Narcotics	541	300	-	-300
1.5 Transnational Crime	184	-	-	-
1.6 Conflict Mitigation and Reconciliation	10,676	10,395	-	-10,395
Economic Support Fund	**-**	**-**	**8,525**	**8,525**
1.6 Conflict Mitigation and Reconciliation	-	-	8,525	8,525
International Narcotics Control and Law Enforcement	**-**	**-**	**323**	**323**
1.5 Transnational Crime	-	-	323	323
Nonproliferation, Antiterrorism, Demining and Related Programs	**1,000**	**650**	**-**	**-650**
1.1 Counter-Terrorism	1,000	650	-	-650
2 Governing Justly and Democratically	**7,205**	**4,098**	**2,743**	**-1,355**
Assistance for Europe, Eurasia and Central Asia	**7,205**	**4,098**	**-**	**-4,098**
2.1 Rule of Law and Human Rights	153	287	-	-287
2.2 Good Governance	260	397	-	-397
2.4 Civil Society	6,792	3,414	-	-3,414
Economic Support Fund	**-**	**-**	**2,743**	**2,743**
2.1 Rule of Law and Human Rights	-	-	311	311
2.2 Good Governance	-	-	319	319
2.4 Civil Society	-	-	2,113	2,113
3 Investing in People	**4,056**	**1,985**	**1,848**	**-137**
Assistance for Europe, Eurasia and Central Asia	**1,111**	**935**	**-**	**-935**
3.1 Health	730	357	-	-357
3.3 Social and Economic Services and Protection for Vulnerable Populations	381	578	-	-578
Economic Support Fund	**2,495**	**-**	**748**	**748**
3.2 Education	2,495	-	-	-
3.3 Social and Economic Services and Protection for Vulnerable Populations	-	-	748	748
Global Health Programs - USAID	**450**	**1,050**	**1,100**	**50**
3.1 Health	450	1,050	1,100	50
4 Economic Growth	**13,924**	**9,668**	**6,546**	**-3,122**
Assistance for Europe, Eurasia and Central Asia	**13,924**	**9,668**	**-**	**-9,668**
4.3 Financial Sector	738	1,192	-	-1,192

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.4 Infrastructure	1,757	2,316	-	-2,316
4.6 Private Sector Competitiveness	1,079	1,667	-	-1,667
4.8 Environment	10,350	4,493	-	-4,493
Economic Support Fund	**-**	**-**	**6,546**	**6,546**
4.3 Financial Sector	-	-	719	719
4.4 Infrastructure	-	-	555	555
4.6 Private Sector Competitiveness	-	-	342	342
4.8 Environment	-	-	4,930	4,930
5 Humanitarian Assistance	**2,910**	**2,810**	**2,575**	**-235**
Assistance for Europe, Eurasia and Central Asia	**2,910**	**2,810**	**-**	**-2,810**
5.1 Protection, Assistance and Solutions	2,910	2,810	-	-2,810
Economic Support Fund	**-**	**-**	**2,575**	**2,575**
5.1 Protection, Assistance and Solutions	-	-	2,575	2,575

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Eurasia Regional	**41,805**	**31,200**	**22,560**	**-8,640**
1 Peace and Security	**13,710**	**12,639**	**8,848**	**-3,791**
1.1 Counter-Terrorism	1,000	650	-	-650
1.3 Stabilization Operations and Security Sector Reform	1,309	1,294	-	-1,294
1.4 Counter-Narcotics	541	300	-	-300
1.5 Transnational Crime	184	-	323	323
1.6 Conflict Mitigation and Reconciliation	10,676	10,395	8,525	-1,870
2 Governing Justly and Democratically	**7,205**	**4,098**	**2,743**	**-1,355**
2.1 Rule of Law and Human Rights	153	287	311	24
2.2 Good Governance	260	397	319	-78
2.4 Civil Society	6,792	3,414	2,113	-1,301
3 Investing in People	**4,056**	**1,985**	**1,848**	**-137**
3.1 Health	1,180	1,407	1,100	-307
3.2 Education	2,495	-	-	-
3.3 Social and Economic Services and Protection for Vulnerable Populations	381	578	748	170
4 Economic Growth	**13,924**	**9,668**	**6,546**	**-3,122**
4.3 Financial Sector	738	1,192	719	-473
4.4 Infrastructure	1,757	2,316	555	-1,761
4.6 Private Sector Competitiveness	1,079	1,667	342	-1,325

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.8 Environment	10,350	4,493	4,930	437
5 Humanitarian Assistance	**2,910**	**2,810**	**2,575**	**-235**
5.1 Protection, Assistance and Solutions	2,910	2,810	2,575	-235
of which: Objective 6	**5,402**	**5,430**	**5,353**	**-77**
6.1 Program Design and Learning	1,535	1,279	1,166	-113
6.2 Administration and Oversight	3,867	4,151	4,187	36

Peace and Security

The Eurasia Region continues to struggle with a range of threats to its stability, including substantial trafficking in narcotics, weapons, persons and other illicit goods. The risk of international terrorism emanating from, or transiting through, the states of the former Soviet Union remains a real and pressing concern. Incomplete settlement of a number of disputes in the region including the North Caucasus, Nagorno-Karabakh, Transnistria, as well as Georgia's breakaway regions and its tense relationship with Russia, create the potential for armed conflict. U.S. efforts to address these vulnerabilities are supported through a variety of programs.

Economic Support Fund (ESF): The United States provides substantial support for the work of the OSCE in Eurasia. The OSCE's comprehensive approach to democratization and elections, economic development, security sector reform and related activities reflect an integrated approach designed to prevent conflict and unrest while promoting human rights, good governance, and the rule of law. Funding for the OSCE will be requested under this heading, as well as under the Europe Regional heading.

International Narcotics Control and Law Enforcement (INCLE): U.S. funding will support regional efforts to address transnational crime. Planned activities at the requested level include targeted support for the Georgia, Ukraine, Azerbaijan, Moldova (GUAM) Organization for Democracy and Economic Development. U.S. funding will support criminal justice components of the organization's mission, including efforts to develop the capacity of member countries to address key transnational crime concerns such as trafficking in persons and organized crime. Planned activities also include partial support for training of police from the Eurasian countries under the auspices of the NATO-Russia Council in combating the flow of opiates and other narcotics from Afghanistan.

Governing Justly and Democratically

Two decades after the collapse of the Soviet Union, the democratic transition of the region remains incomplete: varying degrees of authoritarianism persist, xenophobia is resurgent, justice systems are often politicized, and the conduct of elections consistently falls below international standards. In addition, government accountability is limited by insufficiently transparent and inclusive policy-making, as well as pressure on media, civil society watchdogs and other independent voices. The United States seeks to bolster bilateral efforts in the region primarily through monitoring and analytical vehicles that provide a basis on which to press at a political level for reform and that assist in the design of bilateral programs targeted to promote democratic reform and the rule of law. Funding also supports a limited number of regional programs that are managed from Washington.

Economic Support Fund (ESF): U.S. programs support the production of a variety of democracy indices that assist donors and governments in assessing priorities, monitoring country progress, and making funding decisions. Other planned activities include efforts to support investigative journalism, as well as support for a regional effort to abate anti-Semitism and other forms of religious discrimination.

Investing in People

Progress in social indicators including life expectancy, education, and infant mortality is uneven in Eurasia. U.S. programs will support efforts in social and economic services and protection for vulnerable populations that have the potential to impact these indicators, as well as direct health interventions under the Global Health Initiative (GHI). Targeted interventions under this objective have the potential to substantially improve the quality of life of the region's people.

Global Health Programs (GHP): Assistance provided through the GHP account will support the goals and principles of the GHI to achieve major improvements in health outcomes through sustainable approaches and increased country ownership in the following spheres:

- HIV/AIDS: U.S. funding will support efforts to monitor and combat the spread of HIV/AIDS in Eurasia, particularly emphasizing controlling the epidemic among intravenous drug users and other highly vulnerable groups.

- Tuberculosis (TB): Funds will be used to support TB prevention, detection, and treatment activities, including a planned USAID-World Health Organization program to strengthen national and international capacity for TB monitoring and evaluation and to combat multi-drug resistant (MDR) and extensively drug resistant (XDR) TB. This partnership will fortify TB surveillance and survey capacity within the region, drug management systems, and regional efforts to prevent and combat MDR-TB and XDR-TB. The United States will also provide technical support to select priority countries such as Azerbaijan and Belarus for national TB programs and efforts to combat MDR-TB and XDR-TB.

Economic Support Fund (ESF): Legacies of communist-era practices have contributed to short life expectancies for vulnerable populations through a lack of public information about health, and gaps in social and economic services and protections persist. U.S. assistance will seek to enhance the capacity of governments to address social challenges through improving social protection systems, addressing corruption in education, and focusing on vulnerabilities to trafficking in persons. U.S. efforts will also address social system gaps that acutely impact the delivery of health services, reproductive health, and rates of HIV/AIDS, TB, and other infectious diseases.

Economic Growth

In spite of substantial energy and natural resources and relatively high levels of basic literacy and numeracy, the economies of Eurasia continue to underperform due to incomplete transitions from communist practices. Chronically high unemployment poses a real threat to political and economic stability within the region. The Eurasian countries continue to be vulnerable to financial shocks and banking crises. Capacity to manage risks and financial markets is underdeveloped. Firms and households continue to experience difficulty accessing necessary credit. Energy markets remain fragmented, contributing to limited investment. In light of growing energy demand, the lack of investment combined with a lack of supply diversity leaves the region without adequate electric power supplies and vulnerable to periodic energy crises. The United States seeks to address these problems and promote sustained economic growth in the region by providing technical assistance to address competitiveness, trade, regional energy security, access to finance, and the adoption and implementation of international financial sector standards and best practices.

Economic Support Fund (ESF): To address the after-effects of the global financial crisis and the ongoing Eurozone debt crisis, the United States will apply internationally recognized best practices to help bolster public confidence in the region's financial systems as well as to strengthen the capacity to respond to the

global economic turbulence. Given that the development of efficient, reliable, and affordable infrastructure is essential for the achievement of equitable growth, programs will also focus on the advancement of energy security, a key U.S. foreign policy objective. In undertaking this work, the United States will collaborate closely with the Energy Community created by the Athens Treaty, whose long-term goal is harmonized regional electricity and gas markets that are fully integrated with the EU internal energy market. U.S. programs will work to increase the economic competitiveness of industries and enterprises within Eurasian countries to promote economic stability via the creation of much-needed jobs, provide for increased cross-border trade, and accelerate regional integration. The Eurasian region is a major industrial emitter, and deforestation is a substantial problem. U.S. efforts to combat global climate change through clean energy will emphasize the development of tools and capacity for critical policy and infrastructure decisions in light of energy generation shortfalls; harmonization of regulatory frameworks to promote energy trade, including electricity; commercialization of clean energy technologies; and low-income residential energy efficiency as a social safety net tool.

Humanitarian Assistance

Targeted emergency and non-emergency humanitarian assistance will be provided to vulnerable populations, including the building and equipping of clinics, schools, and orphanages, ensuring access to potable water and training of medical staff.

Economic Support Fund (ESF): The United States will continue to fund the provision of shelter, medical care, counseling, education, and water and sanitation for displaced persons; provide food aid for vulnerable groups; and procure and deliver commodities such as medicines, equipment, clothing and food donated by the U.S. Government (under the Excess Defense Articles program) and by U.S.-based private voluntary organizations (PVOs) to improve conditions in schools, clinics, orphanages, and homes for the elderly. U.S. funding will also facilitate the provision of medical education of physicians, nurses, and other healthcare and social service providers through the donation of professional time by U.S.-based PVOs.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In FY 2011, the United States supported three Europe and Eurasia region-wide analyses of country progress: the *Media Sustainability Index* (MSI), the *NGO Sustainability Index* (NGOSI), and the *Nations in Transit* (NIT) report. These analytic efforts have informed the programmatic direction of regional projects and helped shape budget requests in bilateral activities in Eurasia. These studies have also helped Washington-based planners identify trends in the region.

USAID's Monitoring Country Progress (MCP) system continues as an important instrument utilized by the U.S. Government to measure readiness to graduate from U.S. development assistance. It measures country performance in four major areas: economic reform, democratic reform, human capital, and peace and security. The information within the MCP system is utilized to make mid-course corrections in U.S. Government-funded programs.

At the program level, all agencies and offices implementing programs funded through the Assistance for Europe, Eurasia and Central Asia (AEECA) account participated in a Washington-based Annual Budget Review process during autumn 2011. This process included a review of each agency's FY 2012 AEECA budget request in light of past performance against planned objectives and performance targets.

USAID also conducted three formal performance evaluations and two impact evaluations in 2011. Performance evaluations reviewed the efficacy of U.S. efforts to combat corruption in education in Eurasia, maternal and child health best practices, and efforts to promote civil society through the grant mechanisms

of the Eurasia Foundation. USAID impact evaluations assessed the package of services available to HIV-positive persons and populations most at-risk of HIV/AIDS, as well as an assessment of efforts in integrated primary health care and family medicine.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The successes achieved in the Eurasia Regional program inform programmatic choices significantly. Past reviews of an investigative journalism program supported the decision to continue and expand its activities, even in the face of increased budget pressure in 2012 and 2013. Evidence from an energy efficiency pilot in Macedonia was used in the design of a follow-on Low Income Residential Energy Efficiency activity, which will expand the successes to other countries in western Eurasia and the Caucasus. Bilateral programs also continue to rely on regionally funded analyses such as NIT, the NGOSI and the MSI to inform budget decisions at the sector level.

Relating Past Performance to FY 2013 Plans: Continued assistance in FY 2013 will help to solidify progress made to date and prevent significant backsliding in the face of recent challenges in the region. For example, Ukraine's recent slippage from "free" to "partly free" status in the 2011 NIT informed the Administration's decision to rebalance bilateral programming in the governing justly and democratically objective. The request will allow the United States to address issues that transcend national boundaries, such as financial stability, crime, regional security, clean energy and emissions mitigation, and trade. It will also fund regional studies, assessments, and workshops in the democracy and social sectors that allow the U.S. Government to evaluate progress and improve understanding of key issues facing the Eurasian region.

Europe Regional

Foreign Assistance Program Overview

For almost two decades, the United States, European countries, international financial institutions and other donors have invested substantial resources in Southeast Europe to foster the region's political, economic, and social transformation. This development has contributed importantly to the substantial progress these countries have made in the transition to market-oriented democracies. Notable successes include a number of countries that have joined or are on track to join the North Atlantic Treaty Organization (NATO) and the European Union (EU), as well as those that have joined the World Trade Organization (WTO), and have seen civil society blossom from virtual non-existence into vibrancy. Nonetheless, Southeast Europe's transformation is far from complete. Tensions between Kosovo and Serbia remain and have resulted in violence in northern Kosovo over the past year. Political strife in Bosnia and Herzegovina has prevented progress on correcting human rights failings in the constitution and all but halted progress on EU and NATO integration. High unemployment and low growth throughout large parts of the region combine with ethnic tensions to produce an environment vulnerable to instability.

To consolidate the transformation of the region, U.S. programs focus on: supporting cross-border knowledge transfer and cooperative programs; promoting reforms necessary for increased stability and prosperity; supporting efforts at reconciliation to overcome post-conflict tensions and mutual mistrust; supporting regionally-based and Washington-based experts and platforms that contribute to achieving foreign policy objectives in the region; and supporting key regional organizations that promote security and development of the region. As in previous years, the United States will also work through multilateral mechanisms to address instability and solidify democratic progress made to date and to mitigate backsliding. Among other regional organizations, Europe Regional funding will support U.S. contributions to the Organization for Security and Cooperation in Europe (OSCE) and the Regional Cooperation Council (RCC).

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**32,635**	**26,250**	**21,561**	**-4,689**
Assistance for Europe, Eurasia and Central Asia	29,890	26,000	-	-26,000
Economic Support Fund	2,495	-	20,911	20,911
International Narcotics Control and Law Enforcement	-	-	400	400
Nonproliferation, Antiterrorism, Demining and Related Programs	250	250	250	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Europe Regional	**32,635**	**26,250**	**21,561**	**-4,689**
1 Peace and Security	**22,318**	**18,563**	**16,356**	**-2,207**
Assistance for Europe, Eurasia and Central Asia	**22,068**	**18,313**	**-**	**-18,313**
1.3 Stabilization Operations and Security Sector Reform	55	46	-	-46

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.5 Transnational Crime	1,873	1,000	-	-1,000
1.6 Conflict Mitigation and Reconciliation	20,140	17,267	-	-17,267
Economic Support Fund	**-**	**-**	**15,706**	**15,706**
1.6 Conflict Mitigation and Reconciliation	-	-	15,706	15,706
International Narcotics Control and Law Enforcement	**-**	**-**	**400**	**400**
1.5 Transnational Crime	-	-	400	400
Nonproliferation, Antiterrorism, Demining and Related Programs	**250**	**250**	**250**	**-**
1.2 Combating Weapons of Mass Destruction (WMD)	250	250	250	-
2 Governing Justly and Democratically	**3,786**	**3,408**	**2,214**	**-1,194**
Assistance for Europe, Eurasia and Central Asia	**3,786**	**3,408**	**-**	**-3,408**
2.1 Rule of Law and Human Rights	199	218	-	-218
2.2 Good Governance	77	193	-	-193
2.4 Civil Society	3,510	2,997	-	-2,997
Economic Support Fund	**-**	**-**	**2,214**	**2,214**
2.1 Rule of Law and Human Rights	-	-	186	186
2.2 Good Governance	-	-	142	142
2.4 Civil Society	-	-	1,886	1,886
3 Investing in People	**2,989**	**614**	**431**	**-183**
Assistance for Europe, Eurasia and Central Asia	**494**	**614**	**-**	**-614**
3.1 Health	386	161	-	-161
3.3 Social and Economic Services and Protection for Vulnerable Populations	108	453	-	-453
Economic Support Fund	**2,495**	**-**	**431**	**431**
3.2 Education	2,495	-	-	-
3.3 Social and Economic Services and Protection for Vulnerable Populations	-	-	431	431
4 Economic Growth	**3,542**	**3,665**	**2,560**	**-1,105**
Assistance for Europe, Eurasia and Central Asia	**3,542**	**3,665**	**-**	**-3,665**
4.3 Financial Sector	630	950	-	-950
4.4 Infrastructure	1,098	159	-	-159
4.6 Private Sector Competitiveness	612	993	-	-993
4.8 Environment	1,202	1,563	-	-1,563
Economic Support Fund	**-**	**-**	**2,560**	**2,560**
4.3 Financial Sector	-	-	337	337
4.4 Infrastructure	-	-	475	475
4.6 Private Sector Competitiveness	-	-	172	172
4.8 Environment	-	-	1,576	1,576

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Europe Regional	**32,635**	**26,250**	**21,561**	**-4,689**
1 Peace and Security	**22,318**	**18,563**	**16,356**	**-2,207**
1.2 Combating Weapons of Mass Destruction (WMD)	250	250	250	-
1.3 Stabilization Operations and Security Sector Reform	55	46	-	-46
1.5 Transnational Crime	1,873	1,000	400	-600
1.6 Conflict Mitigation and Reconciliation	20,140	17,267	15,706	-1,561
2 Governing Justly and Democratically	**3,786**	**3,408**	**2,214**	**-1,194**
2.1 Rule of Law and Human Rights	199	218	186	-32
2.2 Good Governance	77	193	142	-51
2.4 Civil Society	3,510	2,997	1,886	-1,111
3 Investing in People	**2,989**	**614**	**431**	**-183**
3.1 Health	386	161	-	-161
3.2 Education	2,495	-	-	-
3.3 Social and Economic Services and Protection for Vulnerable Populations	108	453	431	-22
4 Economic Growth	**3,542**	**3,665**	**2,560**	**-1,105**
4.3 Financial Sector	630	950	337	-613
4.4 Infrastructure	1,098	159	475	316
4.6 Private Sector Competitiveness	612	993	172	-821
4.8 Environment	1,202	1,563	1,576	13
of which: Objective 6	**2,387**	**3,131**	**2,553**	**-578**
6.1 Program Design and Learning	265	803	579	-224
6.2 Administration and Oversight	2,122	2,328	1,974	-354

Peace and Security

The Europe Regional Program will continue to promote peace and security in Southeast Europe through four ongoing efforts: reducing transnational crime through effective law enforcement communication and information sharing; supporting a locally directed diplomatic initiative in the western Balkans to promote collaboration between governments in the region; contributing to the efforts of the OSCE; and engaging in supplementary regional efforts to build the capacity of countries of the region to secure their borders against the transit of items of proliferation concern.

Economic Support Fund (ESF): U.S. funding will support the OSCE's comprehensive approach to security, including work on democratization and elections, economic development, security sector reform, and related efforts that provide an integrated approach to preventing conflict and unrest while promoting human rights, good governance, and the rule of law. Funding for the OSCE is requested under this heading, as well as under the Eurasia Regional heading. At the requested level, funds will also support the RCC, which is the successor organization to the Stability Pact for Southeast Europe. The RCC is an

organization run by the countries of the region that promotes collaborative approaches in areas of common interest such as coordinated disaster response and regional energy security.

International Narcotics Control and Law Enforcement (INCLE): FY 2013 funds will provide targeted support for the activities of the Bucharest-based Southeast Europe Law Enforcement Center (SELEC) which provides a mechanism for exchange of sensitive law enforcement information and coordination of cross-border enforcement actions. Funding may also be used to provide supplementary training to criminal justice sector actors working on transnational crime in Southeast Europe.

Nonproliferation, Antiterrorism, Demining and Related Programs (NADR): Through regional funding in the Balkans, the State Department's Export Control and Related Border Security (EXBS) Program will continue to support ongoing efforts to increase regional capacity to interdict illicit trafficking in items of proliferation concern. Anticipated activities include regional export control seminars, cross-border initiatives, and regional workshops for border police and customs officers from Southeast Europe.

Governing Justly and Democratically

Building an informed and involved citizenry, advancing the rule of law, and promoting good governance remain the U.S. core assistance goals for the transition of Southeast Europe. U.S. funding under this objective will support analytical tools measuring progress on transition, capacity-building for investigative journalism, and grants supporting indigenous civil society organizations.

Economic Support Fund (ESF): With FY 2013 funding, the United States will support the research and publication costs of a series of analytical tools that measure the independence of the media, the viability of civil society, and progress toward transition to market-oriented democracy. Other activities include: programs to help establish and strengthen the legal and regulatory framework to protect and promote civil society and civic participation in selected countries such as Macedonia; the use of investigative journalism to address corruption; and regionally-competed grant programs that provide local non-governmental organizations support in engaging their communities and governments.

Investing in People

Communist-era legacies in the delivery of social services, education, and healthcare persist, impeding the development of the region's full economic potential.

Economic Support Fund (ESF): Support through the Europe Regional program will have an impact on policies, regulations, and systems. As part of broader, Europe and Eurasia-wide mechanisms, limited funding will support analytical activities that help design bilateral programs to address remaining challenges in social protection systems, corruption in education, and vulnerabilities to trafficking in persons.

Economic Growth

Economic reforms in Southeast Europe are incomplete, undermining growth and resulting in persistently high levels of official and actual unemployment. These countries have shown themselves highly vulnerable to financial shocks and banking crises. The recent Eurozone crisis has been a particular challenge, given some countries' currency links to the EU and their dependence on access to EU markets for exports. Risk-management practices and access to credit remain problems. Energy markets are also fragmented, limiting ability to respond to energy crises. The United States seeks to address these problems and promote sustained economic growth in the region by providing technical assistance through regional efforts that address competitiveness, trade, regional energy security, access to finance, and the adoption and implementation of international financial sector standards and best practices.

Economic Support Fund (ESF): Three themes will form the core of the U.S. regional economic assistance in Southeast Europe: reduction of financial instability, the promotion of competiveness, and energy security. To assist in addressing the Eurozone financial crisis, U.S. programs will support sound, stable, and high-functioning financial sectors by promoting financial integration of recipient countries into the global economy; by harmonizing policies and practices across Southeastern Europe and the broader Europe and Eurasia region with international standards in financial sector development; and by increasing the capacity of financial institutions of countries in the region to prevent financial crises. Planned activities include the continued production of financial briefs; establishment of financial sector certification programs; and specific skills training for financial sector professionals. To address competitiveness gaps, U.S. programs will help businesses to penetrate new markets, governments to remove obstacles to growth, and workers to improve their technical and management skills. In doing so, U.S. programs are designed to have a positive impact on official unemployment rates that are as high as 40 percent in some parts of the region. In addition, U.S. work on energy security will emphasize support for the Energy Community created by Athens Treaty, whose long-term goal for members is a harmonized regional electricity and gas market that is fully integrated with the EU internal energy market. Energy efforts will also strongly focus on development of clean energy, given that many of the countries of Southeast Europe are substantial industrial emitters.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In FY 2011, the United States supported three Europe and Eurasia region-wide analyses of country progress: the *Media Sustainability Index* (MSI), the *NGO Sustainability Index* (NGOSI), and the *Nations in Transit* (NIT) report. These analytic efforts have informed the programmatic direction of regional projects and helped shape budget requests in bilateral activities in Southeast Europe. These studies have also helped Washington-based planners identify trends in the region.

USAID's Monitoring Country Progress (MCP) system continues to be an important instrument utilized by the U.S. Government to measure readiness to graduate from U.S. development assistance. It measures country performance in four major areas: economic reform and performance, democratic reform, human capital, and peace and security. The information within the MCP system is utilized to make mid-course corrections in U.S. programs.

At the program level, all agencies and offices implementing programs funded through the Assistance for Europe, Eurasia and Central Asia (AEECA) account participated in a Washington-based Annual Budget Review process in autumn 2011. This process included a review of each agency's FY 2012 AEECA budget request in light of past performance against planned objectives and performance targets.

USAID also conducted two formal performance evaluations and two impact evaluations in 2011 that crossed the Europe and Eurasia regions. A performance evaluation reviewed the efficacy of U.S. efforts to combat corruption in education in Europe. A separate performance evaluation reviewed maternal and child health best practices in Southeast Europe, as part of a primary focus on the countries of Eurasia. As part of a primarily Eurasia-focused impact evaluation, USAID assessed the package of services available to HIV-positive persons and populations most at-risk of HIV/AIDS, in addition to producing an assessment of efforts in integrated primary health care and family medicine.

USAID and the Department of State have adopted major monitoring and evaluation policy initiatives, noting the need to deliver results and learn from both successes and failures. Every major USAID program will require an evaluation conducted by an independent third party, with results of the evaluation released within three months of the completion of the evaluation.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The successes achieved in past programming continue to inform programmatic decisions in the Europe Regional budget. Past reviews of the U.S.-supported investigative journalism program originally focused on Southeast Europe resulted in a decision to extend the program and expand its geographic scope into Eurasia. Bilateral programs also continue to rely on regionally-funded analyses such as NIT, the NGOSI and the MSI to inform budget decisions at the sectoral level. For example, recent challenges to the independence of Macedonia's judiciary have informed a refocus of planned activities there in 2012 and 2013.

Relating Past Performance to FY 2013 Plans: Continued levels of assistance help to safeguard investments made to date. For example, evidence of performance gathered from an energy-efficiency pilot in Macedonia was used in the design and decisions on funding needs of the Low Income Residential Energy Efficiency activity. This activity will address the impact of rising energy prices on households through residential energy efficiency measures in apartment blocks in the Europe region.

International Fund for Ireland

Foreign Assistance Program Overview

A permanent political settlement in Northern Ireland remains a priority foreign policy goal of the United States. Progress in that regard has been significant, culminating with the Northern Ireland political parties' 2010 completion of the last major step of the Good Friday Agreement, namely the devolution of policing and justice. Nevertheless, challenges to a durable settlement remain, including recent increases in some forms of sectarian-driven violence. In marginalized and divided communities in Northern Ireland and the border counties of the Republic of Ireland, dissidents continue to have a presence and cross-community relations continue to be hampered by a lack of economic development and high unemployment. U.S. assistance to the International Fund for Ireland (IFI) aims to promote peace and reconciliation in support of Irish and British efforts to defuse sectarian differences and foster economic revival in areas affected by the conflict.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**2,500**	**2,500**	**2,500**	**-**
Economic Support Fund	2,500	2,500	2,500	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
International Fund for Ireland	**2,500**	**2,500**	**2,500**	**-**
1 Peace and Security	**2,500**	**2,500**	**2,500**	**-**
Economic Support Fund	**2,500**	**2,500**	**2,500**	**-**
1.6 Conflict Mitigation and Reconciliation	2,500	2,500	2,500	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
International Fund for Ireland	**2,500**	**2,500**	**2,500**	**-**
1 Peace and Security	**2,500**	**2,500**	**2,500**	**-**
1.6 Conflict Mitigation and Reconciliation	2,500	2,500	2,500	-

Peace and Security

U.S. funding under this objective supports the IFI's efforts to promote peace and reconciliation through social and economic advancement, and by encouraging contact, dialogue and reconciliation between divided communities throughout Northern Ireland and the border counties of the Republic of Ireland, addressing key factors which impede the complete implementation of a durable settlement.

Economic Support Fund (ESF): U.S. funding will support IFI's efforts to assist those communities in Northern Ireland and the border counties of the Republic of Ireland that have not realized the benefits of the peace process, which is a goal of the United States, as well as of its British and Irish partners. These communities have high rates of unemployment, are prone to sectarian violence, and experience ongoing paramilitary activity. IFI projects will foster cross-community interaction and promote equal opportunity and job training in the communities that have benefited least from the peace process, areas known as "low peace-impact" communities.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: USAID conducted an on-site review of ten IFI projects (eight in Northern Ireland and two in a border county of the Republic of Ireland) in November 2011, which verified that programs were on track to achieving stated purposes and were using funds appropriately. This review complemented an earlier, external review of the IFI, which highlighted the continued need for the Fund's activities in its program delivery areas. It found strong evidence that the Fund was making positive contributions toward its strategic objectives (e.g., promoting understanding between communities, cross-community and cross-border contact, dialogue and reconciliation, and reducing sectarianism).

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The requested FY 2013 funding responds to a recent upsurge in sectarian violence in Northern Ireland which has led the IFI to develop a new, more targeted program aimed at low peace-impact communities. While the overall security situation is far better than it was at the height of the conflict, the Police Service of Northern Ireland still reported a higher number of bombing incidents – 99 from 2010 to 2011– than it had at any time since 2002-2003. In July 2010, a gang of dissident youths attempted to hijack, and then burn, a commuter train that was en route from Dublin to Belfast. FY 2013 assistance will play a critical role in addressing the roots of incidents such as these, supporting IFI's work with the cross-community programs that keep youth from joining the paramilitaries that are often responsible for sectarian acts of violence.

Relating Past Performance to FY 2013 Plans: The funding requested in FY 2013 will support the work of the IFI to address the roots of intolerance and violence by ameliorating conditions in these communities through targeted job training and economic development programs that improve economic conditions and increase opportunity for those at risk of being drawn into dissident activity. The Administration's request both demonstrates U.S. political support for the work of the IFI and is intended to help leverage financial contributions from other donors in support of these efforts. From January 2006 to February 2010, 93 percent of the Fund's financial commitments were made to projects that promoted sharing and reconciliation between communities. In the course of making financial commitments to projects during that period, the IFI was able to leverage approximately $110 million in additional funds.

Near East Regional Overview

Foreign Assistance Program Overview

In 2011, the uprisings across the region that started with the revolution in Tunisia forced governments to face widespread popular calls for accountability, openness, and change. As President Obama stated in his May 19, 2011 address, “It will be the policy of the United States to promote reform across the region, and to support transitions to democracy.” Since the beginning of the Arab Spring, the United States has provided significant support to immediate transition needs by reprogramming resources from other priorities and by establishing the Middle East Response Fund for FY 2011. To build on that commitment and be prepared for the future where these transitions are likely to continue, the Administration requests funding to create a new Middle East and North Africa (MENA) Incentive Fund. The MENA Incentive Fund will be a strategic tool that the U.S. Government will use to advance democratic and economic reform and to provide near-term support for transitioning countries to take the risks necessary for reform. This represents a new approach to assistance that will complement bilateral programs and current regional programs. As 2012 G8 President, the United States is working to promote and coordinate contributions from others, including non-G8 members, regional partners, and international financial institutions, with an interest in regional stability. (See the separate MENA IF narrative under "Initiatives" section of the CBJ.)

At the same time, the U.S. Government will continue to pursue its long-standing strategic objectives for the region, including through our assistance programs. The United States remains committed to Israel’s security, and to pursuing a comprehensive and lasting peace in the Middle East. The U.S. Government will continue efforts to develop the defense capabilities of our partners in the region, counter transnational threats from terrorism and organized crime, strengthen Lebanese sovereignty, and support a successful transition in Yemen. Iraq will remain a focus of U.S. engagement, and we will continue to assist the Iraqis in the development of a sovereign, stable, and self-reliant country. The United States will also continue to seek a diplomatic solution to international concerns about Iran’s nuclear ambitions, its flouting of United Nations Security Council resolutions and its international obligations, and its lack of respect for the rights of the Iranian people.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**7,013,300**	**8,053,023**	**8,991,012**	**937,989**
Overseas Contingency Operations	**-**	**1,361,105**	**1,750,000**	**388,895**
Foreign Military Financing	-	850,000	900,000	50,000
International Narcotics Control and Law Enforcement	-	503,605	850,000	346,395
Nonproliferation, Antiterrorism, Demining and Related Programs	-	7,500	-	-7,500
Enduring/Core Programs	**7,013,300**	**6,691,918**	**7,241,012**	**549,094**
Development Assistance	19,039	16,539	19,676	3,137
Economic Support Fund	1,810,925	1,589,430	1,394,350	-195,080
Food for Peace Title II	38,328	-	-	-
Foreign Military Financing	4,740,177	4,813,650	4,836,150	22,500
Global Health Programs - USAID	8,982	6,000	9,500	3,500

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
International Military Education and Training	17,294	18,009	18,945	936
International Narcotics Control and Law Enforcement	290,340	160,395	107,894	-52,501
Middle East and North Africa Incentive Fund	-	-	770,000	770,000
Nonproliferation, Antiterrorism, Demining and Related Programs	62,215	59,895	58,497	-1,398
Peacekeeping Operations	26,000	28,000	26,000	-2,000

Note: The Economic Support Fund includes $135 million notified in Fiscal Year 2011 and $50 million allocated in Fiscal Year 2012 for the Middle East Response Fund (MERF). International Narcotics Control and Law Enforcement includes $25 million allocated to the MERF in Fiscal Year 2012.

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Near East Regional Overview	**7,013,300**	**8,053,023**	**8,991,012**	**937,989**
1 Peace and Security	**5,125,047**	**6,321,495**	**6,701,266**	**379,771**
Development Assistance	**-**	**-**	**2,500**	**2,500**
1.1 Counter-Terrorism	-	-	2,500	2,500
Economic Support Fund	**12,771**	**8,000**	**8,500**	**500**
1.1 Counter-Terrorism	2,281	1,500	-	-1,500
1.6 Conflict Mitigation and Reconciliation	10,490	6,500	8,500	2,000
Foreign Military Financing	**4,740,177**	**5,663,650**	**5,736,150**	**72,500**
1.1 Counter-Terrorism	215,952	212,000	187,000	-25,000
1.2 Combating Weapons of Mass Destruction (WMD)	10,000	10,000	10,000	-
1.3 Stabilization Operations and Security Sector Reform	4,514,225	5,441,650	5,539,150	97,500
International Military Education and Training	**17,294**	**18,009**	**18,945**	**936**
1.1 Counter-Terrorism	-	-	897	897
1.3 Stabilization Operations and Security Sector Reform	17,294	18,009	18,048	39
International Narcotics Control and Law Enforcement	**266,590**	**536,441**	**850,674**	**314,233**
1.1 Counter-Terrorism	1,030	-	-	-
1.3 Stabilization Operations and Security Sector Reform	263,060	535,441	849,674	314,233
1.4 Counter-Narcotics	2,500	1,000	1,000	-
Nonproliferation, Antiterrorism, Demining and Related Programs	**62,215**	**67,395**	**58,497**	**-8,898**
1.1 Counter-Terrorism	29,800	28,795	23,547	-5,248
1.2 Combating Weapons of Mass Destruction (WMD)	7,415	10,600	6,400	-4,200
1.3 Stabilization Operations and Security Sector Reform	25,000	28,000	28,450	450
1.6 Conflict Mitigation and Reconciliation	-	-	100	100
Peacekeeping Operations	**26,000**	**28,000**	**26,000**	**-2,000**
1.3 Stabilization Operations and Security Sector Reform	26,000	28,000	26,000	-2,000

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
2 Governing Justly and Democratically	**421,976**	**458,881**	**457,022**	**-1,859**
Development Assistance	**9,000**	**3,500**	**7,426**	**3,926**
2.1 Rule of Law and Human Rights	3,000	-	-	-
2.2 Good Governance	3,000	3,500	3,350	-150
2.3 Political Competition and Consensus-Building	1,000	-	2,176	2,176
2.4 Civil Society	2,000	-	1,900	1,900
Economic Support Fund	**389,226**	**352,822**	**281,376**	**-71,446**
2.1 Rule of Law and Human Rights	53,253	59,091	56,762	-2,329
2.2 Good Governance	129,015	83,624	93,374	9,750
2.3 Political Competition and Consensus-Building	69,883	51,678	23,567	-28,111
2.4 Civil Society	137,075	158,429	107,673	-50,756
International Narcotics Control and Law Enforcement	**23,750**	**102,559**	**107,220**	**4,661**
2.1 Rule of Law and Human Rights	20,875	91,159	97,120	5,961
2.2 Good Governance	2,875	11,400	10,100	-1,300
Middle East and North Africa Incentive Fund	**-**	**-**	**61,000**	**61,000**
2.1 Rule of Law and Human Rights	-	-	8,500	8,500
2.2 Good Governance	-	-	3,000	3,000
2.3 Political Competition and Consensus-Building	-	-	13,500	13,500
2.4 Civil Society	-	-	36,000	36,000
3 Investing in People	**603,541**	**600,676**	**462,566**	**-138,110**
Development Assistance	**4,500**	**6,500**	**4,500**	**-2,000**
3.2 Education	4,500	6,500	4,500	-2,000
Economic Support Fund	**590,059**	**588,176**	**445,566**	**-142,610**
3.1 Health	165,675	133,457	131,521	-1,936
3.2 Education	169,779	218,655	132,907	-85,748
3.3 Social and Economic Services and Protection for Vulnerable Populations	254,605	236,064	181,138	-54,926
Global Health Programs - USAID	**8,982**	**6,000**	**9,500**	**3,500**
3.1 Health	8,982	6,000	9,500	3,500
Middle East and North Africa Incentive Fund	**-**	**-**	**3,000**	**3,000**
3.1 Health	-	-	3,000	3,000
4 Economic Growth	**643,658**	**559,822**	**633,878**	**74,056**
Development Assistance	**5,539**	**6,539**	**5,250**	**-1,289**
4.2 Trade and Investment	565	775	1,300	525
4.6 Private Sector Competitiveness	2,148	775	2,600	1,825
4.8 Environment	2,826	4,989	1,350	-3,639
Economic Support Fund	**638,119**	**553,283**	**622,628**	**69,345**
4.1 Macroeconomic Foundation for Growth	353,800	252,200	325,900	73,700

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.2 Trade and Investment	27,668	25,800	15,000	-10,800
4.3 Financial Sector	57,115	44,666	15,010	-29,656
4.4 Infrastructure	11,900	26,500	61,440	34,940
4.5 Agriculture	64,781	63,444	61,656	-1,788
4.6 Private Sector Competitiveness	78,131	78,540	81,176	2,636
4.7 Economic Opportunity	26,960	52,583	45,536	-7,047
4.8 Environment	17,764	9,550	16,910	7,360
Middle East and North Africa Incentive Fund	**-**	**-**	**6,000**	**6,000**
4.6 Private Sector Competitiveness	-	-	2,000	2,000
4.7 Economic Opportunity	-	-	4,000	4,000
5 Humanitarian Assistance	**84,078**	**37,149**	**36,280**	**-869**
Economic Support Fund	**45,750**	**37,149**	**36,280**	**-869**
5.1 Protection, Assistance and Solutions	45,750	37,149	36,280	-869
Food for Peace Title II	**38,328**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	38,328	-	-	-
6 Program Support	**135,000**	**75,000**	**700,000**	**625,000**
Economic Support Fund	**135,000**	**50,000**	**-**	**-50,000**
6.1 Program Design and Learning	135,000	50,000	-	-50,000
International Narcotics Control and Law Enforcement	**-**	**25,000**	**-**	**-25,000**
6.1 Program Design and Learning	-	25,000	-	-25,000
Middle East and North Africa Incentive Fund	**-**	**-**	**700,000**	**700,000**
6.1 Program Design and Learning	-	-	700,000	700,000

Note: The $135 million in FY11 and $75 million in FY12 allocated to the Middle East Response Fund and the $700 million requested in FY 2013 for the Middle East and North Africa Incentive Fund are currently reflected as Program Support. These funds will be allocated to other program areas when notified for specific programs.

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Near East Regional Overview	**7,013,300**	**8,053,023**	**8,991,012**	**937,989**
1 Peace and Security	**5,125,047**	**6,321,495**	**6,701,266**	**379,771**
1.1 Counter-Terrorism	249,063	242,295	213,944	-28,351
1.2 Combating Weapons of Mass Destruction (WMD)	17,415	20,600	16,400	-4,200
1.3 Stabilization Operations and Security Sector Reform	4,845,579	6,051,100	6,461,322	410,222
1.4 Counter-Narcotics	2,500	1,000	1,000	-
1.6 Conflict Mitigation and Reconciliation	10,490	6,500	8,600	2,100
2 Governing Justly and Democratically	**421,976**	**458,881**	**457,022**	**-1,859**
2.1 Rule of Law and Human Rights	77,128	150,250	162,382	12,132

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
2.2 Good Governance	134,890	98,524	109,824	11,300
2.3 Political Competition and Consensus-Building	70,883	51,678	39,243	-12,435
2.4 Civil Society	139,075	158,429	145,573	-12,856
3 Investing in People	**603,541**	**600,676**	**462,566**	**-138,110**
3.1 Health	174,657	139,457	144,021	4,564
3.2 Education	174,279	225,155	137,407	-87,748
3.3 Social and Economic Services and Protection for Vulnerable Populations	254,605	236,064	181,138	-54,926
4 Economic Growth	**643,658**	**559,822**	**633,878**	**74,056**
4.1 Macroeconomic Foundation for Growth	353,800	252,200	325,900	73,700
4.2 Trade and Investment	28,233	26,575	16,300	-10,275
4.3 Financial Sector	57,115	44,666	15,010	-29,656
4.4 Infrastructure	11,900	26,500	61,440	34,940
4.5 Agriculture	64,781	63,444	61,656	-1,788
4.6 Private Sector Competitiveness	80,279	79,315	85,776	6,461
4.7 Economic Opportunity	26,960	52,583	49,536	-3,047
4.8 Environment	20,590	14,539	18,260	3,721
5 Humanitarian Assistance	**84,078**	**37,149**	**36,280**	**-869**
5.1 Protection, Assistance and Solutions	84,078	37,149	36,280	-869
6 Program Support	**135,000**	**75,000**	**700,000**	**625,000**
6.1 Program Design and Learning	135,000	75,000	700,000	625,000
of which: Objective 6	**66,631**	**82,147**	**143,175**	**61,028**
6.1 Program Design and Learning	32,616	24,550	21,140	-3,410
6.2 Administration and Oversight	34,015	57,597	122,035	64,438

Peace and Security

The U.S. Government continues its efforts to achieve comprehensive peace in the region. U.S. assistance will advance a two-state solution to the Israeli-Palestinian conflict as a key component of comprehensive regional peace. The U.S. Government will support a Palestinian Authority (PA) committed to the Quartet principles (recognition of Israel, renunciation of violence and respect of previous agreements), and to peacefully attaining a future Palestinian state that will be democratic, capable of providing law, order, and governance for its citizens, a responsible neighbor to Israel, and a source of stability and moderation in the region. U.S. diplomatic engagement with and bilateral assistance to Israel will help to strengthen public and government confidence in efforts to realize a two-state solution, in addition to bolstering Israel's security. The U.S. Government will engage with Arab allies to build upon the constructive elements of the Arab Peace Initiative and will seek to advance all peace tracks between Israel and its neighbors.

Military-to-military cooperation remains a high priority and an important tool in achieving U.S. national security objectives. Such cooperation bolsters local capabilities to contain conflict, protect national territory, and pre-empt the establishment of safe havens for terrorists, while enhancing civilian oversight of the military. Continued U.S. assistance to Yemen, and engagement through the Gulf Security Dialogue, will help to enhance the security capabilities and coordination of U.S. partners on the Arabian Peninsula.

The Trans-Sahara Counterterrorism Partnership (TSCTP) will enhance coordination, improve border security, and combat radical ideology in the North Africa region. In 2013, the U.S. Government will continue to support military, law enforcement, and regulatory mechanisms to combat terrorism and terrorism finance in partnership with regional governments. U.S. assistance efforts will also bolster our partners' abilities to defend against outside threats. Increasingly, as opportunities for engagement expand, efforts to reform internal security forces and militaries to respond to the legitimate grievances of citizens will be essential to successful transitions. Finally, as part of efforts to continue progress toward a sovereign, stable, and self-reliant Iraq, this request includes the resources the Department of State needs to provide police training and help Iraq build a justice system based on the rule of law.

Governing Justly and Democratically

U.S. assistance will be devoted to governance and political reform throughout the region with a growing attention to rule of law programs,. Through bilateral assistance and regional programs, the United States will support institutional reforms that provide fundamental freedoms, strengthen the rule of law, combat corruption, improve performance of government institutions, and expand opportunities for effective public participation in the political process. Utilizing bilateral and regional tools, the United States will work with and help build the capacity of civil society organizations to promote indigenous democratic reform and to fully empower women and youth. The United States promotes civil liberties and human rights, including worker rights, through our assistance and through other policy tools.

Investing in People

U.S. assistance will continue to support reform efforts and exchanges that improve the quality of health care and education throughout the region. Educational reform increases tolerance and supports vulnerable groups, especially women and youth. Assistance in this area should result in higher rates of school attendance and completion, particularly for women and girls, which will allow for improvements in the status of women within families, the local community, and in the political arena. In particular there are regional efforts to address water issues and encourage collaboration.

Economic Growth

Trade and investment remain crucial motors for economic development and job growth, contributing to internal development and political advancement as well as overall regional stability and enhancing prospects for regional peace. Increased trade will expand markets for U.S. exporters of goods and services, and enhance on-going reform efforts. Through the Middle East and Africa Trade and Investment Partnership (MENA-TIP) initiative, the United States can assist in the reform of trade and investment laws to promote economic growth and prosperity by strengthening property rights, competition, regional integration, and the rule of law. U.S. assistance and engagement through the MENA-TIP will focus on assisting transitioning countries, as well as strengthening existing Free Trade Agreements with Bahrain, Israel, Jordan, Morocco, and Oman. It will also support World Trade Organization accession for Trade and Investment Framework Agreement partners Algeria, Iraq, Lebanon, and Yemen.

Humanitarian Assistance

This request reflects a continued need for direct humanitarian assistance programs in the West Bank, and particularly in Gaza.

Linkages with the Millennium Challenge Corporation

The Millennium Challenge Corporation (MCC) $697.5 million Compact with Morocco to support microfinance, agriculture, and rural development builds on past and ongoing projects, including the United States Agency for International Development (USAID)-funded Agribusiness Support Project. The

design of the MCC agriculture project capitalizes on past successes of USAID's Agribusiness project and supports a similar program that will link producers to export opportunities.

The Government of Jordan (GOJ) and the U.S. Government signed a five-year, $275 million MCC Compact in November 2010, which entered into force on December 13, 2011. The Compact is focused on reducing poverty and enhancing economic growth through three main projects in the water sector, which further leverages the U.S. Government assistance through co-investment with the private sector and the GOJ.

MCC is in the process of developing a threshold program with Tunisia intended to provide policy interventions to support economic growth and transformation.

Algeria

Foreign Assistance Program Overview

United States bilateral foreign assistance to Algeria is designed to strengthen Algeria's capacity to combat terrorism and crime, and support the building of stable institutions that contribute to the security and stability of the region. Foreign assistance further supports Algeria's ongoing fight against al Qaeda in the Islamic Maghreb (AQIM) and other hostile actors in the region. Algeria has remained relatively stable over the past year, despite the turmoil that has engulfed the region. While there have been sporadic demonstrations, they have remained primarily socio-economic in nature, with very few calls for the government to step down.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**9,835**	**2,125**	**2,950**	**825**
Food for Peace Title II	8,232	-	-	-
International Military Education and Training	953	1,225	1,150	-75
Nonproliferation, Antiterrorism, Demining and Related Programs	650	900	1,800	900

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Algeria	**9,835**	**2,125**	**2,950**	**825**
1 Peace and Security	**1,603**	**2,125**	**2,950**	**825**
International Military Education and Training	**953**	**1,225**	**1,150**	**-75**
1.3 Stabilization Operations and Security Sector Reform	953	1,225	1,150	-75
Nonproliferation, Antiterrorism, Demining and Related Programs	**650**	**900**	**1,800**	**900**
1.1 Counter-Terrorism	400	400	1,500	1,100
1.2 Combating Weapons of Mass Destruction (WMD)	250	500	300	-200
5 Humanitarian Assistance	**8,232**	**-**	**-**	**-**
Food for Peace Title II	**8,232**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	8,232	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Algeria	**9,835**	**2,125**	**2,950**	**825**
1 Peace and Security	**1,603**	**2,125**	**2,950**	**825**
1.1 Counter-Terrorism	400	400	1,500	1,100
1.2 Combating Weapons of Mass Destruction (WMD)	250	500	300	-200
1.3 Stabilization Operations and Security Sector Reform	953	1,225	1,150	-75
5 Humanitarian Assistance	**8,232**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	8,232	-	-	-

Peace and Security

The Algerian Government has made significant progress in the struggle against terrorism within its borders. U.S.-funded programs have helped the government thwart potential threats to Algerian and Western sites in Algeria. Algeria faces ongoing security risks in its southern border region as terrorist groups exploit northern Mali as a safe haven to plan operations and engage in illegal activities, notably kidnappings and trafficking in contraband. The recent conflict in Libya and concerns over weapons flows further illustrate the importance of border-security and weapons-proliferation cooperation in the Maghreb region.

International Military Education and Training (IMET): IMET programs will continue to focus on professional military education, technical training, and English language competency. Specifically, IMET funding will provide officer development courses geared toward professionalizing current and future Algerian military leaders for regional counterterrorism operations. Additional training will provide Algeria with the skills needed to participate in peacekeeping and humanitarian operations and build a robust disaster response capability.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR):
Antiterrorism Assistance (ATA): The Department of State's ATA program will continue to assist Algerian law enforcement to bolster its capacity to effectively deal with security challenges within its borders, defend against threats to national and regional stability, and deter terrorist operations. NADR/ATA funds have supported multiple training programs that have improved bilateral relations with regional law enforcement agencies and facilitated real-time terrorist threat intelligence sharing. FY 2013 courses will focus on assisting Algerian law enforcement to strengthen investigative and border security capabilities, and to improve coordination and cooperation with other regional states on counterterrorism issues. The ATA program also encourages inter-agency cooperation between internal Government of Algeria law enforcement entities.

Export Control and Related Border Security Assistance (EXBS): Border security programming under EXBS will complement other programmatic activities, such as ATA, and support U.S. interests by bolstering Algeria's capacity to control its borders and ports, better screen for weapons of mass destruction and dual-use materials, and professionalize the country's border police, customs, merchant marine, and port authorities. Additionally, EXBS will continue to encourage the Algerian government to institute a strategic trade control regime in line with international norms.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The United States has three mechanisms to evaluate and monitor IMET programming and military-to-military cooperation. A joint military dialogue (JMD) convenes every two years and acts as the primary channel for planning bilateral military cooperation by reviewing past programs and establishing future priorities. The next JMD will be held in 2012. Additionally, the United States and Algeria hold an annual planning conference to set yearly targets for exchange programs and joint-military exercises and review prior year activities. Embassy Algiers' Office of Security Cooperation maintains a continuous liaison with the Algerian training manager at the Ministry of National Defense to update training priorities and ensure efficient and effective use of funds.

The Embassy Regional Security Officer (RSO) evaluates progress on NADR/ATA funded projects at the end of each training program, reviewing detailed after-action-reports generated by the instructors to determine if projects are meeting USG and Algerian government goals. RSO has discussed the ongoing ATA program with three key Algerian law enforcement agencies and has developed a comprehensive ATA training program tailored to their specific needs and skill requirements. In August and October 2011, RSO and Algerian counterparts discussed the utility of past courses and areas of focus going forward. ATA program staff from the Office of the Coordinator for Counterterrorism (S/CT) and the Office of Antiterrorism Assistance (DS/T/ATA) conduct comprehensive in-country program reviews every two or three years.

EXBS activities are evaluated by post and the EXBS office to assess their impact and how to adapt them to Algeria's evolving strategic trade control and border security capabilities. Planned activities in FY 2013 will respond to identified GOA needs and support U.S. security interests.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Based on the November 2010 Joint Military Dialogue, FY 2013 IMET programs will further support the building of an indigenous Lessons Learned system for the Algerian military. The overall strategy for achieving FY2013's IMET priorities will be reviewed and approved at the Africa Command Security Cooperation, Education, and Training Working Group in May 2012.

Bahrain

Foreign Assistance Program Overview

Bahrain plays a key role in the Gulf's security architecture and is a vital U.S. partner in defense initiatives. U.S. assistance helps Bahrain, which lacks the oil wealth of its neighbors, obtain the equipment and training it needs to operate alongside U.S. air and naval forces. Bahrain hosts our Fifth Fleet, allows us access to two major airfields, and participates in U.S.-led military coalitions. In 2012, Bahrain's Ministry of Interior (MOI) forces will redeploy for a fifth time since 2009 to support the International Security Assistance Force (ISAF) in Afghanistan, where they provide perimeter security at U.S. Marines' Camp Leatherneck. The first Arab state to lead one of the Coalition Task Forces (CTF) that patrol the Gulf, Bahrain recently renewed its command of CTF-152 and has supported the coalition counter-piracy mission with a deployment of its flagship.

Last year's political and social unrest demonstrated the imperative of addressing the political aspirations of the Bahraini people—not only for Bahrain's long-term domestic stability and prosperity, but also for the sustainability of our decades-long security partnership. To protect and advance U.S. interests, we have and will continue to leverage all tools available, including foreign assistance, to encourage Bahrain's leadership to implement democratic reforms and respect human rights standards; make Bahrain a stronger and more interoperable partner for regional peace, security and counter-terrorism cooperation; improve the ability to deny terrorist sponsorship, support and sanctuary; and boost Bahrain's maritime defenses against smuggling and terrorism.

Following the release of the royally appointed Bahrain Independent Commission of Inquiry's (BICI) findings, which recommended broad reform of the security sector following numerous human rights abuses during and after the unrest, the Government of Bahrain has taken initial steps to reform its security sector. We continue to urge the Government of Bahrain to implement the full range of BICI recommendations and take steps to implement additional reforms. We seek new opportunities to support the implementation of the BICI recommendations and longer-term reform efforts. Security sector reform is a critical area in need of attention, and we will seek to support these reform objectives. Progress in these areas will enable us to sustain the necessary levels of foreign assistance to meet our shared security challenges.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**17,396**	**11,200**	**11,175**	**-25**
Foreign Military Financing	15,461	10,000	10,000	-
International Military Education and Training	435	700	725	25
Nonproliferation, Antiterrorism, Demining and Related Programs	1,500	500	450	-50

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Bahrain	**17,396**	**11,200**	**11,175**	**-25**
1 Peace and Security	**17,396**	**11,200**	**11,175**	**-25**
Foreign Military Financing	**15,461**	**10,000**	**10,000**	**-**
1.3 Stabilization Operations and Security Sector Reform	15,461	10,000	10,000	-
International Military Education and Training	**435**	**700**	**725**	**25**
1.3 Stabilization Operations and Security Sector Reform	435	700	725	25
Nonproliferation, Antiterrorism, Demining and Related Programs	**1,500**	**500**	**450**	**-50**
1.1 Counter-Terrorism	1,500	500	450	-50

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Bahrain	**17,396**	**11,200**	**11,175**	**-25**
1 Peace and Security	**17,396**	**11,200**	**11,175**	**-25**
1.1 Counter-Terrorism	1,500	500	450	-50
1.3 Stabilization Operations and Security Sector Reform	15,896	10,700	10,725	25

Peace and Security

The U.S. foreign assistance posture towards Bahrain is designed to advance our commitment to a strong security partnership while pressing Bahrain to embark on meaningful reform, particularly in the security sector. The requested funds will enable Bahrain to strengthen its counter-terrorism programs and border security, continue its legacy of support and leadership for Coalition maritime operations, and remain capable of sustained participation in U.S.-led exercises and operations in the region.

Our foreign assistance comes in the context of our broader security cooperation relationship with Bahrain. Pending progress on implementation of BICI recommendations, the U.S. government has withheld licenses and sales of a range of security items, including items with internal applications or that would significantly enhance external defense capabilities. Implementing the BICI recommendations can help bring about an environment conducive to political reconciliation between the government and opposition and promote long-term stability, thereby strengthening the U.S-Bahrain partnership.

Foreign Military Financing (FMF): The FY 2013 request will contribute to the refurbishment of the Bahraini Navy's aging flagship vessel, the SABHA frigate, which will assist with maritime security and force projection. None of the FY 2013 requested security assistance will be used for internal security or expand an external capability.

International Military Education and Training (IMET): The IMET request will support professional military education and technical-oriented training, including courses in maritime operations, aircraft maintenance, and material management. U.S.-based courses will provide instruction in the democratic principles of civilian control of the military and human rights, helping to nurture the political reforms underway in Bahrain. For a relatively modest investment, IMET has a meaningful impact on key foreign military leaders.

Non-proliferation, Anti-Terrorism, Demining, and Related Programs (NADR)
The NADR-Antiterrorism Assistance (ATA) request will contribute to counterterrorism support with Bahrain. Previous NADR-ATA funding trained Bahraini Ministry of Interior forces to support the mission in Afghanistan. NADR-ATA training programs are critical to ensuring adequate host country force protection support to U.S. military and diplomatic facilities in Bahrain. They will continue to focus on the key areas of border, maritime, ground, air, tactical and Explosive Ordnance Disposal (EOD) training. This funding allocation will give the U.S. an opportunity to use the NADR programming to provide training that includes programming on the protection of human rights, a recommendation of the BICI report.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Bahrain has a well-established IMET program and consistently seeks to improve and maximize the use of available funds, with the United States engaging regularly with host nation representatives to discuss training objectives, appropriate courses, and students' English language competency level required for each course. These courses build mutual goodwill; improve understanding of U.S. culture, military doctrine, and the Law of War; and strengthen bilateral military ties over the long term. Although the Bahrain Defense Force (BDF) canceled participation in five Professional Military Education courses in the United States during FY 2011 due to the unrest experienced in Bahrain, they are committed to the program and intend to use all of its IMET-funded course allocations for FY 2012.

While a number of NADR- ATA programs scheduled for FY 2011 were postponed due to the unavailability of security personnel during Bahrain's domestic unrest and ensuing State of National Safety, the Bahraini government has subsequently rescheduled the ATA training and has sought to return its NADR-ATA participation levels to projected FY12 levels in the area of airport security and counterterrorism. This partnership with the Bahraini government, in particular with the MOI, has given us the access to discuss directly with them our concerns about adherence to universal human rights standards and implementation of needed reforms in the security sector.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The United States works with the BDF to ensure FMF funds are effectively programmed, with close United States-Bahraini coordination on security and reform priorities. Additionally, FMF enables Bahrain to continue to participate in a number of U.S.-led initiatives annually, including the Maritime Task Force. Bahrain has also commanded the Combined Task Force (CTF) 152, a multinational task force that conducts maritime security operations to counter terrorist activity, protect critical infrastructure and promote regional cooperation among Gulf neighbors.

Relating Past Performance to FY 2013 Plans: Bahrain has requested an Extended Deck Frigate as a Grant Excess Defense Article, a critical priority for U.S. interests in the Gulf region. The Bahrain Navy has used previous FMF for upgrades and sustainment of its sole U.S. frigate, the Sabha, which is needed to defend its coast against external threats and to participate in joint naval exercises and operations in the Gulf. Bahrain plans to use FY2013 funds to continue maintenance of the Sabha in order to ensure participate in future exercises.

FY 2013 IMET funding offers the opportunity to establish a training foundation among newly-assigned officers in military training programs. This training will improve familiarity with current U.S. security cooperation policies and ensure a solid training foundation as these officers progress to higher levels of

responsibility within the Bahrain Defense Force. These courses will also reinforce security sector reform and human rights priorities.

The FY 2013 NADR-ATA program request for FY 2013 reflects the intent to continue provision of assistance on a limited basis, based on ongoing concerns about MOI performance. The ATA program in Bahrain will continue to focus on helping Bahraini law enforcement improve counterterrorism capabilities in the key areas of cyber investigations, border security and critical incident management. The MOI has benefited from ATA's capacity building and train-the-trainer methodology over the last few years. However, in light of ongoing concerns about MOI performance, the trainings will incorporate security sector reform components moving forward, which will address weak areas that have hindered better performance previously. As ATA programming also includes mandatory human rights training components, increased ATA funding will also serve to reinforce the MOI's ongoing internal reform efforts. Security sector reform is a recommendation from the BICI report and a core U.S. Government priority for the Bahraini security services.

Egypt

Foreign Assistance Program Overview

Egypt's historic transition to democracy, launched in early 2011, will have a profound impact on the political future, not only of Egypt, but also the Middle East and North Africa (MENA) region at large. As of the beginning of 2012, Egypt continues to move towards a planned transfer of civilian power by July 1, 2012. Egypt successfully conducted its elections for the lower house of Parliament, the People's Assembly, between November 2011 and January 2012. The new People's Assembly started its work on January 23, and Egypt has concluded its Shura Council elections. The Supreme Council of Armed Forces (SCAF) has committed to holding presidential elections and completing the transfer of power to civilian rule by July 1. The FY 2013 request is premised on the assumption that the United States will be working with a new, democratic government that allows civil society organizations to operate more freely. The United States believes it is important to preserve our flexibility to assist Egypt with its transition, given the fluidity inherent in transitions.

Throughout this transition and beyond, Egypt will remain of critical importance to the United States and to U.S. policy in the region. Supporting a successful transition to democracy and economic stability in Egypt, one that protects the basic rights of its citizens and fulfills the aspirations of the Egyptian people, will continue to be a core objective of U.S. policy toward Egypt. Egypt is a key U.S. partner in ensuring regional stability and on a wide range of common security issues, including Middle East peace and countering terrorism.

A prosperous and democratic Egypt, buoyed by economic growth and a strong private sector, can be an anchor of stability for the MENA region. U.S. assistance to Egypt has long played a central role in Egypt's economic and military development, and in furthering our strategic partnership. Now, with Egypt embarking on a transition to democracy, our support would help Egypt develop a new political system and achieve inclusive economic growth. U.S. assistance supports Egyptian efforts to protect civil liberties and human rights, introduce transparency and accountability in government, foster economic growth and democratic institutions, and develop a robust, independent civil society.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**1,553,775**	**1,556,500**	**1,563,274**	**6,774**
Economic Support Fund	249,500	250,000	250,000	-
Foreign Military Financing	1,297,400	1,300,000	1,300,000	-
International Military Education and Training	1,275	1,400	1,800	400
International Narcotics Control and Law Enforcement	1,000	1,000	7,894	6,894
Nonproliferation, Antiterrorism, Demining and Related Programs	4,600	4,100	3,580	-520

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Egypt	**1,553,775**	**1,556,500**	**1,563,274**	**6,774**
1 Peace and Security	**1,304,275**	**1,306,500**	**1,310,274**	**3,774**
Foreign Military Financing	**1,297,400**	**1,300,000**	**1,300,000**	**-**
1.3 Stabilization Operations and Security Sector Reform	1,297,400	1,300,000	1,300,000	-
International Military Education and Training	**1,275**	**1,400**	**1,800**	**400**
1.3 Stabilization Operations and Security Sector Reform	1,275	1,400	1,800	400
International Narcotics Control and Law Enforcement	**1,000**	**1,000**	**4,894**	**3,894**
1.3 Stabilization Operations and Security Sector Reform	1,000	1,000	4,894	3,894
Nonproliferation, Antiterrorism, Demining and Related Programs	**4,600**	**4,100**	**3,580**	**-520**
1.1 Counter-Terrorism	4,600	4,100	3,580	-520
2 Governing Justly and Democratically	**46,547**	**25,000**	**28,000**	**3,000**
Economic Support Fund	**46,547**	**25,000**	**25,000**	**-**
2.1 Rule of Law and Human Rights	10,301	2,592	4,000	1,408
2.2 Good Governance	8,806	2,033	6,000	3,967
2.3 Political Competition and Consensus-Building	21,292	5,000	7,000	2,000
2.4 Civil Society	6,148	15,375	8,000	-7,375
International Narcotics Control and Law Enforcement	**-**	**-**	**3,000**	**3,000**
2.1 Rule of Law and Human Rights	-	-	3,000	3,000
3 Investing in People	**55,533**	**96,000**	**44,800**	**-51,200**
Economic Support Fund	**55,533**	**96,000**	**44,800**	**-51,200**
3.1 Health	13,000	25,000	22,250	-2,750
3.2 Education	42,533	71,000	22,550	-48,450
4 Economic Growth	**147,420**	**129,000**	**180,200**	**51,200**
Economic Support Fund	**147,420**	**129,000**	**180,200**	**51,200**
4.1 Macroeconomic Foundation for Growth	57,500	55,000	123,000	68,000
4.2 Trade and Investment	7,500	8,000	5,000	-3,000
4.3 Financial Sector	37,500	29,000	4,000	-25,000
4.5 Agriculture	20,000	10,000	10,000	-
4.6 Private Sector Competitiveness	10,956	25,000	29,000	4,000
4.7 Economic Opportunity	3,500	2,000	2,000	-
4.8 Environment	10,464	-	7,200	7,200

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Egypt	**1,553,775**	**1,556,500**	**1,563,274**	**6,774**
1 Peace and Security	**1,304,275**	**1,306,500**	**1,310,274**	**3,774**
1.1 Counter-Terrorism	4,600	4,100	3,580	-520
1.3 Stabilization Operations and Security Sector Reform	1,299,675	1,302,400	1,306,694	4,294
2 Governing Justly and Democratically	**46,547**	**25,000**	**28,000**	**3,000**
2.1 Rule of Law and Human Rights	10,301	2,592	7,000	4,408
2.2 Good Governance	8,806	2,033	6,000	3,967
2.3 Political Competition and Consensus-Building	21,292	5,000	7,000	2,000
2.4 Civil Society	6,148	15,375	8,000	-7,375
3 Investing in People	**55,533**	**96,000**	**44,800**	**-51,200**
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4.3 Financial Sector	37,500	29,000	4,000	-25,000
4.5 Agriculture	20,000	10,000	10,000	-
4.6 Private Sector Competitiveness	10,956	25,000	29,000	4,000
4.7 Economic Opportunity	3,500	2,000	2,000	-
4.8 Environment	10,464	-	7,200	7,200
of which: Objective 6	**2,225**	**3,400**	**3,600**	**200**
6.1 Program Design and Learning	2,075	3,100	2,600	-500
6.2 Administration and Oversight	150	300	1,000	700

Peace and Security

The United States benefits both politically and practically from its strategic relationship with Egypt and the wide-ranging support Egypt provides for U.S. efforts to deter and counter threats to regional security. The Egyptian government supports U.S. regional policies and efforts to enhance security and stability across the globe. Egypt continues to contribute to peacekeeping missions on the continent of Africa. In addition, the Egyptian military maintains a field hospital in Bagram, Afghanistan in support of Operation Enduring Freedom. As the transition continues, there will be greater emphasis on internal security reforms.

Foreign Military Financing (FMF): U.S. assistance helped facilitate and cement peace between Israel and Egypt, curbing tensions in a historically volatile region and serving as a model for other Arab states. Assistance supports Egypt's efforts to enhance border security and combat smuggling, including along the Gaza border. Egypt uses the FMF program—the backbone of its military procurement budget—both to expand the base of U.S. equipment and to sustain and upgrade existing U.S. equipment. FMF-funded equipment and services purchased by Egypt contribute significantly to the economic well-being of U.S. defense sector industries. This includes continuation of the F-16 aircraft and M-1 tank programs.

The program also enhances the interoperability of the Egyptian Armed Forces with U.S. forces. Security assistance gives Egypt the tools it needs to participate in peacekeeping operations, including in Sudan, Democratic Republic of the Congo, and Afghanistan. These areas of cooperation highlight the United States and Egypt's shared interests in a secure Middle East and strong coalition operations.

International Military Education and Training (IMET): This funding allows Egyptian military personnel to attend professional military education courses, fellowship programs, and expanded IMET courses in areas such as peacekeeping operations, international law, and military legal professionals. This leads to exposure in professional development, civil-military relations, leadership, interoperability, technical expertise, and critical analysis skills. These areas enhance the professionalism of the Egyptian Armed Forces and build mutual understanding between the United States and Egypt.

International Narcotics Control and Law Enforcement (INCLE): This request includes a substantial increase to support Ministry of Interior (MOI) activities critical to solidifying the transition to a new government and respond to citizen demands for effective and accountable police forces. Assistance goals are to improve the Government of Egypt's (GOE)'s adherence to the rule of law and respect for human rights in these sectors, as well as to increase the professionalism and democratic accountability of Egypt's internal security forces and criminal justice system U.S. efforts would support the reform of Egypt's police and justice sectors and provide enhancements to the protection of vulnerable populations, including women and victims of trafficking. .

Nonproliferation, Antiterrorism, Demining and Related (NADR) Programs: U.S.-sponsored anti-terrorism initiatives assist the GOE by enhancing their tactical and operational capabilities to confront and defeat the daily threat of terrorism in the region. The Anti-Terrorism Assistance (ATA) Program in Egypt is vital to U.S. efforts to strengthen GOE anti-terror capabilities and build new partnerships at this critical period, particularly as Egypt seeks to regain its security footing in the North/Central Sinai. Training and equipment would focus on improving leadership and management, border security, and the investigative capabilities of Egyptian law enforcement with a "train the trainer" methodology which instills established protocols and continuity in the training curriculum. This assistance would improve Egypt's ability to develop and sustain terrorist interdiction programs, react to terrorist incidents, conduct multi-disciplinary investigations and manage mass casualty events.

The bulk of FY 2011 and 2012 Export Control and Border Security (EXBS) funding requests were designated specifically to cover long-term maintenance requirements for a special, large-scale equipment procurement project. The FY 2013 request no longer includes funding for the special equipment project, but reflects funding necessary to provide core EXBS assistance focused on developing a comprehensive strategic controls system and addressing border security deficiencies. EXBS would use FY 2013 funds to help establish a sound legal-regulatory foundation essential to effective strategic trade controls, with efforts focused on drafting comprehensive legislation, adopting an export control list that conforms to multilateral nonproliferation regimes, and developing a licensing infrastructure. In addition, these funds would allow for the provision of equipment to enhance Egypt's frontline enforcement agencies' capacities to detect and interdict illicit shipments.

Governing Justly and Democratically

Following the 2011 revolution, government leadership in Egypt is more accountable to public opinion and more sensitive to input from Egyptians outside the government. At the same time, Egypt's parliamentary elections have provided a vehicle for citizens to elect their representatives freely. The current political environment provides new opportunities for dialogue, debate, and the development of ideas. Egypt's transition is far from over, however, and the U.S. government continues to be concerned about freedom of civil society, expression, and religion—all of which are affected to some degree by laws from the previous

regime designed to stifle democracy. To this end, for FY 2013, U.S. assistance would support Egyptian efforts to create democratic and representative institutions and processes, enact broader security sector reforms, such as community policing programs, and to increase citizen participation in politics and governance. Economic Support Funds would help build the capacity of Egyptians to advance democratic reforms, promote human rights, and to make government more responsive to the needs of the Egyptian people.

Economic Support Fund (ESF): U.S. programs will maintain maximum flexibility during Egypt's transition, support the transition's democratic processes and outcomes, build the capacity of Egyptians to advance democratic reforms, and help Egyptians hold their government more responsive and accountable. The following is an illustrative list of activities in which USAID plans to invest, pending discussion with a new, elected government in Egypt:

- Support broader reform efforts of Egypt's security sector to build entities' and individuals' professionalism and respect for human rights and community policing efforts. Programs would be conducted in close coordination with other U.S. entities in this sector.
- Assist Egypt's various representative bodies, including the new parliament, to be better able to respond effectively to priorities of the transition period and address constituents' needs. Programs would support representative bodies, particularly the new parliament and local councils, to be independent, effective and transparent, and would also help to build the capacity of government civil servants, including parliamentarians and local council members. USAID would further support public monitoring and accountability efforts through engaging civil society.
- Support a more responsive and transparent government through the development of a legal framework around anti-corruption, asset recovery, public education and dialogue, and protection of human rights and the rule of law. USAID would also support the implementation of new anti-corruption policies, public financial management, support to Egypt's Supreme Audit Authority, and building the capacity of anti-corruption and budget monitoring NGOs and research centers**.** Additional programs would help defend human rights, accelerate adjudication of human rights cases, support advocacy and education related to transitional justice, support the independence of the judiciary while providing targeted capacity building, law school reforms and improved legal education, and transitional justice processes.
- Help local governments better deliver critical services to their citizens. Efforts would facilitate the improved use of funds at the local level and support responsive, transparent service delivery mechanisms. Programs would promote local administrative reforms through decentralization, supporting elected local popular councils, and institutionalizing capacity building structures at the central and local levels.
- Promote transitional elections that are free and fair. Following on the parliamentary and presidential elections, USAID efforts would support Egypt's other major electoral events, including constitutional and other referenda and local council elections. Program activities would address voter education, elections observation, elections administration support, political party strengthening, and elections law reform.
- USAID would support citizens and civil society organizations (CSOs) to play an informed and constructive role in key transitional issues. Program activities would support effective participation in the development of new legal frameworks and critical public policy-oriented analysis and advocacy, promote religious tolerance and other conflict mitigation measures, support social dialogue and worker rights, reform the enabling environment for CSOs, build the capacity for independent public opinion surveying, and institutionalize civic education.
- Support the capacity of independent trade unions and worker organizations to advocate peacefully for worker rights and be constructive partners in Egypt's economic recovery.

- Build local and national government capacity to enforce labor standards, mediate disputes, and manage a proposed Employment Fund.
- Involve and empower women, youth and other marginalized groups, including informal sector workers. Given the significance of women, youth and other groups to Egypt's future, USAID programs would include initiatives to support their inclusion and empowerment and be based on inclusiveness and tolerance.
- Promote innovative and effective use of the media. Media – both new and traditional – will continue to be an important factor in Egypt's transition and in the long term sustainability of democracy in Egypt. Activities would focus both on media as a tool and building the capacity, professionalism, and policy environment of the media sector.
- Build Egyptian capacity in a variety of areas critical to sustaining and deepening democracy. Program activities would include: building capacity for analysis and advocacy on critical public policy issues (including budget processes and security sector reform), conflict analysis and prevention skills, economic literacy, particularly among worker organizations, workplace negotiations and collective bargaining; organizing informal sector workers, and creating a new generation of reform-minded legal thinkers.

Investing in People

Egyptian national and local governments, civil society, and the private sector continue to prioritize education and health as the sectors that must be improved if Egypt is to realize its goal of being a stable, peaceful, and prosperous nation, and an anchor of security in the region. Although Egypt continues to improve access to both education and health services, the provision of quality services to all citizens lags woefully behind its neighbors. The disparity in the quality of health and education between the rich and the rest of Egyptian society is enormous. USAID would continue assistance for local capacity in education and health with programs supporting the GOE's decentralization efforts. USAID would build the capacity of health and education practitioners to provide quality services. Programs in the health and education sectors would be conducted in coordination with or through the appropriate host country ministry.

The events of 2011 continue to affect Egypt's priorities. To assist the Egyptian people in reaching their development goals, USAID would continue health and population programming through an increasing focus on marginalized populations. Assistance would support Global Health Initiative goals and principles to improve health outcomes through sustainable approaches. Activities would prioritize reaching families from the lowest socioeconomic quintiles in both rural and urban settings, and explore new ways to support the health sector in the context of Egypt's changing environment. A women- and girls-centered approach would ensure that gender issues are taken into account to enhance outcomes and address unequal gender relations.

Economic Support Fund (ESF): USAID would work to improve the quality of private sector and non-governmental health services, and continue to support the government's efforts to provide quality services. USAID would continue to provide training in management and leadership to strengthen the government's capacity to oversee a large and complex health system, while also supporting non-governmental entities interested in transparency that can hold the government accountable for quality services. Increasing Egypt's capacity to provide high quality pre-service training, and to conduct and utilize research in its secondary education systems would help it make critical improvements in the public health sector. Cross-cutting themes would include promoting gender equality, programmatic innovations, the use of new technologies, and exploring opportunities to provide direct assistance to the government and other local organizations where feasible. The following is an illustrative list of activities in which USAID plans to invest, pending discussion with a new, elected government in Egypt.

- Maternal and Child Health: USAID ensures a continuum of care for women and their children to include provision of high-quality antenatal and delivery care with a functioning referral system between the services. The program is based on the linkage between newborn and maternal health and survival. USAID would strengthen Egypt's Maternal Mortality and Neonatal Surveillance Systems in addition to quality service improvement, communications and community outreach activities in the public and private sectors. Standards of practice for newborns would receive special attention as their care is distinct and separate from that of their mothers to assure a healthy start to life.
- Family Planning: Family planning activities would continue long-running programs at the national, facility and community levels to raise awareness and knowledge. USAID would strengthen counseling skills and conduct youth outreach activities. Youth, including engaged and married couples, would receive family planning education and counseling. Additionally, activities would address gender-based violence issues, including decreasing female genital mutilation.
- Nutrition: Focusing on the critical 1,000 days from conception to age two, USAID would support evidence-based interventions targeted to decrease child malnutrition such as supporting maternal nutrition to prevent low birth weight babies, healthy growth, optimal early feeding/breastfeeding practices, and improved infant feeding during and after illness. Activities would expand on successful community-level nutrition programs and support service improvement for nutrition-related care.
- Water Supply and Sanitation: Even with significant improvements to water supply and sanitation access in Egypt, millions still do not have adequate access to sanitation especially in rural areas. To expand sanitation coverage and strengthen sustainability of services, funds would be used to implement a rural sanitation strategy, develop a sector financing strategy, strengthen service provider regulation, and build service provider management capacity.
- Other Public Health Threats: Activities would strengthen the health system, through improving health financing, human resources, training, administration and decentralization efforts. Continued management training for hospital managers and other health care providers, coupled with improving the capacity of nurses, would further strengthen the health sector. USAID will assist Egypt to address the growing priority of non-communicable diseases.

A skilled professional workforce with critical thinking skills is essential for the development and sustainability of an open economy that can compete in an increasingly globalized world. An educated and knowledgeable population promotes a stable, accessible, and democratic government. In FY 2013, USAID would continue to concentrate on strengthening Egyptian education systems that are capable of delivering relevant skills training and equitable opportunities to all citizens. In support of the Ministry of Education (MOE), particular effort would be given to enhancing the effectiveness of teacher training, thereby improving learning outcomes in the core areas of reading, math and science. USAID would support effective decentralization of the basic education system to encourage transparency and accountability and support programs for impoverished youth that could lead to employment. USAID would support the Ministry of Higher Education to build a more relevant workforce by providing student scholarships to American and Egyptian universities, refining the relevance of technical and vocational training, and assisting graduates' transition to the workforce. All the requested funds would be programmed in coordination with the appropriate line ministry and build on past investments and experience. USAID education projects would reflect the Agency's methodology of gender integration so that concern for gender inequality is automatically a part of all projects.

- Basic Education: Building on previous interventions, USAID would continue to invest in improving academic competencies of teachers in the core areas of reading, mathematics and science. USAID would continue to support the MOE in its ongoing decentralization process by assisting governorate and local education officials to better operate their schools at the community level, responding to local needs and constituents. Decentralization in the Egyptian public school system

will be holistic, including governance, finance, and community empowerment and accountability for academic quality and fiscal responsibility. Strengthening institutional capacity of entities such as elected school Boards of Trustees would address national priorities, such as early grade reading. Finally, USAID would continue to support the MOE in the expansion of science, technology, and mathematics schools for gifted students through the innovative use of technology, curriculum development, provision of equipment and materials, and effective teaching methods. This activity would expand the reform of science and mathematics education throughout the country.

- Higher Education: USAID would provide scholarships for students to quality higher education institutions to selected future leaders and professionals so that they are more able to cultivate democratic governance and economy prosperity in Egypt. Undergraduate scholarship programs would select recipients based on their potential to play a leadership role in areas critical to Egypt's development and select students from economically-disadvantaged families.

  To further promote tertiary education, USAID would support the GOE's efforts to strengthen the country's technical and vocational education system. USAID would help local institutions adopt best practices in management and instruction from American community colleges and promote U.S. – Egyptian institutional partnerships to provide graduates with skills that meet the needs of local and regional employers.

  USAID would provide funding for university partnerships to bring together U.S. and Egyptian universities with private sector organizations to address priority development concerns in Egypt, as well as scientific research and technology. These partnerships would provide training, internships, exchanges, and scholarships for undergraduate students. The program would leave a legacy in Egypt of improved higher education programs, strengthened research capability, increased human capacity, and increase coordination with the private sector to meet job qualification needs.

  USAID would continue to foster Egyptian – U.S. collaboration in Science and Technology, including support to the Department of State's Bureau of Oceans and International Environmental and Scientific Affairs. USAID efforts would promote research by American and Egyptian professionals in the areas of scientific innovation, technology development, and technology commercialization. A new program feature would build individual and institution-level abilities to convert research outcomes into sustainable and commercially viable products and job opportunities.

  Finally, USAID would continue to build the professional skills of individuals through a more robust participant exchange program, including exchanges managed by the Department of State. Supporting individuals in this manner increases the capacity of Egypt's institutions through the newly acquired skills of returning participants. Areas of training would focus on U.S. priorities in education as well as women's involvement in socio-economic development.

Economic Growth

The United States would continue its assistance to support Egypt's transition to a market-oriented, private-sector led economy to improve the business environment and increase employment opportunities. USAID, in collaboration with the GOE, private sector stakeholders, and non-governmental associations would continue its investments in improving the climate for the private sector, provide technical assistance to entrepreneurs and enterprises, and address a set of key economic policy reforms. This would improve the broad-base growth and vibrancy of the Egyptian economy and create jobs. The Administration also hopes to use this funding to continue the debt swap initiative and the enterprise fund. Additional funds may be made available to support these initiatives from the requested FY 2013 MENA Incentive Fund.

Economic Support Fund (ESF): USAID would use FY 2013 funds to promote agricultural productivity, increase entrepreneurship, and invest in interventions with the aim of promoting the private sector as the engine of growth. The following is an illustrative list of activities in which USAID plans to invest, pending discussion with a new, elected government in Egypt.

- Trade Facilitation and Economic Growth: Trade facilitation and expansion is an integral part of the activities under the private sector competitiveness component. Improving the capacity of Egyptian firms leads to increased volumes of trade at the domestic and external level. Domestic trade includes the value chains activities of the identified economic clusters. USAID would provide technical assistance to improve trade regulations and standards. Some activities would be designed to handle domestic trade issues between these clusters and other firms. USAID assistance would include industrial cluster development by enhancing industrial clusters such as agribusiness and tourism with technical assistance covering vocational training, regulations, research, and marketing. To promote inclusive economic growth, USAID would work at the sub-national level on issues related to tax revenues, budget transparency, barriers to business entry, and corruption affecting new and existing businesses, as well as improving the environment for trade and investment at the local level. Economic governance would be part of the technical assistance to improve the private sector's capacity for economic policy advocacy and awareness. Inclusive economic growth would target assistance towards low-income and disadvantaged groups. Finally, within the innovations and commercialization of small and medium enterprises (SME) and entrepreneurship support, export promotion and development for SME will be addressed.

- Agriculture: USAID would continue working in the agriculture sector to improve the incomes and livelihoods of small farmers by expanding value chain training for agricultural technical schools, strengthening the capacity for agricultural research that is undertaken through public-private partnerships between Egyptian government/private research institutes and commercial farms/agribusinesses, developing the agribusiness industry by facilitating investment, and scaling-up integrated water resource management and productivity. Funds would be used in line with the Ministry of Agriculture Strategy to 2030 to encourage the ongoing transformation of agriculture from low value crops for domestic consumption to higher value crops for both foreign and domestic markets.

- Private Sector Competitiveness: USAID would support reforms that improve the business environment, including addressing issues of corruption facing business owners, and the severely constrained micro-, small- and medium-sized enterprise sector. These issues would emphasize tourism and agribusiness sectors. Corruption, as well as a highly centralized and nontransparent licensing and permitting process, limit the ability of SMEs to formally enter the economy and receive the authorization to run their businesses. Remaining in the informal sector incurs costs for both the business owners and the economy. USAID would improve the capacity of Egyptian firms with focus on tourism or agribusiness to innovate and create new businesses. USAID would help ensure that the most beneficial broad-base economic growth laws and regulations are created and implemented at both the local and central level.

  There are significant policy issues that confront Egyptians. One of these is the centralization of authority that regulates business. USAID would support the decentralization of economic governance which would improve the ability of local governments to support innovation and job creation. Likewise, efforts would be made to enhance the capacity of local government to entice investors and business owners to establish new businesses. Currently, economic competitiveness is the mandate of the central government alone. Efforts would be made to create a situation where best practice in broad-base economic policy formulation, linked to job creation, becomes a discussion and action point for local authorities in the Governorates. This would be coordinated with concomitant

changes at the central level allowing decentralization of authority. In addition, civil service reform will be supported to improve the performance of local civil authorities.

Egypt, for the most part, has great potential in its capacity for job creation. USAID would identify and facilitate economic clusters -- a collection of firms that compete in a given sector of the economy and operate in close geographic proximity. Cooperation among competing firms, even in areas where the benefits of cooperation outweigh the costs, is not common in Egypt. USAID would identify potential clusters and support the mindset change required among business owners and managers to operate collectively leveraging their collective resources for the benefit of all members of the cluster. USAID would support the necessary regulatory and administrative changes that will make the development of clusters possible.

In Egypt, over 90% of the existing firms are micro, small or medium-sized, and most new jobs will be created within the SME sector. USAID would support improvements in the business environment, such as streamlining and making the licensing and permitting process transparent, improving institutions that support broad-base economic growth, and the capacity of the GOE to appropriately regulate economic behavior. Egypt has potential as a regional hub for innovation. USAID would assist in identifying entrepreneurs, new technology, and searching for startup, growth and operational financing. In addition, policy reform that directly impacts SMEs would be pursued, such as changes in the bankruptcy law.

- Environment: Unregulated and rapid growth in Egypt has led to environmental degradation, reducing the value of natural resources and the overall economic productivity. Environment funds would be used to improve resource management and the quality of urban and natural environments leading to improved economic growth potential. Specifically, activities would focus on linkages between environmental improvements and tourism sector focusing on improving the quality of tourism services and the diversity of tourism opportunities.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: A team of Global Health experts conducted an assessment of the Ministry of Health and Population's Preventive Health Sector in the third quarter of FY 2011. This assessment together with a planned performance evaluation of the Health Systems 2020 project would help in the design of new interventions and in consolidating the Health program in Egypt. A mid-term evaluation of the Integrated Water Resource Management Program was conducted in FY 2011 to determine the effectiveness of the applied interventions and identify opportunities for improved activity implementation. The evaluation reflected that the integrated water management approach has been successful in improving communication between water users and irrigation districts as well as improving the quality and flow of information pertaining to water allocations. USAID would continue to support decentralized and participatory water management in future years through support to Ministry of Water Resources and Irrigation systems and departments in line with the principles of USAID Forward. For economic assistance programs, the Mission has updated the Performance Management Plan (PMP) and conducted portfolio reviews of project implementation, pipeline and overall performance.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The changing political and economic conditions in the aftermath of the revolution need to be closely monitored and rapidly assessed to enable USAID to plan assistance in the short term. A Country Development and Cooperation Strategy (CDCS) for Egypt will be developed by USAID in late 2012. Evaluations and Sector Assessments will be conducted in FY 2012 to inform the CDCS development and new project design.

Relating Past Performance to FY 2013 Plans: Future Plans for FY 2013 and beyond will be affected by the still-evolving transition process. Egypt's transition to a more democratic form of government has not been a singular event but an ongoing process. The process is still unfolding and will probably take several years. It is very unlikely to follow any straight-line trajectory or allow for easily predictable outcomes. Relevant past performance, results monitoring and evaluations are, and will continue to be, taken into consideration in planning for future year budgets.

Iraq

Foreign Assistance Program Overview

United States assistance to Iraq has changed substantially with the drawdown of U.S. forces and the shift from directly implementing reconstruction projects to increasing the capacity of the Government of Iraq (GOI), local organizations, and the private sector to take charge of Iraq's development and to govern effectively. While the U.S. military's withdrawal represents a significant milestone in the evolution of the U.S.-Iraq bilateral relationship, it also presents some very serious challenges in terms of diplomatic leverage and the continued goal of an Iraq which is responsive to the rights, needs, and concerns of its citizenry. Bilateral assistance to Iraq will preserve the strategic, political, and economic importance of our partnership with a sovereign, stable, and self-reliant Iraq in a changing Middle East region. U.S. assistance will minimize the political and financial influence of nations whose interests run contrary to those of the United States, such as Iran.

The Strategic Framework Agreement (SFA) between the United States and the GOI will continue to guide the relationship between our two nations. FY 2013 foreign assistance addresses key programs to: strengthen Iraqi provincial governance; increase community and civil society participation; bolster economic reforms to expand the private sector; strengthen rule of law and human rights; improve delivery of key services; prepare for the 2013 provincial elections; and continue to assist with the return and resettlement of displaced persons.

The majority of the $295.2 million core foreign assistance budget request is made up of the Economic Support Fund (ESF) at $262.85 million, which is $36.55 million (12.2%) lower than the FY 2012 ESF estimate. Complementing ESF, the Non-proliferation, Anti-terrorism, Demining, and Related programs (NADR) and International Military Education and Training (IMET) account levels have been maintained at or near FY 2012 estimate levels, totaling $30.3 million and $2 million in FY 2013, respectively.

Iraq's economy is dominated by oil in terms of gross domestic product and by the government in terms of employment; this is unlikely to change in the near future. To move toward a more diversified economy, Iraq needs to achieve greater political stability; fairly and reliably provide essential services to citizens and businesses; increase foreign investment; and expand employment, especially in the service and agriculture sectors. The State Department's proposed core programming is designed to help the Iraqis address these issues.

Three principles drive U.S. foreign assistance strategy in Iraq. First, the U.S. Government strives to work in partnership with Iraqis on initiatives that they support with their own funds. Second, the U.S. Government seeks to utilize assistance to help Iraq marshal its own financial resources for the self-sustaining benefit of its people. Third, it will be important for the international community to integrate and expand normalized and appropriate involvement in Iraq's social and economic development. These principles are the keystone of U.S. foreign assistance programs.

All funding requested in FY 2013 will continue to be subject to the State Department's April 9, 2009 Guidelines for Government of Iraq Financial Participation in United States Government-funded Civilian foreign assistance Programs and Projects. These guidelines require an Iraqi government contribution in cash or in kind equivalent to 50 percent of total program or project costs. This not only provides additional funding to increase impact in key areas, but also ensures GOI buy-in to the priorities and plans for USG assistance and builds GOI capacity for budgeting, planning, and implementation of their resources.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**471,796**	**1,683,345**	**2,045,197**	**361,852**
Overseas Contingency Operations	**-**	**1,355,000**	**1,750,000**	**395,000**
Foreign Military Financing	-	850,000	900,000	50,000
International Narcotics Control and Law Enforcement	-	500,000	850,000	350,000
Nonproliferation, Antiterrorism, Demining and Related Programs	-	5,000	-	-5,000
Enduring/Core Programs	**471,796**	**328,345**	**295,197**	**-33,148**
Economic Support Fund	325,700	299,400	262,850	-36,550
International Military Education and Training	1,736	2,000	2,000	-
International Narcotics Control and Law Enforcement	114,560	-	-	-
Nonproliferation, Antiterrorism, Demining and Related Programs	29,800	26,945	30,347	3,402

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Iraq	**471,796**	**1,683,345**	**2,045,197**	**361,852**
1 Peace and Security	**146,446**	**1,323,336**	**1,717,727**	**394,391**
Economic Support Fund	**6,350**	**-**	**5,000**	**5,000**
1.6 Conflict Mitigation and Reconciliation	6,350	-	5,000	5,000
Foreign Military Financing	**-**	**850,000**	**900,000**	**50,000**
1.3 Stabilization Operations and Security Sector Reform	-	850,000	900,000	50,000
International Military Education and Training	**1,736**	**2,000**	**2,000**	**-**
1.3 Stabilization Operations and Security Sector Reform	1,736	2,000	2,000	-
International Narcotics Control and Law Enforcement	**108,560**	**439,391**	**780,380**	**340,989**
1.3 Stabilization Operations and Security Sector Reform	106,060	438,391	779,380	340,989
1.4 Counter-Narcotics	2,500	1,000	1,000	-
Nonproliferation, Antiterrorism, Demining and Related Programs	**29,800**	**31,945**	**30,347**	**-1,598**
1.1 Counter-Terrorism	5,000	5,945	5,647	-298
1.2 Combating Weapons of Mass Destruction (WMD)	2,800	1,000	950	-50
1.3 Stabilization Operations and Security Sector Reform	22,000	25,000	23,750	-1,250
2 Governing Justly and Democratically	**177,482**	**222,785**	**209,552**	**-13,233**
Economic Support Fund	**171,482**	**162,176**	**139,932**	**-22,244**
2.1 Rule of Law and Human Rights	6,000	25,003	20,232	-4,771
2.2 Good Governance	89,562	56,941	61,604	4,663

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
2.3 Political Competition and Consensus-Building	23,220	16,028	5,517	-10,511
2.4 Civil Society	52,700	64,204	52,579	-11,625
International Narcotics Control and Law Enforcement	**6,000**	**60,609**	**69,620**	**9,011**
2.1 Rule of Law and Human Rights	6,000	60,609	69,620	9,011
3 Investing in People	**61,058**	**39,353**	**36,634**	**-2,719**
Economic Support Fund	**61,058**	**39,353**	**36,634**	**-2,719**
3.1 Health	31,706	2,051	-	-2,051
3.2 Education	19,277	27,038	30,496	3,458
3.3 Social and Economic Services and Protection for Vulnerable Populations	10,075	10,264	6,138	-4,126
4 Economic Growth	**86,810**	**97,871**	**81,284**	**-16,587**
Economic Support Fund	**86,810**	**97,871**	**81,284**	**-16,587**
4.1 Macroeconomic Foundation for Growth	4,700	4,700	4,400	-300
4.3 Financial Sector	16,234	12,516	7,010	-5,506
4.5 Agriculture	25,292	36,584	31,276	-5,308
4.6 Private Sector Competitiveness	25,365	13,540	11,176	-2,364
4.7 Economic Opportunity	15,219	30,531	27,422	-3,109

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Iraq	**471,796**	**1,683,345**	**2,045,197**	**361,852**
1 Peace and Security	**146,446**	**1,323,336**	**1,717,727**	**394,391**
1.1 Counter-Terrorism	5,000	5,945	5,647	-298
1.2 Combating Weapons of Mass Destruction (WMD)	2,800	1,000	950	-50
1.3 Stabilization Operations and Security Sector Reform	129,796	1,315,391	1,705,130	389,739
1.4 Counter-Narcotics	2,500	1,000	1,000	-
1.6 Conflict Mitigation and Reconciliation	6,350	-	5,000	5,000
2 Governing Justly and Democratically	**177,482**	**222,785**	**209,552**	**-13,233**
2.1 Rule of Law and Human Rights	12,000	85,612	89,852	4,240
2.2 Good Governance	89,562	56,941	61,604	4,663
2.3 Political Competition and Consensus-Building	23,220	16,028	5,517	-10,511
2.4 Civil Society	52,700	64,204	52,579	-11,625
3 Investing in People	**61,058**	**39,353**	**36,634**	**-2,719**
3.1 Health	31,706	2,051	-	-2,051
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4.5 Agriculture	25,292	36,584	31,276	-5,308
4.6 Private Sector Competitiveness	25,365	13,540	11,176	-2,364
4.7 Economic Opportunity	15,219	30,531	27,422	-3,109
of which: Objective 6	**18,000**	**37,780**	**89,308**	**51,528**
6.1 Program Design and Learning	18,000	12,780	8,000	-4,780
6.2 Administration and Oversight	-	25,000	81,308	56,308

Peace and Security

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): Despite reduced levels of terrorism and overall violence, violent extremist organizations remain and continue to threaten stability in Iraq. Funding will continue to assist the GOI in attaining critical counterterrorism objectives. Added emphasis will be placed on providing a computerized watch-listing system for terror suspects, organized crime, weapons and drug traffickers, and foreign agents; training officers to protect foreign diplomats in Iraq; and training Iraqi trainers in counterterrorism skills in order to expand and improve the sustainability of the GOI's counterterrorism capacities. GOI antiterrorism funding provided by the Department of State will assist in developing antiterrorism and counterterrorism capacities within Iraqi law enforcement agencies with a particular focus on border security, leadership and management, and law enforcement investigations. In addition, funding will help prevent the proliferation of weapons of mass destruction (WMD) and their delivery system to rogue states and terrorists by assisting the GOI to develop comprehensive strategic trade control legislation and licensing infrastructure.

With the assistance of NADR-NEA funds for Iraq, the Iraq Scientist Engagement Program (ISEP) will continue its work with Iraqi scientists and engineers with WMD and WMD-applicable skills. ISEP engagement activities are threat-driven and focus on preventing the proliferation of expertise from Iraqi scientists and engineers to state and non-state actors seeking WMD and/or missile capabilities. In FY 2013, ISEP will continue to deepen its engagement with Iraqi scientists and engineers through scientific conferences, technical training, civilian research projects, and engagement activities designed to enhance biological and chemical safety and security in Iraq. In addition to working directly with Iraqi scientists and engineers, ISEP also works to enhance security at Iraqi facilities that house potentially dangerous biological and chemical materials.

Conventional Weapon Destruction (CWD) activities, which include Small Arms/Light Weapons assistance will build on key achievements accomplished in FY 2011 and FY 2012, continue steps to reduce man-portable air defense systems, assist with the removal of landmines and explosive remnants of war throughout Iraq, provide training and education of mine action officials in Iraq, and offer mine risk education and victims assistance to civilian populations.

The United States has a critical stake in promoting the stability in the region by limiting the proliferation of WMD, as well as the illicit transfer of conventional weapons, especially across the Iraq-Iran border. Iraq has drafted strategic trade control legislation that is under review by the Council of Ministers. The State Department's Export Control and Border Security (EXBS) program launched its bilateral program with Iraq in October 2010 by inviting a senior Iraqi delegation to Washington, DC. The exchange introduced

the EXBS program to the delegation, encouraged Iraq to work bilaterally with the United States to establish a comprehensive strategic trade control system, and familiarized Iraqi participants with U.S. interagency perspectives and international standards for effective strategic trade controls. EXBS is currently working with the GOI to deploy the TRACKER licensing software system and encourage the GOI to amend its draft strategic trade control legislation to address gaps such as lack of brokering and transshipment controls. FY 2013 EXBS funds will be used to work with Iraqi border security agencies to strengthen their border security capabilities by conducting training designed to detect and interdict weapons-related goods and technologies. Also, we will continue to assist the GOI with strategic trade control legislation and ensure they have the necessary processes in place to effectively implement strategic trade controls.

International Military Education and Training (IMET): In FY 2013, military professional development courses will continue to further the goal of regional stability by fostering effective, mutually beneficial military-to-military relations. These courses will increase the institutional capacity within the GOI, strengthen the leadership ability of key civilian and military personnel, and enhance exposure to the necessity for basic democratic values and protection of internationally recognized human rights. As part of these efforts, English language training will be essential to helping GOI forces increase interoperability, which will allow them to participate in combined training exercises intended to increase their defense capability.

Governing Justly and Democratically

Economic Support Funds: In FY 2013 U.S. assistance programs will play a crucial role in strengthening national, provincial and local-level government institutions to deliver essential services in a manner that is more accountable to the Iraqi citizenry they serve. Programs funded and managed by both USAID and the State Department's Bureau of Democracy, Human Rights and Labor (DRL) will work in tandem to ensure a broad approach to encompass both the executive and legislative branches of government as well as civil society in developing and supporting Iraq's nascent democracy.

- *Accountability*: USAID will support efforts to strengthen the delivery of essential GOI services to its citizens. USAID will work in partnership with the GOI to clarify the roles and duties of the central, provincial and local governments, and support the ability of sub-national entities to assume greater responsibilities. By helping the GOI reform priority policies and implementation thereof, USAID will help to improve the GOI's ability to manage its human and fiscal resources transparently and efficiently.

  The State Department's Bureau of Democracy, Human Rights, and Labor (DRL) will work to improve the effectiveness of Iraq's provincial council members, helping them exercise their legislative authority, represent their constituents' interests, and create or strengthen Iraqis' cross-regional ties. DRL grantees will also work with the Council of Ministers to ensure that policy decisions are accountable to both legislative intent and the Iraqi public's expectations.

  DRL will work with Council of Representatives (CoR) members to enhance their ability to represent their constituencies' interests through community outreach and accountability measures, adopt parliamentary best practices and improve negotiation and coalition-building skills. DRL will endeavor to professionalize CoR staff operations to improve efficiency and member services.

- *Electoral Support*: USAID will provide capacity building assistance to the Iraq Independent High Electoral Commission (IHEC) to support implementation of the 2013 National and Provincial Elections in line with international and national standards and best practices. USG assistance will be instrumental in protecting the independence of the IHEC and the credibility and legitimacy of the Iraqi electoral system. In addition, DRL will strengthen political parties' ability to develop and

effectively communicate issue-based platforms; to marshal public will and translate electoral mandates into legislative and executive action that is responsive to citizens' demands; and to recruit and retain women and youth in leadership positions.

- *Civil Service Capacity*: USAID will support the USG's strategic interest in providing solid foundations for good, stable governance in Iraq by aiding Iraqi citizens in contributing to their nation's democratic community development. USAID will a) strengthen the institutional capacity of local civil society organizations; b) improve their ability to responsibly contribute to resolving national and local problems; and c) increase their financial sustainability. In order to support those efforts, USAID will help to improve the legal and operating environment in which Iraqi civil society operates. The strategic focus will be on local civil society organizations working in areas that align with U.S. strategic priorities such as advocacy around youth, women, and other vulnerable populations.

  USAID's Access to Justice Project will continue to improve the access of Iraq's disadvantaged and vulnerable populations to their legal and administrative systems. Key partners in this effort include local civil society organizations, law associations, law schools and the GOI. The project continues to support Iraqis (e.g., individuals, NGOs, and legal networks) who want to advocate for improved services and better public policies affecting vulnerable people, such as female-headed households, internally displaced persons (IDPs), youth, minorities and persons with disabilities. The program simultaneously assists local organizations with media and awareness raising campaigns on legal protection and redress for violence against women, human rights, available legal services, and training in legislative advocacy techniques. To ensure sustainability, USAID provides technical assistance to law schools, lawyers, NGOs and the GOI, to build a cadre of professionals invested in improving outreach to vulnerable Iraqis and providing them with high quality legal and social services.

- *Conflict Resolution*: DRL will pursue community conflict prevention and reconciliation through initiatives that will impart negotiation and mediation skills to reduce the likelihood that conflict will escalate into violent acts; promote anti-violence messages and behaviors; and model the means to manage the myriad interpersonal, group, and societal conflicts that beset Iraq's citizenry. To address deficiencies in the GOI's human rights record, DRL will work to ensure the provision of due process and equal treatment of Iraqis before the law. DRL will work with civil society and human rights defenders to address deficiencies in GOI mechanisms for reporting human rights abuses and holding violators accountable. DRL will also continue to build bridges between the Iraqi government and indigenous civil society groups to protect and rehabilitate the survivors of torture, trauma, domestic violence, human trafficking, and other violations of human rights and dignity. DRL will continue its relationship with the Secretary's Office of Global Women's Issues to support widows and female heads of household and promote women's role in the peacemaking and stabilization process.

Investing in People

Economic Support Funds: In FY 2013, U.S. assistance will be used to provide capacity building and technical assistance to a key social sector – primary education. Strengthening the education system is imperative to attain Iraq's longer term goal to transition to a more market-oriented economy and a democratic and accountable political system. USAID will continue to work with the Iraqi Ministry of Education to improve its capacity to reform curriculum and pedagogical practices, and to deliver quality in-service training to teachers and administrators. A special emphasis will be placed on positively impacting vulnerable populations such as girls, minorities, and IDPs.

USAID will also support the Marla Ruzicka Iraqi War Victims Fund to assist victims of conflict, including war widows, through activities such as grants for new businesses and livelihoods, replacement of damaged property, and medical attention and supplies. USAID will work with Iraqi institutions to build internal capacity to assist their own civilian victims of conflict.

Economic Growth

Economic Support Funds: FY 2013 funding will furnish assistance to the GOI in transforming the Iraqi economy. The bulk of oil revenues in Iraq are currently transferred directly to ordinary Iraqis largely through employment directly by the government. Some 40 percent of the Iraqi workforce currently holds a government job, and this consumes nearly all the revenues the government expects from the export of crude oil in the near future. Little is left over for investment. While an employment policy is critical for maintaining political stability in the short term, eventually the Iraqi economy will need to grow productive jobs in the private sector. Oil wealth alone in the near term is expected to generate enough cash to provide every citizen with no more than $3,200 per year, far below the aspirations of the Iraqi people.

ESF technical assistance programs will support Iraqi programs to institute core national banking systems, such as a retail payments system to facilitate electronic funds transfers among banks, as well as between consumers and businesses. Where past assistance has focused on the capitalization of private commercial banks and microfinance institutions, FY 2013 funds will support reforms in financial sector rules and regulations to foster small-business and microenterprise lending in sectors key to job creation. Where past assistance furnished small business advisors, agronomists and soil scientists directly to farmers and businesses, FY 2013 funds will support the GOI in eliminating key constraints to growth in the agricultural and general business sectors, and the delivery of technology from the classroom and the research station to farms and agribusinesses. Though currently under design, methods may include fostering innovative partnerships and investments by foreign firms, in particular American firms. USAID will also help to improve the livelihoods of disadvantaged groups by ensuring that they have equal legal rights and protection in economic matters and to assist youth and adults in acquiring knowledge and developing vocational skills beyond the basic-education levels to find legitimate jobs, form sustainable self-employment ventures, and remain employed and productive.

Treasury's Office of Technical Assistance (OTA) will use FY 2013 ESF funds to support improving transparency of public financial management, sound macroeconomic and monetary policies, and financial sector reform. Specifically, OTA actions will provide technical assistance to Iraqi officials to improve budget processes, implement prudent tax policies and administration, develop a functioning Treasury bill market, make sound monetary policies, and help the Central Bank of Iraq improve its operating structure, bank supervision capabilities, and anti-money laundering regime.

The State Department's Office of Global Women's Issues will be utilizing FY 2013 ESF (in coordination with DRL) to execute programming to promote gender equity through both the Secretary's War Widows Program and the Iraqi Women's Democracy Initiative (IDWI).

Finally, the Ambassador's fund will use FY 2013 ESF to support programming for a wide variety of programming to promote economic independence and better economic policies through engagement with civil society, the private sector, and the government of Iraq. The primary focus of this programming will be on: economic participation for women and other groups; civil society organizations, such as business or trade groups, that support betterment of the business climate; and legislative and legal reforms that increase the ease of doing business in Iraq.

Performance Information in the Budget and Planning Process

Performance management is a systematic process of monitoring the achievements of program operations; tracking progress toward planned results; and using performance information to influence decision-making and resource allocation. Effective performance management also helps USAID/Iraq communicate the Agency's development achievements to the American public. Ultimately, performance management is critical to enable the Mission to achieve its development objectives.

Performance Monitoring and Evaluation: By the end of the fiscal year, USAID/Iraq will have completed a multi-year strategy development process, based on a number of high quality sector assessments, project evaluations, and stakeholder feedback to ensure development objectives and supporting activities are in line with overall U.S. Government strategic goals. In FY 2011, USAID completed four evaluations and one assessment on programmatic and financial performance, with several underway or planned for FY 2012. In addition, there were nine audits on programmatic performance of USAID-funded projects. The Office of Inspector General conducted performance audits on the Elections Support Program and on the Community Action Program (CAP), and USAID conducted seven financial audits of the implementers of the CAP, the Health Care Training Program, the Iraq Rapid Assistance Program (IRAP), and the Aviation Support Program. The Office of the Special Inspector General for Iraq Reconstruction also routinely undertakes at least four audits per year on all USG agencies in Iraq. All evaluations, audits and the assessment helped to inform or influence programmatic planning and budget decisions.

Notably, USAID/Iraq used the Civil Society Assessment conducted in FY 2011 as a key input into the planning process for a new project focused on civil society capacity development. One of the key recommendations of the Civil Society Assessment – the provision of training, capacity building assistance and grants in order to increase the ability of the civil society to contribute to Iraq's democratic and community development – has already proved instrumental as the Mission finalizes the design of a new civil society project this fiscal year.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Of the four evaluations conducted by USAID in FY 2011, two were final evaluations. The final evaluation of the National Capacity Development Program (*Tatweer*) examined the project's challenges, successes, and recommendations for future possible interventions. The recommendations from this evaluation provided guidance and strategic direction in the design for a new activity to address good governance in the areas of civil service reform, national policy management and administrative decentralization. The final evaluation of IRAP emphasized the need for linkages between USAID-funded activities. USAID/Iraq uses these findings to strengthen intra-mission and implementing partner communication. The results of these linkages are very evident between existing projects – the four implementing partners of CAP III, the Access to Justice Project, the Governance Strengthening Project, and the Administrative Reform Program (*Tarabot*). The recommendations of the mid-term evaluation of the Provincial Economic Growth Program (*Tijara*) were incorporated into the project's FY 2012 annual work plan to improve performance. All of these lessons learned will be used to inform the strategy development process and program designs in FY 2012. These projects will be in operation in FY 2013.

Israel

Foreign Assistance Program Overview

Commitment to Israel's security has been a cornerstone of U.S. policy in the Middle East since Israel`s creation in 1948. U.S. security assistance to Israel acknowledges strong bilateral ties and reflects the unshakable commitment of the United States to Israel's security. The broad issues of Arab-Israeli and Palestinian-Israeli peace continue to be a major focus of the U.S.-Israel relationship.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**2,994,000**	**3,075,000**	**3,100,000**	**25,000**
Foreign Military Financing	2,994,000	3,075,000	3,100,000	25,000

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Israel	**2,994,000**	**3,075,000**	**3,100,000**	**25,000**
1 Peace and Security	**2,994,000**	**3,075,000**	**3,100,000**	**25,000**
Foreign Military Financing	**2,994,000**	**3,075,000**	**3,100,000**	**25,000**
1.3 Stabilization Operations and Security Sector Reform	2,994,000	3,075,000	3,100,000	25,000

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Israel	**2,994,000**	**3,075,000**	**3,100,000**	**25,000**
1 Peace and Security	**2,994,000**	**3,075,000**	**3,100,000**	**25,000**
1.3 Stabilization Operations and Security Sector Reform	2,994,000	3,075,000	3,100,000	25,000

Peace and Security

Achieving progress toward a comprehensive regional peace remains a key strategic foreign policy interest of the United States, and supporting the security needs of our partners in the region is necessary to the success of that effort. Our assistance to Israel is aimed at ensuring Israel is appropriately secure to take the historic steps necessary for comprehensive regional peace.

Foreign Military Financing (FMF): FY 2012 marked the fourth year of a 10-year, $30 billion FMF memorandum of understanding (MOU) with Israel signed in 2009. The FY 2013 request funds MOU levels. U.S. assistance helps ensure that Israel maintains a qualitative military edge over potential regional threats, preventing a shift in the security balance of the region and safeguarding U.S. interests. FMF helps support Israel's continued defense modernization; provides for the acquisition of U.S.-origin defense equipment ranging from ammunition to advanced weapons systems and training; and maintains appropriate

export control and technology security safeguards to prevent transfers of U.S. and third-party controlled technology or know-how to potential adversaries and unauthorized recipients. It also strengthens interoperability and the capability of Israel to participate in coalition operations and exercises.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The United States regularly requests insight into Israel's long-term planning for FMF-supported programs. In response, Israel provides updates on major expenditure programs for which it intends to use FMF in future fiscal years. The Department of Defense's Defense Security Cooperation Agency (DSCA) and State's Political-Military Bureau coordinate the provision and oversight of FMF funds and monitor Israel's FMF expenditures on a quarterly basis to ensure that requirements for U.S. procurements are met, and are consistent with Israel's security needs.

Jordan

Foreign Assistance Program Overview

Jordan plays a vital role in strengthening regional security and stability. The global economic downturn, however, has exacerbated high rates of poverty, unemployment, inadequate supplies of natural resources, and a large and unsustainable budget deficit. Calls for political and economic reforms across the Middle East region have increased pressure within Jordan to speed up domestic reforms to address these challenges. The United States has a vested interest in helping Jordan overcome domestic challenges, advance political and economic reforms, respond to citizen demands, and continue its constructive leadership role in the region.

The King has committed to undertaking greater reforms, and U.S. economic assistance is used to support the Government of Jordan's (GOJ) reform agenda, especially with respect to advancing democracy and generating economic growth at the community level. In addition, U.S. security assistance strengthens Jordan's ability to play a more active role in the Middle East peace process, participate in regional peacekeeping and humanitarian operations, police its borders, and counter terrorism.

USAID is developing a new five-year Country Development Cooperation Strategy (CDCS). Implementation of this strategy will begin in FY 2013. The new CDCS will be reflective of Jordan's development agenda and closely aligned with U.S. Government foreign policy priorities. While the current USAID program already supports Jordan's development needs, the CDCS process will provide an opportunity to further assess and adjust U.S. economic development assistance to help Jordan respond to public pressure and undertake political, economic, and social reforms that promote democracy, improve governance, and provide tangible benefits at an individual and household level.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**678,184**	**675,950**	**670,600**	**-5,350**
Economic Support Fund	362,274	360,000	360,000	-
Foreign Military Financing	299,400	300,000	300,000	-
International Military Education and Training	3,760	3,700	3,800	100
International Narcotics Control and Law Enforcement	250	500	-	-500
Nonproliferation, Antiterrorism, Demining and Related Programs	12,500	11,750	6,800	-4,950

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Jordan	**678,184**	**675,950**	**670,600**	**-5,350**
1 Peace and Security	**315,910**	**315,950**	**310,600**	**-5,350**
Foreign Military Financing	**299,400**	**300,000**	**300,000**	**-**
1.1 Counter-Terrorism	169,650	170,000	170,000	-

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.2 Combating Weapons of Mass Destruction (WMD)	10,000	10,000	10,000	-
1.3 Stabilization Operations and Security Sector Reform	119,750	120,000	120,000	-
International Military Education and Training	**3,760**	**3,700**	**3,800**	**100**
1.3 Stabilization Operations and Security Sector Reform	3,760	3,700	3,800	100
International Narcotics Control and Law Enforcement	**250**	**500**	**-**	**-500**
1.3 Stabilization Operations and Security Sector Reform	250	500	-	-500
Nonproliferation, Antiterrorism, Demining and Related Programs	**12,500**	**11,750**	**6,800**	**-4,950**
1.1 Counter-Terrorism	11,000	9,000	5,000	-4,000
1.2 Combating Weapons of Mass Destruction (WMD)	1,500	2,750	1,800	-950
2 Governing Justly and Democratically	**22,000**	**28,000**	**25,000**	**-3,000**
Economic Support Fund	**22,000**	**28,000**	**25,000**	**-3,000**
2.1 Rule of Law and Human Rights	8,000	6,000	8,000	2,000
2.2 Good Governance	3,000	4,000	6,000	2,000
2.3 Political Competition and Consensus-Building	3,000	9,000	3,000	-6,000
2.4 Civil Society	8,000	9,000	8,000	-1,000
3 Investing in People	**111,274**	**93,000**	**92,000**	**-1,000**
Economic Support Fund	**111,274**	**93,000**	**92,000**	**-1,000**
3.1 Health	47,274	44,000	43,000	-1,000
3.2 Education	49,000	49,000	49,000	-
3.3 Social and Economic Services and Protection for Vulnerable Populations	15,000	-	-	-
4 Economic Growth	**229,000**	**239,000**	**243,000**	**4,000**
Economic Support Fund	**229,000**	**239,000**	**243,000**	**4,000**
4.1 Macroeconomic Foundation for Growth	189,000	188,000	190,000	2,000
4.2 Trade and Investment	5,100	10,000	6,000	-4,000
4.4 Infrastructure	-	-	10,000	10,000
4.6 Private Sector Competitiveness	28,550	28,000	28,000	-
4.7 Economic Opportunity	1,000	6,000	1,500	-4,500
4.8 Environment	5,350	7,000	7,500	500

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Jordan	**678,184**	**675,950**	**670,600**	**-5,350**
1 Peace and Security	**315,910**	**315,950**	**310,600**	**-5,350**
1.1 Counter-Terrorism	180,650	179,000	175,000	-4,000
1.2 Combating Weapons of Mass Destruction (WMD)	11,500	12,750	11,800	-950

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.3 Stabilization Operations and Security Sector Reform	123,760	124,200	123,800	-400
2 Governing Justly and Democratically	**22,000**	**28,000**	**25,000**	**-3,000**
2.1 Rule of Law and Human Rights	8,000	6,000	8,000	2,000
2.2 Good Governance	3,000	4,000	6,000	2,000
2.3 Political Competition and Consensus-Building	3,000	9,000	3,000	-6,000
2.4 Civil Society	8,000	9,000	8,000	-1,000
3 Investing in People	**111,274**	**93,000**	**92,000**	**-1,000**
3.1 Health	47,274	44,000	43,000	-1,000
3.2 Education	49,000	49,000	49,000	-
3.3 Social and Economic Services and Protection for Vulnerable Populations	15,000	-	-	-
4 Economic Growth	**229,000**	**239,000**	**243,000**	**4,000**
4.1 Macroeconomic Foundation for Growth	189,000	188,000	190,000	2,000
4.2 Trade and Investment	5,100	10,000	6,000	-4,000
4.4 Infrastructure	-	-	10,000	10,000
4.6 Private Sector Competitiveness	28,550	28,000	28,000	-
4.7 Economic Opportunity	1,000	6,000	1,500	-4,500
4.8 Environment	5,350	7,000	7,500	500
of which: Objective 6	**5,590**	**3,217**	**6,000**	**2,783**
6.1 Program Design and Learning	1,315	1,650	3,750	2,100
6.2 Administration and Oversight	4,275	1,567	2,250	683

Peace and Security

The GOJ provides key support for comprehensive regional peace and contributes to security and stability in the region. Building on successful past programs, the U.S. Government expects Jordan to strengthen its position as a regional hub for security and counterterrorism training. U.S. assistance will focus on building the capacity of local officials to safeguard borders, detect weapons of mass destruction (WMD) and respond to threats, advance regional and global security.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): Jordan's geographic location makes it a potential hub for the transshipment of WMD-related products, and its limited expertise in detecting such shipments at its land borders and port continues to be a concern. Jordan has adopted the European Union control list, and is being encouraged to draft comprehensive export control legislation. In FY 2013, the Department of State's Export Control and Related Border Security (EXBS) Program will provide technical assistance for the process of drafting regulations for existing and future laws. In conjunction with these policy efforts, in FY 2013, EXBS will provide Jordan Customs, the Public Security Directorate, and other GOJ enforcement agencies with training on advanced equipment used at Jordan's ports of entry and practical inspection training to identify strategic goods. FY 2013 Anti-Terrorism Assistance (ATA) funds will assist the GOJ in building investigative and border security capacities through a "train-the-trainer" methodology that will allow Jordanians to provide their own counterterrorism training for the indefinite future as well as counterterrorism training for regional partners.

International Military Education and Training (IMET): The creation of modern, flexible, and interoperable security forces that combat terrorism, secure borders, maintain internal stability, and deter asymmetric threats are hallmarks of the IMET program in Jordan. With FY 2013 funds, the Military Assistance Program will continue to target professional military education and technical training of the Jordanian Armed Forces (JAF) in developing increased capacity to advance regional and global security.

Foreign Military Finance (FMF): The JAF utilize FMF to modernize equipment and enhance force structure to meet the realities of modern asymmetric threats and ***i***mprove interoperability with U.S. forces. With FY 2013 funds, the FMF program will continue to develop counterterrorism capabilities by expanding, training, and equipping small, elite units such as the Prince Hashem Royal Brigade (a ***s***pecial ***o***perations ***a***viation ***b***rigade) and Jordan Special Operations Command. FY 2013 FMF funds will help Jordan improve its conventional military forces and allow it ***to*** make meaningful contributions to regional security. In particular, this funding will support the Jordan Border Security Program, which installs technology along Jordan's borders to thwart any infiltration into the country, as well as the Command, Control, Communications, Computers, Intelligence, Reconnaissance, and Surveillance Program, which securely links Jordanian land and air forces for rapid assessment, decision-making, and deployment to handle any internal threat or natural disaster. Finally, the JAF will use FY 2013 FMF to train and develop soldiers, noncommissioned officers, and leaders (including pilot training and women-centered trainings).

Governing Justly and Democratically

During 2011, the Jordanian political scene changed significantly in response to both regional developments and a parallel increase in domestic pressures for political reform. Jordanians voiced opposition to what many view as the consistent failure of government to address political and economic needs, with open criticism of the government and the system sustained over the year. While the King responded by twice dismissing the government and ordering "swift and decisive" measures to ensure political reform, tangible results have remained elusive and the policy process itself opaque. Two royal committees were established to recommend limited changes to Jordan's constitution and to suggest revisions to the electoral and political framework. The King subsequently endorsed – and Parliament passed – 41 constitutional amendments which provide for the establishment of an independent electoral commission, mandate the creation of a constitutional court, and provide a basis for increased judicial independence. Revisions to the electoral and political framework continue to be contested. These developments provide a basis for developing momentum for further reforms. Municipal and parliamentary elections, anticipated between 2012 and 2013, will bring reform efforts into sharp relief.

Recent political developments open opportunities to increase citizen participation, strengthen the rule of law, promote good governance, and advance human rights. Through a focus on civil society capacity-building, USAID will help Jordanians have a voice to participate in and influence political decisions on critical issues of national priority. USAID's program will also support Jordan's democracy and governance reform efforts with a broad and comprehensive program centered on strengthening independent media, political-party development, electoral reform, human rights, women's participation, increasing judicial independence, and improving local governance.

Economic Support Funds (ESF): U.S. assistance in FY 2013 will help to strengthen civil society and media in Jordan, support the judiciary to become an increasingly independent, accountable, and effective branch of government, and support the development and consolidation of an increasingly transparent, equitable and fair electoral regime. Assistance will also target human rights issues and challenges, including preventing violence against women and children, and safeguarding the rights of persons with disabilities. Further, U.S. assistance will work with local and national governments to increase public participation and help ensure improved delivery of public services.

- Rule of Law and Human Rights: USAID programs will build the capacity of key institutions to improve systems and increase the professionalism and independence of the judiciary. Activities will focus on modernizing the national court system, strengthening legal education, improving judicial performance, and increasing public confidence in the judicial system, working with civil society organizations on human and women's rights.

- Political Competition and Consensus Building: USAID assistance promotes the emergence of a more competitive political system and greater citizen participation in Jordan. Activities include reviews on the laws, regulations and procedures governing the work of election authorities, campaigns and elections with the intent of identifying gaps and inconsistencies with international election standards and best practices. USAID has also provided technical assistance through the development of options for the establishment of an Independent Election Commission and conducting seminars to facilitate stakeholder input into the process of establishing the Commission. Once established, assistance will help build the Commission's capacity.

- Civil Society: USAID activities focus on building the capacity of local and national civil society organizations to become sustainable advocates for reform. Programs are designed to strengthen the strategic messaging and institutional capacity of community-based organizations, promote the development of an enabling environment conducive to sustained citizen engagement, and improve the effectiveness of citizen advocacy and engagement in reform processes, with particular emphasis on issues relating to gender, youth, and disabilities.

Investing in People

The GOJ's ability to strengthen the delivery of education, health care, and social services, as well as its management of scarce natural resources, will prove critical to its success in an increasingly globalized and competitive world economy. U.S. assistance complements Jordanian efforts in each of these areas, with particular emphasis on addressing the country's Millennium Development Goals for 2015.

Economic Support Fund (ESF): In FY 2013, USAID will work with the GOJ to improve the quality of education; expand and strengthen primary health, maternal and child health, and family planning and reproductive health services; improve water usage, demand management, and efficiency; and, address youth issues in urban underprivileged communities.

- Maternal and Child Health: USAID will continue to improve the quality of, and access to, safe motherhood services in Jordan. At the hospital level, the population and family health program will continue to improve access to quality obstetric and neonatal care through improvements in the physical environment, provision of life-saving medical equipment, capacity building of health care providers, preparation of facilities for accreditation, and management information systems. Consistent with the President's Global Health Initiative, USAID will continue to support sustainability through health systems strengthening, focusing on service delivery, health workforce development, and information systems. Community-based approaches will be used to ensure that communities across Jordan play a role in both managing their own health and utilizing the systems effectively and responsibly through appropriate health-seeking behavior.

- Family Planning and Reproductive Health: Programs in family planning and reproductive health have the larger objective of providing information to allow couples to make more-informed decisions and to access services. Given the burgeoning youth population, scarcity of natural resources, lack of economic opportunities, and growing levels of poverty, family planning is a critical focus area. USAID's program will support the National Population Strategy and contribute to the availability of high quality data with support for the 2014

population census. In addition, funding in FY 2013 will continue to support outreach programs using local community health workers who provide information, counseling, and referrals for family planning/reproductive health. By drawing upon a broad range of civil society, governmental partners, the private sector, and religious leaders, a new health communication program will be designed to expand efforts to promote smaller families and healthier lifestyles. Advocacy and training programs which focus on gender equity and the role of women in the family and the community will be expanded.

- Water Supply and Sanitation: Scarce water is central to Jordan's economic development, population and health, governance, and international relations. Thanks to infrastructure and management support from the United States and other donors, the Kingdom has one of the best water treatment and delivery systems in the region, providing water to more than 98 percent of Jordanians. However, demands of a growing population and a growing economy, combined with inefficient agricultural use, are causing rapid depletion of groundwater and forcing a shift to expensive desalination and water transfers from remote areas. Because Jordan's water security is vital to its stability, in FY 2013 USAID will build management capacity and physical improvements to reduce non-revenue water, work with the Government of Jordan to plan, design, and build water and wastewater infrastructure, improve the fairness and effectiveness of policies and institutions in the water sector, and improve water conservation and groundwater management through public awareness and programs to make water use in the highlands more efficient.

- Basic Education: Jordan's growing population is placing tremendous demands on its school system. USAID's support for Phase II of the GOJ's ambitious education-reform program centers on improving the system's capacity to equip students with a modern education linked closely to market demand. Assistance blends school construction and renovation to alleviate overcrowding with capacity-building efforts that increase teachers' skills to empower them in the classroom. FY 2013 funds will be used to construct six new schools and rehabilitate 20 existing ones. Programs will also focus on teacher training, improved early childhood education, youth development and readiness for the workforce, increased student exposure to information technology, and increased parental and local community engagement in school and the learning process. Assistance in FY 2013 will also extend to support a quality learning environment by engaging schools and communities to adopt positive learning behaviors. Issues of physical and verbal abuse will be addressed in addition to sanitation issues and classroom conditions. Together, these programs will provide training for 6,000 teachers and directly benefit over 60,000 students.

- Social Services: USAID programs support renewed emphasis on the part of the GOJ to address poverty, particularly given the growing youth population and high unemployment levels. USAID addresses poverty alleviation through a program that links to community economic development and helps to upgrade job skills. Assistance in FY 2013 will expand its support of 9,000 marginalized youth from the ages of 15 to 24 by targeting more neighborhoods where population density is high, social problems are rampant, and there is limited access to social services. Youth will gain life and employability skills, resulting in better prospects for employment. Institutional capacity-building support will be provided to several ministries and 21 local Community Based Organizations (CBOs) to strengthen service delivery and support for the disadvantaged. New programming will include emphasizing youth civic responsibility through social entrepreneurship and volunteerism, increasing volunteerism and job access for girls as well as improving skills for job preparedness. Programs to improve social services complement other poverty-reduction efforts undertaken by USAID through programs in the economic growth, health, education, democracy and governance, and water sectors.

Economic Growth

The Arab Spring brought renewed attention to citizen demands on governments to provide economic opportunity. Low level, generally non-violent protests focused on jobs and corruption. Jordan's youth are its most important asset for future growth and prosperity. Nonetheless, more than 60 percent of the country's youth under the age of 30 are not employed, and are at risk of becoming another poverty statistic or susceptible to radicalizing influences. The GOJ is struggling to create jobs, but also faces a severe budget deficit due to high fuel costs, an overstaffed bureaucracy, unsustainably applied subsidies, and the need to raise, and more effectively collect, revenue. These challenges are compounded by the global economic crisis and regional turmoil, both of which have significantly affected Jordan, as evidenced by the decline in Jordan's Gross Domestic Product (GDP) growth from 7.8 to 2 percent between 2008 and 2010 and only a slight improvement to 2.4 percent in 2011. The regional crisis also continues to impact tourism, Jordan's second largest earner of foreign exchange after remittances. Because Jordan imports 98 percent of energy supplies, it is sensitive to fluctuations in energy availability and prices and must therefore reduce its dependence on energy imports to ensure stability and economic growth. Rapidly-developing tourism, commercial, and industrial sectors all have high demands for, and are constrained by, the availability and price of energy resources.

Economic Support Funds: Economic growth assistance to Jordan centers on improving the business-enabling environment, creating jobs and promoting workforce development, strengthening private-sector competitiveness, supporting small and medium enterprises (SMEs), developing the tourism sector, advancing structural reforms in the budget and tax systems, and helping Jordan capitalize on the United States-Jordan Free Trade Agreement. Funding for trade and investment will continue to educate and assist members of the Jordanian private sector, nongovernmental organizations, and relevant public officials to take advantage of market liberalization and free trade agreements. Assistance will center on training in export opportunities, market intelligence, standards, and public-private partnerships. Ongoing assistance to the tourism sector helps Jordan reap benefits from its most competitive economic sector and create hospitality-sector jobs for its youth. Macroeconomic assistance will continue to support fiscal reform and increase prospects for investment by improving the legal and regulatory environment. Together, these programs will help the Jordanian economy become more prosperous by capitalizing on knowledge sectors, exports, and a more skilled workforce.

Cash-transfer assistance bolsters Jordan's short-term stability by helping the GOJ pay down external, non-military debt and thus strengthens Jordan's fiscal stability. This program is conditioned on policy reform across sectors, and results in the GOJ programming an equivalent amount of local currency each year for mutually agreed-upon priority development projects.

U.S. assistance to Jordan in the energy sector will continue to focus on increased efficiency in generation and supply of electricity, increased public awareness of energy-related issues, and the establishment of clear and identifiable behavioral changes at the public and policy levels. The program will build a supportive legal and regulatory framework to encourage private sector investments in energy efficient technology and services, increase human resource capacity in the energy sector, and forge alliances with U.S. energy firms. A new program will demonstrate the extent to which energy efficiency can be achieved at the community level. USAID may support new renewable energy activities pending results of sector assessments.

Furthermore, USAID will increase engagement with the environmental sector to build the capacity of the Ministry of Environment and the Environmental Rangers as institutions that perform important environmental regulatory, compliance, and enforcement functions within Jordan. Environmental activities will also continue to focus on partnerships with industry to enhance environmental management and improve ecotourism.

Linkages with the Millennium Challenge Corporation

The GOJ and the USG signed a five-year, $275 million Millennium Challenge Corporation Compact in November 2010, which entered into force on December 13, 2011. The Compact is focused on reducing poverty and enhancing economic growth through three main projects in the water sector located in and around the city of Zarqa. Projects include expansion of the As Samra wastewater treatment plant, renovation of Zarqa's sewer network, and rehabilitation of Zarqa's potable water distribution network to reduce water losses. These projects build on investment models developed and implemented by USAID which further leverage USG assistance through co-investment with the private sector and the GOJ.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Performance of USG efforts in Jordan is reviewed as a matter of routine through external evaluations, performance monitoring plans, portfolio reviews, pipeline analyses, and site visits. Of note, the following evaluation and assessment efforts were undertaken during FY 2011 and early FY 2012:

- An assessment of ATA programs to help formulate Country Assistance Plans.
- A comprehensive rule of law assessment and a review of the impact of the constitutional amendments on the administration of justice.
- End-of-project evaluations of the legislative strengthening and media programs to analyze successes, lessons learned, and areas for future engagement in both sectors.
- An end-of-project evaluation of USAID's Instituting Water Demand Management Project to assess water efficiency in the residential sector and the most important follow-on interventions to build on successes to date.
- A comprehensive assessment of water institutions in Jordan, including their capacities, legal structure, and needs, to inform interventions necessary to restructure Jordan's water sector.
- End-of-project evaluations of the Private Sector Project for Women's Health and Jordan's Health Communication Program to inform future planning.
- Mid-term evaluations of the Youth: Work Jordan and the Education Reform Support projects to evaluate the projects' implementation approach and identify sustainability measures.

In addition, 11 sector assessments and seven end-of-project evaluations are underway or being planned for FY 2012.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The evaluations and assessments noted above helped U.S. assistance programs in Jordan identify implementation constraints, adjust programming as needed to achieve better results, and obtain lessons learned to guide future project designs. For example:

- The periodic ATA assessment is helping formulate the Country Assistance Plan, which is a five-year plan revised annually to specify ATA goals, objectives and performance targets and results.

- The end-of-project evaluation of the water demand management project concluded that water efficiency within the residential sector in Jordan is well established and recommended that future engagement in water demand management will gain the most traction in the industry and agriculture

sectors. This led USAID to re-focus its water demand management interventions by cancelling plans for a follow-on program for the residential sector, making adjustments to an existing industrial wastewater reuse project, and initiating plans for a program targeting the agricultural sector.

- Assessments completed under the Institutional Support and Strengthening Program helped identify specific interventions needed to restructure the water sector for a more efficient management of Jordan's scarce water resources. Involvement of Jordan's Ministry of Water and Irrigation and water institutions and utilities throughout the assessment process helped build capacity and commitment for reform within these entities.

- The mid-term evaluation of the Youth: Work Jordan Project resulted in streamlining the project's implementation approach to be less hierarchical and provide direct grants and support to CBOs rather than through intermediary non-governmental organizations.

- The mid-term evaluation of the Education Reform Support Project helped the project adopt a transition strategy in order to create more ownership within the Ministry of Education through transfer of knowledge, capacity building, and experience from project staff to Ministry staff.

- The end-of-project evaluations of USAID's two health projects recommended continuation of the grassroots outreach program for family planning and reproductive health, with a special focus on men and religious leaders. Results from the evaluations are being utilized to design a new health communication program.

As part of the process to develop a CDCS for 2013-2017, USAID is currently undertaking several sector assessments and evaluations to identify lessons learned from USAID's interventions, prioritize Jordan's development needs, and guide USAID's future strategic priorities. This includes a democracy and governance assessment, a water sector review, a human and institutional capacity development assessment of the Ministry of Education, a national study on youth needs, and an economic growth sector assessment. Preliminary results and recommendations from these assessments and evaluations are already being reflected in USAID's current programming, and may lead to additional adjustments to planned or ongoing interventions once a new CDCS is approved in order to capitalize on new opportunities, better address the country's most pressing needs, achieve greater impact, and/or improve prospects for sustainability.

Relating Past Performance to FY 2013 Plans: Building on past successes, USAID expects significant achievements in FY 2013 related to the development of a new election law; promotion of human rights; construction and rehabilitation of schools, health facilities, and waste-water treatment plants; ongoing capacity building efforts across the government; expansion of employment opportunities; and advances in fiscal reform. Under the Peace and Security Program Area, the greatest impact will be the enhanced capacity of the security forces as outlined above in support of anti-terrorism efforts and regional security, as well as the strengthened ability of law enforcement, criminal justice, and medical services to address GBV issues.

Lebanon

Foreign Assistance Program Overview

A stable, secure, and independent Lebanese government is critical to combating Iranian, Hizballah, and Sunni extremist influences in Lebanon and the region. U.S. assistance is particularly important in a period of heightened tensions caused by the Asad regime's brutal suppression of protests in neighboring Syria. Prime Minister Najib Mikati, who formed his government in July 2011, has so far ensured that Lebanon will respect its international obligations, including adhering to United Nations Security Council Resolutions (UNSCR) 1559 and 1701, as well as fulfilling the country's obligations to the Special Tribunal for Lebanon (STL). U.S. diplomacy and assistance reinforces and supports the Government of Lebanon's actions to meet these international obligations and bolsters sound policies and institutions that serve as a counterbalance to extremist influences.

Lebanon's economy has repeatedly proven its resilience to external shocks and its ability to rebound quickly from crises if political stability exists, but underlying constraints to economic growth remain, including an excessive fiscal debt, an unfavorable business environment, decreased tourism in the face of regional insecurity, and infrastructure weaknesses. U.S. economic assistance will focus on working with civil society and local and regional public sector institutions that are generating innovative solutions to public service, citizen engagement and economic issues facing Lebanon.

The FY 2013 request continues significant U.S. program investments that will strengthen Lebanon's ability to provide peace, stability, and prosperity for all Lebanese. Funds will be used to strengthen the Lebanese Armed Forces (LAF), the Internal Security Forces (ISF), and national- and local-level governing institutions that promote security and extend quality services to all Lebanese, while increasing economic opportunities for the poorest segments of society. This assistance supports Lebanon's viability as an independent and sovereign democracy capable of responding to the needs of its citizens while maintaining internal stability and meeting its international obligations.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**186,351**	**191,150**	**167,450**	**-23,700**
Economic Support Fund	84,725	84,725	70,000	-14,725
Foreign Military Financing	74,850	75,000	75,000	-
International Military Education and Training	2,476	2,375	2,250	-125
International Narcotics Control and Law Enforcement	19,500	24,000	15,500	-8,500
Nonproliferation, Antiterrorism, Demining and Related Programs	4,800	5,050	4,700	-350

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Lebanon	**186,351**	**191,150**	**167,450**	**-23,700**
1 Peace and Security	**101,626**	**106,425**	**97,450**	**-8,975**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Foreign Military Financing	**74,850**	**75,000**	**75,000**	**-**
1.1 Counter-Terrorism	15,000	15,000	-	-15,000
1.3 Stabilization Operations and Security Sector Reform	59,850	60,000	75,000	15,000
International Military Education and Training	**2,476**	**2,375**	**2,250**	**-125**
1.3 Stabilization Operations and Security Sector Reform	2,476	2,375	2,250	-125
International Narcotics Control and Law Enforcement	**19,500**	**24,000**	**15,500**	**-8,500**
1.3 Stabilization Operations and Security Sector Reform	19,500	24,000	15,500	-8,500
Nonproliferation, Antiterrorism, Demining and Related Programs	**4,800**	**5,050**	**4,700**	**-350**
1.1 Counter-Terrorism	2,000	2,000	-	-2,000
1.2 Combating Weapons of Mass Destruction (WMD)	800	1,050	800	-250
1.3 Stabilization Operations and Security Sector Reform	2,000	2,000	3,800	1,800
1.6 Conflict Mitigation and Reconciliation	-	-	100	100
2 Governing Justly and Democratically	**21,110**	**20,200**	**23,544**	**3,344**
Economic Support Fund	**21,110**	**20,200**	**23,544**	**3,344**
2.1 Rule of Law and Human Rights	10,000	10,000	10,000	-
2.2 Good Governance	7,480	5,100	6,920	1,820
2.3 Political Competition and Consensus-Building	1,390	1,300	1,210	-90
2.4 Civil Society	2,240	3,800	5,414	1,614
3 Investing in People	**48,794**	**47,473**	**26,532**	**-20,941**
Economic Support Fund	**48,794**	**47,473**	**26,532**	**-20,941**
3.1 Health	17,395	11,956	11,271	-685
3.2 Education	31,399	35,517	15,261	-20,256
4 Economic Growth	**14,821**	**17,052**	**19,924**	**2,872**
Economic Support Fund	**14,821**	**17,052**	**19,924**	**2,872**
4.2 Trade and Investment	502	-	-	-
4.5 Agriculture	9,629	7,000	7,000	-
4.7 Economic Opportunity	2,990	7,752	10,714	2,962
4.8 Environment	1,700	2,300	2,210	-90

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Lebanon	**186,351**	**191,150**	**167,450**	**-23,700**
1 Peace and Security	**101,626**	**106,425**	**97,450**	**-8,975**
1.1 Counter-Terrorism	17,000	17,000	-	-17,000
1.2 Combating Weapons of Mass Destruction (WMD)	800	1,050	800	-250

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.3 Stabilization Operations and Security Sector Reform	83,826	88,375	96,550	8,175
1.6 Conflict Mitigation and Reconciliation	-	-	100	100
2 Governing Justly and Democratically	**21,110**	**20,200**	**23,544**	**3,344**
2.1 Rule of Law and Human Rights	10,000	10,000	10,000	-
2.2 Good Governance	7,480	5,100	6,920	1,820
2.3 Political Competition and Consensus-Building	1,390	1,300	1,210	-90
2.4 Civil Society	2,240	3,800	5,414	1,614
3 Investing in People	**48,794**	**47,473**	**26,532**	**-20,941**
3.1 Health	17,395	11,956	11,271	-685
3.2 Education	31,399	35,517	15,261	-20,256
4 Economic Growth	**14,821**	**17,052**	**19,924**	**2,872**
4.2 Trade and Investment	502	-	-	-
4.5 Agriculture	9,629	7,000	7,000	-
4.7 Economic Opportunity	2,990	7,752	10,714	2,962
4.8 Environment	1,700	2,300	2,210	-90
of which: Objective 6	**4,600**	**5,325**	**4,100**	**-1,225**
6.1 Program Design and Learning	2,140	2,700	1,050	-1,650
6.2 Administration and Oversight	2,460	2,625	3,050	425

Peace and Security

Lebanon's key national security organizations, the LAF and ISF, are essential to the full implementation of UNSCR 1701, which calls for Lebanon to extend its authority and exercise its sovereignty over all Lebanese territory. U.S. funding will modernize, train, and equip the LAF to help it fulfill its role as the sole legitimate military force in the country. Specialized training will concentrate on counter-terrorism and professional military education. In FY 2013, programs for the ISF will continue to strengthen the organization with training and equipment. Technical assistance, supplies, and equipment will continue to support mine-clearing operations in Lebanon. The LAF and ISF's track record on end use monitoring of U.S. Government equipment continues to be stellar; program managers closely monitor their performance.

Foreign Military Financing (FMF): For several years, the U.S. Government has provided extensive support to the LAF to upgrade equipment and strengthen capacity with a particular emphasis on the Special Forces. FY 2013 funding will continue to build the LAF's capacity for border control, and will improve the LAF's capacity to interdict negative elements in Lebanon. Support will include in-country maintenance, logistics, and tactical training teams to familiarize the LAF in use of equipment provided. The Embassy will continue to host international donor coordination meetings to maximize synergy with other donor countries, such as the United Kingdom (UK) and France, who conduct training for, and provide some equipment to, the LAF. The Embassy will work closely with the United Nations Interim Force in Lebanon (UNIFIL) and their Strategic Dialogue initiative, geared towards the professionalization of the LAF South Litani Sector units and the eventual transfer of increased responsibilities from UNIFIL to the LAF.

International Military Education and Training (IMET): As a means of instilling U.S. professional military values for the LAF's future leaders, the U.S. Government continues to provide military education to the junior and noncommissioned officer corps. Assistance will also be used to provide training to assist the LAF in upgrading its maintenance and supply management system. While the United States is the only country that has provided major support in this area, Belgium, France, Germany, Italy, the Netherlands, Spain, and the UK offer related training.

International Narcotics Control and Law Enforcement (INCLE): The Department of State's International Narcotics and Law Enforcement (INL) Bureau will continue to enhance the capacity of the ISF as a professional security organization that can conduct operations throughout Lebanon. INCLE-funded programs are based on democratic policing principles, and are designed to enhance ISF understanding and implementation of international policing concepts to protect individual human rights. The three components (training, equipping, and organizational development) of U.S. assistance will continue from prior-year efforts. U.S. assistance will support the transition of basic training to ISF trainers, and will continue to support specialized courses that build core competencies, including democratic policing and human rights. In FY 2012 considerable resources were dedicated to the construction of the Aramoun training facility and the establishment of a secure communications network, and similar capital investment levels are not required in FY 2013. The decrease in FY 2013 INCLE funding from FY 2012 levels is also consistent with the goal of transitioning the training program to ISF control. The governments of the European Union (EU), Germany, France, the UK, the Gulf States, and Denmark are also providing coordinated technical assistance and training for the ISF. INL will also continue a corrections reform program that concentrates on the training of prison officials, facility refurbishment, equipment procurements, and reducing the number of pre-trial detainees in the prison system in Lebanon.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): In FY 2013, Antiterrorism Assistance (ATA) funding will continue to develop and build the Lebanese government's capacities in conducting counterterrorism investigations, crisis response, critical infrastructure security and VIP protection, as well as mid- and senior-level leadership development. Funding will also continue to assist the Government of Lebanon in developing a strategic, integrated, national mine action plan that reduces casualties; clearing land of mines/unexploded ordnance (UXO) and explosive remnants of war (ERW) and restoring it to productive use; making safe the return of internally displaced persons; and promoting the rehabilitation and social integration of landmine survivors. This supports the ultimate goal of completing the creation of an autonomous, indigenous Humanitarian Mine Action (HMA) program and assisting Lebanon in declaring itself mine impact free by 2021 and to be cluster munitions impact free by 2016. Additionally, NADR funding will be used to continue to assist Lebanon with drafting comprehensive export control legislation and implementing regulations, with the adoption of a national control list, and with establishing robust licensing procedures and processes. Export Control and Border Security (EXBS) funding will underwrite training and equipment for enforcement agencies to secure Lebanon's borders, especially the border with Syria. EXBS assistance will maintain focus on enhancing Lebanon's capacity to halt illicit transfers of strategic goods and weapons through its borders and seaports.

Governing Justly and Democratically

In light of the successful efforts by Prime Minister Najib Mikati to ensure that the Government of Lebanon adheres to its international commitments, the U.S. Government is continuing some direct assistance to national-level institutions. However, the United States Agency for International Development (USAID) will focus new democracy and governance programs on key priority areas that offer the highest potential impact to (1) engaging civil society groups who have been marginalized in previous political processes, such as women and youth; and (2) expanding the capacity, accountability, and transparency of local and regional government institutions to deliver quality public services and remain accountable to the public.

Economic Support Fund (ESF): USAID will continue civil society programming that promotes civic engagement on priority citizen concerns and supports free and competitive elections during the scheduled legislative elections in 2013. USAID will work with civil society to support local and regional public sector institutions that are generating innovative solutions to public service, citizen engagement and economic issues facing their communities.

Investing in People

The U.S. Government will continue to support water supply and sanitation improvements, and basic and higher education programming. In the water sector, USAID aims to improve water-resources management through targeted capacity building of water-governing institutions, selected water-infrastructure improvements, and heightened awareness among water users regarding the need to protect water resources and prevent pollution. In basic education, USAID is one of the largest and key donors working with the Lebanese government to address shortcomings in the public education sector. In higher education, assistance will provide scholarships to needy students.

Economic Support Fund (ESF): In FY 2013, USAID will continue support in the area of water supply and sanitation capacity-building and assistance for high-priority water infrastructure. In FY 2013, USAID will continue small-scale infrastructure upgrades for Lebanon's four regional Water Establishments begun in FY 2012 to leverage ongoing institutional strengthening. Other donors providing complementary assistance in this sector include the EU, Germany, Italy, France, and the European Investment Bank.

USAID will continue to address student achievement in Lebanon's public schools through in-service teacher training, physical repairs and provision of classroom equipment, and extracurricular activities. USAID's assistance complements programs of other donors including the EU, France, and the World Bank. Scholarship assistance will continue to be made available to two American schools (primary and secondary education) in Lebanon. Programming started in FY 2010 will provide scholarships through targeted universities to economically disadvantaged students, and will expand outreach to students throughout Lebanon. USAID will also support professional training opportunities that aim to build the capacity of Lebanese individuals and organizations to act as catalysts for social change through technical, professional and skills development.

Economic Growth

The United States is encouraging Lebanon to modernize its economy and strengthen its private and most productive sectors by providing technical assistance to the financial sector. Assistance will be used to continue building private sector capacity to stimulate improved value chain competitiveness that benefit actors all along the value chain, including small firms and farmers, and the rural economy as a whole.

Economic Support Fund (ESF): USAID's Economic Growth portfolio will continue to focus on promoting economic opportunity and stabilization in the country's poorest areas, particularly in rural areas, where per capita incomes stand at less than four dollars a day. USAID will work to enhance the competitiveness of selected agribusiness and tourism value chains and capitalize on opportunities to facilitate a business-enabling environment and ease access to finance for Lebanon's entrepreneurs. Funding will continue for the agricultural value-chain development program initiated in FY 2012. The EU and the United Nations offer agricultural policy support to the Ministry of Agriculture; USAID projects will complement these efforts with a focus on developing the private sector. USAID programs will address the loss of wooded areas of Lebanon's forests by supporting indigenous tree planting in an effort to support ecotourism and sustainable forestry.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In FY 2011, Embassy Beirut's Office of Defense Cooperation developed a Joint Capabilities Review (JCR) with the LAF, identifying eight critical capabilities and correlating milestones to evaluate U.S. support to the LAF and its impact. JCR in-progress reviews indicate that FMF support has had a positive impact in strengthening LAF capacity. These milestones and a quarterly review with the LAF committee demonstrate GOL/LAF accountability. Performance for NADR funds is assessed at the training level by regional staff, measuring the number of officers trained to course standards. While operational success is subjective and harder to measure, the Embassy and the Lebanese government review field successes and host assessment teams. Performance monitoring for the INCLE-funded ISF training programs is multi-layered. At the conclusion of every training course, trainees complete course evaluation forms, which are analyzed to locate program shortcomings and improve course content. An extensive evaluation of the entire INL training program was completed in FY 2011; this will serve as the basis for program improvements and will provide a roadmap for training program sustainability with the ISF. INL verifies the maintenance and proper use of equipment provided to the ISF through end-use monitoring.

After USAID launched a five-year (2010-14) program for monitoring and evaluation (M&E) in FY 2010, the Mission streamlined its Performance Management Plan (PMP), standardized its partners reporting system, strengthened its program monitoring in the field, and evaluated three projects with the support of the M&E contractor. The Mission will continue to refine and maintain its PMP, which will be revised based upon development of a new Country Development Cooperation Strategy (CDCS) in FY 2012. The Mission's participation in the USAID/Washington worldwide web-based "Mission Performance Management System" in FY 2012 will allow USAID/Lebanon to better archive and present its performance information, including the posting of an interactive map available to the public via the Mission's website. In addition to a recent assessment on the financial sector, USAID conducted a democracy and governance assessment and a water sector assessment in FY 2011 which guides programming in these sectors.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Building on the LAF's development of a five-year plan in calendar year 2010, coupled with the review of eight critical capabilities for the LAF under the JCR in FY 2011, there are now mechanisms and metrics to gauge the rate and level of the LAF's progress in FY 2012. Embassy Beirut and Diplomatic Security/ATA, through liaison exchange and formal assessment and evaluation with the ISF, provided information needed to develop a country assistance plan in FY 2010. This plan now serves as the framework for identifying training needs and funding required through FY 2013. Survey responses from ISF trainees have a direct impact on program focus areas.

Budget allocations for democracy and governance (DG) programming will be guided by the FY 2011 DG assessment and will prioritize DG subsectors with the greatest potential to enable Lebanon to move more democratic means of governance. Programs will focus on areas with the greatest potential for impact with linkages to strategic objectives and constituencies created from past USAID programs. DG programming is also designed to undermine extremist influences, particularly in poorer Shi'a areas. The water sector assessment will determine programming priorities for continuing assistance in both Lebanon's water (potable and irrigation) and wastewater sectors, based on a comprehensive analysis of infrastructure status, governance structure, policy environment, and institutional capacity. In economic growth, the new flagship Lebanon Industry Value Chain Development project will determine specific priorities in the agri-business value chain based on a complete assessment of the rural economy to be conducted within the first six months of the program.

Mentoring the LAF through the JCR provides milestones and targets for the LAF to meet and clearly articulates the requirements for future budgetary requests. INCLE programs will continue to address the critical work of the ISF to combat destabilizing actors within Lebanon, especially in those areas controlled by Hizballah and within the Palestinian refugee camps. Greater acceptance of the competence and professionalism of the ISF within Lebanese society will be a major factor in evaluating effectiveness of the INL program and continued support. This will be measured through regular polling of Lebanese citizens.

Basic education success will be measured through improvement of student achievement by measuring grade-level completion rates. Success will be measured through increased income of small farmers in those selected value chains assisted by USAID.

Relating Past Performance to FY 2013 Plans: The largest programmatic impacts of the FY 2013 funding request are anticipated in basic education and agri-business. Basic education success will be measured through improvement of student achievement by measuring grade-level completion rates. The second significant impact will be seen in the agricultural value chain and rural development activities through enhancing private sector competitiveness and increasing income generation opportunities for Lebanese citizens. Success will be measured through increased income of small farmers in those selected value chains assisted by USAID.

Libya

Foreign Assistance Program Overview

At the outset of the uprising and revolution in Libya, the United States determined that it would not take the lead in post-conflict stabilization, but rather would play a supporting role to the efforts of the interim Government of Libya (GOL), the UN and other international partners. In this context, the United States is committed to providing limited assistance that advances our primary goals: the creation of a democratic Libya that is secure, peaceful, prosperous, able to sell it oil and gas in the international market, and is an active member of the international community contributing to regional and global stability. The United States, in consultation with the UN, the GOL and Congress, has developed clear and simple criteria for providing assistance that takes into consideration U.S. priorities for Libya, other U.S. foreign policy priorities, and strategic allocation of limited resources. Assistance levels are based on U.S. core competencies, Libyan requests for assistance, and critical areas the Libyan government cannot fund in the near term or where funding from the GOL would be inappropriate.

The FY 2013bilateral request is based on known, ongoing requirements. During, and immediately after the conflict, the United States provided approximately $140 million from global or regional accounts in assistance and transition support to Libya for a few key areas: humanitarian assistance, securing/destroying weapons, advancing civil society and governance, providing election support, and counterterrorism cooperation. Additional Economic Support Funds (ESF) (designated as the Middle East Response Fund (MERF)) are being made available to support immediate transition needs. While most humanitarian assistance was provided in the immediate aftermath of the conflict, the United States will continue to provide limited humanitarian support for various at-risk populations such as migrants and the war wounded. As the situation in Libya and U.S. priorities evolve, additional assistance in key transition areas may be identified. In these cases, a priority would be to identify ways to leverage and maximize Libyan resources through targeted technical assistance.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**5,654**	**2,450**	**1,450**	**-1,000**
Food for Peace Title II	5,654	-	-	-
Foreign Military Financing	-	150	150	-
International Military Education and Training	-	200	50	-150
Nonproliferation, Antiterrorism, Demining and Related Programs	-	2,100	1,250	-850

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Libya	**5,654**	**2,450**	**1,450**	**-1,000**
1 Peace and Security	**-**	**2,450**	**1,450**	**-1,000**
Foreign Military Financing	**-**	**150**	**150**	**-**
1.3 Stabilization Operations and Security Sector Reform	-	150	150	-

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
International Military Education and Training	**-**	**200**	**50**	**-150**
1.3 Stabilization Operations and Security Sector Reform	-	200	50	-150
Nonproliferation, Antiterrorism, Demining and Related Programs	**-**	**2,100**	**1,250**	**-850**
1.1 Counter-Terrorism	-	800	1,000	200
1.2 Combating Weapons of Mass Destruction (WMD)	-	1,300	250	-1,050
5 Humanitarian Assistance	**5,654**	**-**	**-**	**-**
Food for Peace Title II	**5,654**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	5,654	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Libya	**5,654**	**2,450**	**1,450**	**-1,000**
1 Peace and Security	**-**	**2,450**	**1,450**	**-1,000**
1.1 Counter-Terrorism	-	800	1,000	200
1.2 Combating Weapons of Mass Destruction (WMD)	-	1,300	250	-1,050
1.3 Stabilization Operations and Security Sector Reform	-	350	200	-150
5 Humanitarian Assistance	**5,654**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	5,654	-	-	-

Peace and Security

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): Cooperation under the Export Control and Related Border Security (EXBS) Program in FY 2013 will focus on improving Libya's border security, with a focus on stemming the flow of illegal weapons, such as Man Portable Air Defense Systems (MANPADS), across Libya's borders. EXBS will provide training and equipment for border authorities to improve the GOL's ability to detect, identify, and interdict illicit WMD and WMD-related items. EXBS will also fund workshops to reinforce the importance of strategic trade controls, encourage interagency cooperation, and promote regional collaboration on combating the trafficking of illicit items.

The Antiterrorism Assistance Program (ATA) helps partner nations, including Libya, to deal effectively with security challenges within their borders, defend against threats to national and regional stability, and deter terrorist operations across borders and regions. The ATA program's specific strategic objectives for capacity building in Libya with FY 2013 funding will be informed by the findings of a tentatively scheduled 2012 assessment visit; one area of focus may be to support the development of an improved law enforcement investigative capacity.

The FY 2013 request for FMF and IMET will support investment in Libyan military officers – a key component of U.S. efforts to strengthen bilateral military cooperation with an eye towards bolstering internal and regional stability and encouraging Libya to play a more active role in the resolution of regional conflicts.

Foreign Military Financing (FMF): Libya's top post-revolution priority for its military is protecting the country's lengthy desert borders. FMF funds will be used to increase the Libyan Army's ability to conduct border patrol operations, including the provision of training and key equipment purchases, such as topographic map printers.

International Military and Education Training (IMET): IMET funds will educate and train Libyan security forces and create vital linkages with Libyan officers. Funding will be used for English language education, which, given the significant lack of English-language capability of Libyan military officials, is a necessary precursor for courses on civil-military relations, border security, and counterterrorism. These training programs would also bring Libyan officers to the United States, exposing them to democratic practices, protection of human rights, and civil society participation.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Embassy Tripoli plans to conduct site visits and follow-up interviews to evaluate programs as they become operational. Embassy Tripoli also conducted post-training interviews with a number of participants in FY 2010 funded DS/ATA programs for law enforcement officials prior to the start of the revolution.

EXBS program monitoring and evaluation is conducted by International Security and Nonproliferation (ISN) staff through the use of assessments, training evaluations, agreements with partner countries, and the Rating Assessment Tool (RAT). The RAT uses a 419-point survey that assesses a given country's licensing, enforcement, and industry outreach capabilities and nonproliferation regime adherence practices to derive country-specific scores. This assessment and evaluation activities allowed ISN to determine weaknesses in each partner country's strategic trade control system, ascertain effectiveness of prior bilateral EXBS assistance activities, and pinpoint areas where limited assistance dollars can achieve the greatest impact. An open-source assessment was conducted in 2010 before the fall of the Qadhafi regime. Once relations are sufficiently established with the new government in Libya, EXBS will conduct another assessment to re-evaluate Libya's strategic trade control system. From there, annual assessments using the RAT methodology building upon the previous year's results will be conducted internally by ISN/ECC staff and will inform bilateral request levels.

Relating Past Performance to FY 2013 Plans: The positive response from the interim GOL to targeted assistance programs already under way supports our request for funds for these programs in 2013.

Morocco

Foreign Assistance Program Overview

Morocco continues to make positive strides in pursuit of political reform and remains stable (Morocco is a strategic ally of the United States in North Africa). Significant regional unrest has not deterred the Government of Morocco's (GOM) commitment to the implementation of its new constitution and the realization of ambitious plans for job creation, improved educational opportunities, and social inclusivity for women and youth. The ability of the newly-elected Moroccan government to achieve its reform goals is critical for maintaining stability and responding to sentiments of political marginalization among its large youth population. Organized protests continue to highlight corruption, limitations on freedom of expression, and general distrust of traditional political parties as major sources of political tension. Coupled with an unemployment rate of 35 percent among urban youth, such discontent creates conditions that may lead to disaffection and violent extremism. With a strong emphasis on youth as a development priority, U.S. assistance to Morocco focuses on helping the GOM eliminate the drivers of marginalization and political unrest. Strong support for Morocco's reforms in the areas of democracy, increased civic participation among marginalized groups, and improved economic and educational opportunities remains a central component of U.S assistance.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**34,141**	**31,144**	**32,606**	**1,462**
Development Assistance	19,039	16,539	19,676	3,137
Economic Support Fund	2,281	-	-	-
Foreign Military Financing	8,982	8,000	8,000	-
International Military Education and Training	1,989	1,805	1,710	-95
International Narcotics Control and Law Enforcement	750	1,500	1,500	-
Nonproliferation, Antiterrorism, Demining and Related Programs	1,100	3,300	1,720	-1,580

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Morocco	**34,141**	**31,144**	**32,606**	**1,462**
1 Peace and Security	**15,102**	**14,055**	**15,130**	**1,075**
Development Assistance	**-**	**-**	**2,500**	**2,500**
1.1 Counter-Terrorism	-	-	2,500	2,500
Economic Support Fund	**2,281**	**-**	**-**	**-**
1.1 Counter-Terrorism	2,281	-	-	-
Foreign Military Financing	**8,982**	**8,000**	**8,000**	**-**
1.3 Stabilization Operations and Security Sector Reform	8,982	8,000	8,000	-

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
International Military Education and Training	**1,989**	**1,805**	**1,710**	**-95**
1.3 Stabilization Operations and Security Sector Reform	1,989	1,805	1,710	-95
International Narcotics Control and Law Enforcement	**750**	**950**	**1,200**	**250**
1.3 Stabilization Operations and Security Sector Reform	750	950	1,200	250
Nonproliferation, Antiterrorism, Demining and Related Programs	**1,100**	**3,300**	**1,720**	**-1,580**
1.1 Counter-Terrorism	800	800	720	-80
1.2 Combating Weapons of Mass Destruction (WMD)	300	2,500	1,000	-1,500
2 Governing Justly and Democratically	**9,000**	**4,050**	**7,726**	**3,676**
Development Assistance	**9,000**	**3,500**	**7,426**	**3,926**
2.1 Rule of Law and Human Rights	3,000	-	-	-
2.2 Good Governance	3,000	3,500	3,350	-150
2.3 Political Competition and Consensus-Building	1,000	-	2,176	2,176
2.4 Civil Society	2,000	-	1,900	1,900
International Narcotics Control and Law Enforcement	**-**	**550**	**300**	**-250**
2.1 Rule of Law and Human Rights	-	550	300	-250
3 Investing in People	**4,500**	**6,500**	**4,500**	**-2,000**
Development Assistance	**4,500**	**6,500**	**4,500**	**-2,000**
3.2 Education	4,500	6,500	4,500	-2,000
4 Economic Growth	**5,539**	**6,539**	**5,250**	**-1,289**
Development Assistance	**5,539**	**6,539**	**5,250**	**-1,289**
4.2 Trade and Investment	565	775	1,300	525
4.6 Private Sector Competitiveness	2,148	775	2,600	1,825
4.8 Environment	2,826	4,989	1,350	-3,639

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Morocco	**34,141**	**31,144**	**32,606**	**1,462**
1 Peace and Security	**15,102**	**14,055**	**15,130**	**1,075**
1.1 Counter-Terrorism	3,081	800	3,220	2,420
1.2 Combating Weapons of Mass Destruction (WMD)	300	2,500	1,000	-1,500
1.3 Stabilization Operations and Security Sector Reform	11,721	10,755	10,910	155
2 Governing Justly and Democratically	**9,000**	**4,050**	**7,726**	**3,676**
2.1 Rule of Law and Human Rights	3,000	550	300	-250
2.2 Good Governance	3,000	3,500	3,350	-150
2.3 Political Competition and Consensus-Building	1,000	-	2,176	2,176

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
2.4 Civil Society	2,000	-	1,900	1,900
3 Investing in People	**4,500**	**6,500**	**4,500**	**-2,000**
3.2 Education	4,500	6,500	4,500	-2,000
4 Economic Growth	**5,539**	**6,539**	**5,250**	**-1,289**
4.2 Trade and Investment	565	775	1,300	525
4.6 Private Sector Competitiveness	2,148	775	2,600	1,825
4.8 Environment	2,826	4,989	1,350	-3,639
of which: Objective 6	**2,541**	**1,070**	**3,241**	**2,171**
6.1 Program Design and Learning	792	620	956	336
6.2 Administration and Oversight	1,749	450	2,285	1,835

Peace and Security

Morocco and the United States continue to share a common interest in preventing terrorism and maintaining regional stability. The April 2011 terrorist attack in Marrakech confirmed the need for continued U.S. assistance for peace and security programs in the country. U.S. assistance in Morocco builds the technical and informational infrastructure to support sustainable military modernization, export control, and antiterrorism efforts. Direct support towards judicial system reform, law enforcement capacity building, and military professionalization helps enhance law enforcement capacity at all levels. New interagency efforts to reduce violent extremism among youth focus on preventing delinquency, providing social assistance to detainees and monitoring ex-detainees.

Development Assistance (DA): FY 2013 funds will be used to promote the USAID Countering Violent Extremism strategy. Targeting at-risk and disaffected youth vulnerable to extremist ideology and activism, the assistance goal is to address social needs and prevent further delinquency. Focused at the neighborhood level, programming helps at-risk youth improve their ability to seize economic opportunities, engage in community life and, most importantly, work collaboratively and constructively within mainstream society to address root causes of marginalization and discontent. To ensure the sustainability of this crucial effort, USAID will develop the capacity of Moroccan youth-serving organizations and relevant public institutions to facilitate positive engagement for at-risk youth and implement future programming.

Foreign Military Financing (FMF): Morocco is a key partner in supporting U.S. strategic goals in the North African region, on the African Continent, and in the Middle East. The U.S.- Morocco shared interest in regional security, both within and beyond the African continent, is manifested in Moroccan participation in peacekeeping efforts and military exercises. As the Moroccan military continues its modernization process, FY 2013 FMF funds will increase U.S.- Morocco military interoperability and provide the Moroccan government with the necessary tools for peacekeeping initiatives and the promotion of regional stability. The GOM uses FMF to maintain existing U.S.-origin equipment, refurbish Excess Defense Articles, enhance logistics and maintenance capacity, and improve communications systems that are interoperable with the U.S. military. By financially supporting the sustainment of these systems, the U.S. Government will ensure U.S. armed forces' ability to engage, interact, and operate with the Moroccan military. This assistance fosters the important relationship between the United States and Morocco, providing important opportunities to exert a positive influence on reform in Morocco and support peace and security in all of North Africa.

International Military Education and Training (IMET): Moroccan military officers and enlisted personnel are exposed to American values and military operations through the various training and educational opportunities made possible through IMET. FY 2013 funds will continue to support professional military education in Morocco, thus developing increased capacity to support security efforts throughout the African continent.

International Narcotics Control and Law Enforcement (INCLE): INCLE funding supports Morocco's effort to modernize law enforcement and border security capabilities to counter the growing threat posed by transnational criminal organizations and strengthen the capacity of law enforcement officials to collect and analyze forensic evidence. Programming will continue to improve Morocco's ability to combat transnational threats and strengthen the U.S.-Morocco security relationship.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): The United States, through the Antiterrorism Assistance program, is helping Morocco enhance its counterterrorism capabilities by providing training in computer and information technology forensics, crime scene forensics, and explosive device disposal to both the national police and gendarmes. The Moroccan law enforcement agencies have demonstrated their capacity to absorb and institutionalize the training provided by the United States. Moroccan law enforcement played a key role in quickly identifying and apprehending the bomber who attacked a tourist café in Marrakech in April 2011, killing seventeen.

With NADR funding, the Export Control and Related Border Security (EXBS) program directly supports Morocco's efforts to comply with international obligations, including those under UNSCR 1540, which calls for states to establish controls to prevent proliferation, including passing necessary laws and adopting effective enforcement methods, while contributing to the security interests of the international community at large. The EXBS program helps Morocco strengthen its strategic trade control systems and border control capabilities to help prevent the proliferation of weapons of mass destruction (WMD) and their delivery systems, as well as transfers of related materials, dual-use items, and conventional weapons to terrorists, rogue states, and other end-users of concern. EXBS continues to be a key element in U.S. engagement with the GOM aimed at improving both its concrete and procedural capacities to interdict WMD that could be transported through Morocco's seaports and border crossings.

Governing Justly and Democratically

Challenges facing Moroccan citizens include finding avenues for directly influencing public policy and ensuring government responsiveness to local level needs. These challenges, and lack of political inclusiveness, spurred Morocco's "February 20th Movement," a social uprising calling for wide ranging political reforms. Following ratification of a new constitution and the election of a new Parliament, citizens of Morocco will demand rapid and tangible political reforms. Progress in the reform arena is critical to Morocco's stability and capacity to confront terrorism. U.S. assistance is well positioned to support Morocco's reform process through civil society, local governance, and political party programming. With a focus on engaging women, youth, and other marginalized groups, U.S. programs will reinforce productive advocacy for political reform at the local and national level, justice-sector integrity, and help political parties become more responsive and legitimate.

Development Assistance (DA): USAID will continue its support for Moroccan citizens, especially youth and women, in advocating for political reform. Since 2013 will be the first year of a new five-year strategy, the nature of political space in the aftermath of the "Moroccan Spring" will be a guiding factor in defining key priorities for this assistance objective. Planned activities include direct assistance to civil society organizations at the forefront of the nonviolent reform movement, a rule-of-law initiative focused on juvenile justice and judicial sector professionalization, and support for independent media. FY 2013 will also be the first full year of a new activity designed to improve political parties' delivery on campaign

promises and commitment to representing citizens' needs and interests. An increased priority will be placed on political party engagement with citizens at the local level, particularly with women and youth.

International Narcotics Control and Law Enforcement (INCLE): U.S. assistance supports Morocco's improvement of the legal and criminal justice system. The program will focus on promoting best practices in prison management and training staff in prisons and juvenile detention facilities in order to counter the threat of extremism; supporting judicial reform efforts and training; strengthening justice-sector integrity and anti-corruption efforts; and improving access to justice for the public and especially for youth.

Investing in People

Literacy rates among Moroccan youth remain among the lowest in the Middle East and North Africa region and pose a serious impediment to employability. With a new government in place and a permissive reform environment, U.S. assistance will support the GOM's efforts to implement the National Emergency Plan for Education and its forthcoming Youth Policy, and to design new programming to address critical education deficiencies, especially in learning achievement in basic skill areas.

Development Assistance (DA): Due to a constrained budget, USAID plans to integrate education programming across other sectors within the Mission's portfolio, particularly democratic governance and civil society. With increased priority placed on targeting pockets of low literacy, programming will adapt the most appropriate elements of the USAID education strategy to the Moroccan demographic context, especially the country's youth bulge. New programming will coincide with the approval of the Morocco Country Development Cooperation Strategy (CDCS) for 2013-17 and may include:

- Geographic targeting to areas with the lowest literacy rates,
- Identification of host-country institutions with proven success in improving youth and children's literacy rates as implementing partners, and
- Increased coordination with other donors working in education and youth development to leverage funding and technical expertise

Economic Growth

Despite Morocco's positive growth rates over the past five years, a cumbersome bureaucracy, a shallow market of skilled workers, and a suboptimal management of scarce water resources remain major constraints to economic growth. Given the unique context of Morocco, sustained economic growth requires incorporating environmental issues and trends into all facets of decision-making, including climate change, environmental degradation, and water scarcity. As a result, U.S. assistance emphasizes the adoption of new technologies for more efficient resource use, rethinking business models to value conservation, and investing in new approaches to industrial design, production, and the treatment of waste. In FY 2013, U.S. assistance will focus on interventions in the following areas:

- Reducing the transaction costs of doing business in Morocco
- Advancing innovation (leading to efficiency and/or upgrading) at key points in the value chain
- Promoting more efficient water use in the agriculture sector
- Improving training and utilization of Morocco's human resources

Development Assistance (DA): U.S. assistance to Morocco in the area of economic competitiveness is based on the premise that reducing barriers to trade and investment will foster an economic enabling environment conducive to broad based growth. In FY 2013, USAID activities in this area will strive to eliminate administrative and regulatory bottlenecks to reduce transaction costs and improve the ease and predictability of doing business. At the firm level, activities will assist export-ready companies to reap the benefits of the Morocco/U.S. Free Trade Agreement. In the field of agricultural water management,

funding will support efforts to introduce new technologies and practices to reduce the water consumption of farms and agro-processing units. Activities will also be implemented to increase the capacity of the Government of Morocco to better manage its ground and surface water reserves. To improve human resource capacity and promote workforce development initiatives, USAID will address the gap between the supply and demand of labor in the Moroccan economy. Specific activities will focus on developing on-the-job training curricula and strengthening the channels of communication between public training institutions and the private sector.

The above efforts will be conducted in close collaboration with the Government of Morocco, the private sector, and local cooperatives and associations. Activities will be designed and implemented to address specific challenges facing the youth population and women.

Linkages with the Millennium Challenge Corporation

As the single largest component of U.S. development assistance in Morocco, the 5-year, $698 million Millennium Challenge Corporation (MCC) Compact with the GOM focuses on poverty reduction through targeted investments in agriculture, fisheries, and enterprise creation. MCC programming focuses on increasing productivity in high potential sectors through investments in fruit tree productivity and small-scale fisheries. Additional investments in microenterprise financial services, business skills, literacy, and vocational training will support small-business growth in these sectors. With this compact scheduled for completion in 2013, discussions around a second compact have already been initiated, but no firm decisions have been made.

Current U.S. Government interagency coordination efforts will continue throughout the life of the Compact. USAID's work towards improving the business enabling environment will complement MCC's financial services and enterprise support programming. Increased lending to microenterprises through Jaida, the Moroccan microfinance firm, which received an investment of over $19 million from MCC, highlights the need for a business friendly investment environment. The $300 million fruit-tree productivity project builds on the success of USAID's Integrated Agribusiness and Agriculture program, and is a fundamental part of Morocco's agricultural strategy. In addition, the $30 million functional literacy and vocational training follows the approach of USAID's widely acclaimed Advancing Learning and Employability for a Better Future program.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The majority of assistance activities implemented by USAID are in the second to third year of implementation. Well established Performance Management Plans (PMPs) and Data Quality Analysis continue to be updated as the political, economic, and social environment shifts in response to the "Moroccan Spring." Semi-annual, Mission-wide portfolio reviews, regular monitoring visits to field locations, and standing meetings with implementing partners help activity managers identify successes and challenges in meeting targets. An evaluation of the USAID Improving the Business Climate in Morocco Program as well as an audit of the Morocco Economic Competitiveness Program helped the Mission refocus activities and improve implementer performance. Evaluation reports, audit findings, portfolio reviews and PMP indicator tracking inform Mission management of results and allow for necessary adjustments in implementation.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: During FY 2012 and FY 2013 USAID/Morocco will complete its 2013-2017 Country Development Cooperation Strategy (CDCS). Most ongoing assistance programs will be completed in FY 2013 and new programs will be designed and initiated based on objectives established through the CDCS process. USAID is using

recently completed evaluations of political party programming, early grade reading statistics, and the impact of completed business enabling environment activities to inform decisions on the direction of future programming. Internal and external mid-program evaluations and summative evaluations continue to be a resource for highlighting lessons learned and best practices.

A recent audit and evaluation of two USAID economic growth programs revealed both successes and challenges in various program components and provided recommendations in the field of business environment and commercial law, which will be considered in the CDCS process. Audit and evaluation recommendations resulted in changes to program scope and budget realignments. Lessons learned focused on improving communications between the implementing partner and beneficiary, developing consistent and clear PMPs, and managing expectations of beneficiaries.

To maximize the efficient use of resources, USAID will use existing and newly commissioned evaluation findings to identify areas where USAID assistance is most effective in an effort to streamline future development activities.

Relating Past Performance to FY 2013 Plans: Throughout the implementation process, activity managers and Mission management use performance data to inform technical, budget, and management decisions. Assessments of other donor activity also play a key role in determining programmatic direction. Based on recent audits, evaluations, and day-to-day performance monitoring, USAID/Morocco expects to implement a more streamlined country program in FY 2013 with an increased reliance on host country organizations and host government entities for direct implementation of USAID activities.

Oman

Foreign Assistance Program Overview

Oman is strategically located on a key naval chokepoint through which passes 40 percent of the world's exported oil shipments. The Government of Oman relies heavily on foreign assistance capacity building which allows it to keep this critical sea-lane open to naval vessels and commercial traffic. U.S. assistance helps fund anti-piracy efforts and strengthens Oman's capability to monitor and control its borders, and improves interoperability of the Omani military with U.S. forces.

Oman plays an important role in helping the United States realize its regional stability goals. Oman also faces its own security challenges, which include combating piracy, weapons smuggling, and narcotics trafficking, and monitoring and controlling Oman's borders. Increased insecurity along Oman's land and sea border with Yemen, due to instability in Yemen and Al Qaeda in the Arabian Peninsula activities, has forced the Omani security establishment to deploy assets to cover this recently exposed flank, in the process creating critical gaps in other areas.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**16,122**	**11,150**	**11,050**	**-100**
Foreign Military Financing	13,000	8,000	8,000	-
International Military Education and Training	1,622	1,650	2,050	400
Nonproliferation, Antiterrorism, Demining and Related Programs	1,500	1,500	1,000	-500

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Oman	**16,122**	**11,150**	**11,050**	**-100**
1 Peace and Security	**16,122**	**11,150**	**11,050**	**-100**
Foreign Military Financing	**13,000**	**8,000**	**8,000**	**-**
1.1 Counter-Terrorism	8,218	4,000	-	-4,000
1.3 Stabilization Operations and Security Sector Reform	4,782	4,000	8,000	4,000
International Military Education and Training	**1,622**	**1,650**	**2,050**	**400**
1.3 Stabilization Operations and Security Sector Reform	1,622	1,650	2,050	400
Nonproliferation, Antiterrorism, Demining and Related Programs	**1,500**	**1,500**	**1,000**	**-500**
1.1 Counter-Terrorism	500	500	-	-500
1.2 Combating Weapons of Mass Destruction (WMD)	1,000	1,000	1,000	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Oman	**16,122**	**11,150**	**11,050**	**-100**
1 Peace and Security	**16,122**	**11,150**	**11,050**	**-100**
1.1 Counter-Terrorism	8,718	4,500	-	-4,500
1.2 Combating Weapons of Mass Destruction (WMD)	1,000	1,000	1,000	-
1.3 Stabilization Operations and Security Sector Reform	6,404	5,650	10,050	4,400

Peace and Security

Foreign Military Financing (FMF): U.S. assistance will increase Oman's ability to preserve its sovereignty and combat transnational threats while allowing Oman to maintain a credible military able to operate with U.S. forces. Funds will help ensure the continued readiness of Omani airbases and other military facilities to support ongoing operations and activities of U.S. Central Command, as well as anti-piracy efforts off the coasts of Yemen, Somalia, and Oman. Assistance will also be used for the acquisition of U.S. sourced defense equipment and associated training.

U.S. assistance will strengthen Oman's ability to protect its long and porous land borders and its two-thousand-kilometer coastline against potential terrorists and other criminals. Funds will provide equipment and training to improve border and maritime surveillance, detection and interdiction, including along Oman's frontiers with Yemen and Iran. Oman devotes substantial resources to its national security and has made major defense equipment purchases from U.S. firms with its own funds, the acquisition of which limits its ability to fund less high profile but essential programs.

International Military Education and Training (IMET): U.S. assistance for military education and training bolsters Omani interagency cooperation on security matters. It covers a broad range of areas including maritime operations, English language instruction, and technical and logistical issues. U.S.-funded training highlights the importance of a strong, cooperative relationship with the United States, and it increases Oman's value as a military partner by enhancing interoperability and coordination with U.S. forces and by reinforcing democratic principles of civilian control of the military. These programs expose the Omani participants to U.S. culture, to the U.S. military, and provide for increased understanding and goodwill, which results in U.S. access to Omani facilities and military leadership at all levels. The courses directly contribute to the realization of two U.S. goals, increasing Oman's military capability and maintaining access.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): U.S. assistance strengthens Oman's ability to create barriers to the proliferation of weapons of mass destruction, advanced conventional weapons and their delivery systems through a cooperative program to establish a strategic trade control system in Oman. The seaport of Salalah is a potential hub for transshipment of WMD-related products and is of increasing vulnerability as Dubai and other ports in the United Arab Emirates begin to enforce strategic trade controls more aggressively. This program helps prevent ship-borne threats from reaching American ports. In addition, assistance programs help strengthen Oman's antiterrorism training capabilities, which also help protect Americans living or traveling overseas, as well as U.S. interests abroad. Funds will provide training and equipment for Omani police and customs to improve their inspection and detection capabilities, assist in developing both a risk analysis and national targeting system, and provide technical support for the adoption and implementation of a comprehensive export control list and related licensing regulations.

Performance Information in the Budget and Planning Process

Relating Past Performance to FY 2013 Plans: FMF: Oman continues to use FMF to further joint U.S. – Oman national security interests of maritime security and counterterrorism. Oman used FMF to purchase Mark V patrol craft, which contributes to the Omani capability to deter Somali piracy off the coast of Oman as well as improving Omani military capabilities and securing Oman from transnational terrorism. Oman also purchases substantial quantities of top-quality night vision devices for its counter terrorism forces, which serves the U.S. goals of improving Omani military capability and encouraging greater Omani involvement in regional stability and thwarting transnational terror. Oman also allocates funding for additional U.S. training of its personnel, which is an excellent example of Oman's astute use of U.S. aid to improve the capacity of its forces and its ability to work with U.S. counterparts.

IMET: The Omani record on technical training and Professional Military Education has demonstrated the value of this assistance. Oman consistently selects top officers for this training, many of whom have come to occupy high positions in Oman's armed forces.

NADR: Export Control and Related Border Security (EXBS) programming has equipped Omani border and security officials with the capability and skills to identify and interdict WMD items and their delivery systems if they enter or transit Oman. Specifically, programming has raised the capacity of Omani border and security officials to use sophisticated electronic inspection equipment to identify cargo and ship-borne threats. Equipment donations and associated training have enabled Omani Customs to quickly identify and categorize radioactive substances to allow seizure of terrorist-related material. EXBS training facilitates U.S. access to Oman customs at the highest levels, a point which repeatedly proves invaluable when preparing for CODELs, other high-level visits, and working on security and policy issues.

Saudi Arabia

Foreign Assistance Program Overview

U.S. foreign assistance to Saudi Arabia seeks to deepen bilateral security cooperation by encouraging large numbers of Saudi military officers to pursue training in the United States. U.S. foreign assistance to Saudi Arabia is limited to International Military Education and Training (IMET), security and military assistance programs to advance our common strategic interests. These include training and exchange programs to thwart terrorism, deter regional aggression, protect against proliferation of nuclear material, and protect critical infrastructure and key air and shipping routes. The value of the IMET for Saudi Arabia lies less in the dollar amount of IMET allocated than it does in the ripple effect it has in increasing all Saudi-financed training in the U.S., thereby improving Saudi performance when working with the U.S. military to employ U.S. systems. An IMET allocation in the thousands results in Saudi spending in the millions.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**364**	**-**	**10**	**10**
International Military Education and Training	4	-	10	10
Nonproliferation, Antiterrorism, Demining and Related Programs	360	-	-	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Saudi Arabia	**364**	**-**	**10**	**10**
1 Peace and Security	**364**	**-**	**10**	**10**
International Military Education and Training	**4**	**-**	**10**	**10**
1.3 Stabilization Operations and Security Sector Reform	4	-	10	10
Nonproliferation, Antiterrorism, Demining and Related Programs	**360**	**-**	**-**	**-**
1.2 Combating Weapons of Mass Destruction (WMD)	360	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Saudi Arabia	**364**	**-**	**10**	**10**
1 Peace and Security	**364**	**-**	**10**	**10**
1.2 Combating Weapons of Mass Destruction (WMD)	360	-	-	-
1.3 Stabilization Operations and Security Sector Reform	4	-	10	10

Peace and Security

International Military Education and Training (IMET)

These programs are typically implemented on a cost-sharing or cost-recovery basis with the Saudi government. Saudi Arabia pays the vast majority of the costs of this training, but receives a reduced Foreign Military Sales (FMS) training rate if it is allocated a small amount of IMET funds. Allocating IMET funding encourages Saudi Arabia's continued participation in U.S. military education and training programs. Further, lower per-capita training costs result in more U.S.-trained Saudis for a fixed training budget, and having more U.S.-trained Saudis enhances interoperability with U.S. forces, promotes military professionalism and respect for human rights, builds Saudi defensive capacities, and ensures the current strong, cooperative political/military relationship between American and Saudi military officers will continue into the future.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The FY 2011 IMET budget of $4,000 constituted the barest fraction of the training budgets for the Saudi Arabian National Guard (SANG) and the army, navy, and air force under the Ministry of Defense. The U.S. security assistance organizations that work with the Saudis implement a structured performance evaluation of the forces they train. Specifically, they evaluate force structure, training and ability to perform.

No IMET funding was allocated to Saudi Arabia in FY 2012. The impact of not receiving IMET is that Saudi Arabia no longer qualifies for the lower training costs associated with receiving IMET, and fewer Saudis can be trained for the same dollar amount. We anticipate that this may result in a reduced number of Saudis travelling to the U.S. for training, which could then impact the overall relationship between the two countries. This could ultimately result in a reduced number of Saudis proficient in English and exposed to U.S. culture in U.S. military institutions, and ultimately affect the quality of interoperability between the two countries' respective militaries.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Based on prior years' performance, the Office of Program Manager, Saudi Arabian National Guard (OPM-SANG) Modernization Program and the U.S. Military Training Mission continue their modernization efforts. Specifically, the SANG is continuing to stand up a rotary aviation wing, and improve the English capabilities of pilots in order to receive pilot certification in the United States and Australia. The Air Self Defense Forces are implementing the upgrades to their Patriot systems; the Air Force has decided to upgrade and modernize its F-15 force, and the Navy continues to revise its eastern fleet upgrade targets begun by the Combined Naval Capabilities Assessment. Training in the U.S. is a key component of all these programs, and the Saudi ability to proficiently adopt newer modernized systems as well as evolving doctrine of employment is improved by increased exposure of Saudi military personnel to U.S. military institutions in the United States.

Relating Past Performance to FY 2013 Plans: The continuation of IMET in any amount allows the Saudi military to increase its return for value in each of its modernization programs. The United States continues to advise the SANG and MOD forces on how to match their performance to a doctrine tailored to the specific internal and external threats Saudi Arabia faces. Receiving IMET allows the Saudi military to send the maximum number of students to the U.S. Attending U.S. military schools enhances the bilateral understanding and ability of the two countries to interact with each other. The value of the IMET for Saudi Arabia lies less in the dollar amount of IMET allocated than it does in the ripple effect it has in increasing all Saudi-financed training in the U.S., thereby improving Saudi performance working with the U.S. military to employ U.S. systems.

Tunisia

Foreign Assistance Program Overview

Since the January 14, 2011 revolution, the United States has recalibrated its assistance to Tunisia to add focus on an array of targeted areas to include economic development, democracy, and governance, while deepening security engagement.

Assisting the Tunisians in laying a foundation for political stability and economic prosperity that strengthens civil society, empowers youth, and solidifies the foundation of democracy in Tunisia is a key priority for the United States. In the immediate aftermath of the protests that led to the ouster of former President Ben Ali, the Department of State and the United States Agency for International Development (USAID) mobilized more than $50 million from regional and global resources to provide immediate transition assistance designed to meet Tunisia's most pressing challenges in democracy and governance as to support the political transition. Additional resources, focused on longer-term economic impact, have been allocated from the FY 2011 Economic Support Funds (ESF) within the Middle East Response Fund (MERF). This $71 million assistance package funded by MERF makes resources available for critical economic assistance, such as a U.S.-Tunisian Enterprise Fund and a U.S. backed loan guarantee to the Government of Tunisia.

Tunisia's transition to democracy is progressing steadily, but the path is not without obstacles. Tunisia faces many near-term challenges, including strengthening the country's nascent democratic institutions, facilitating constructive popular participation in the national political process, resolving high unemployment, especially among college graduates, countering the threat of transnational terrorism and spill-over from conflicts in neighboring countries, and managing increased demands on the national security forces. Tunisia is looking to the United States, as a strategic partner in addressing these challenges as Tunisia works to consolidate its position as an emerging democracy. In developing follow on bilateral assistance plans, the U.S. Government will actively assesses how assistance can help Tunisia overcome its hurdles and best support its goals to become a prosperous nation based on democratic values and practices.

The FY 2013 request seeks to support Tunisia's near-term priorities while continuing to lay the foundation for its mid-to-long term democratic and economic development. Specifically, the FY 2013 request includes funding to build upon critical programs, initiated after the Tunisian revolution, that enhance U.S.-Tunisian engagement on security cooperation, higher-education development, civil society and governance support, and critical economic development policy reforms.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**25,749**	**24,854**	**36,600**	**11,746**
Economic Support Fund	5,000	5,000	10,000	5,000
Foreign Military Financing	17,124	17,500	15,000	-2,500
International Military Education and Training	1,950	1,854	2,300	446
International Narcotics Control and Law Enforcement	1,500	-	8,000	8,000
Nonproliferation, Antiterrorism, Demining and Related Programs	175	500	1,300	800

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Tunisia	**25,749**	**24,854**	**36,600**	**11,746**
1 Peace and Security	**20,249**	**19,854**	**23,600**	**3,746**
Foreign Military Financing	**17,124**	**17,500**	**15,000**	**-2,500**
1.1 Counter-Terrorism	6,124	6,000	-	-6,000
1.3 Stabilization Operations and Security Sector Reform	11,000	11,500	15,000	3,500
International Military Education and Training	**1,950**	**1,854**	**2,300**	**446**
1.1 Counter-Terrorism	-	-	897	897
1.3 Stabilization Operations and Security Sector Reform	1,950	1,854	1,403	-451
International Narcotics Control and Law Enforcement	**1,000**	**-**	**5,000**	**5,000**
1.3 Stabilization Operations and Security Sector Reform	1,000	-	5,000	5,000
Nonproliferation, Antiterrorism, Demining and Related Programs	**175**	**500**	**1,300**	**800**
1.1 Counter-Terrorism	-	-	1,000	1,000
1.2 Combating Weapons of Mass Destruction (WMD)	175	500	300	-200
2 Governing Justly and Democratically	**2,000**	**1,500**	**6,400**	**4,900**
Economic Support Fund	**1,500**	**1,500**	**3,400**	**1,900**
2.1 Rule of Law and Human Rights	250	250	1,530	1,280
2.2 Good Governance	450	450	850	400
2.3 Political Competition and Consensus-Building	350	350	340	-10
2.4 Civil Society	450	450	680	230
International Narcotics Control and Law Enforcement	**500**	**-**	**3,000**	**3,000**
2.1 Rule of Law and Human Rights	500	-	3,000	3,000
3 Investing in People	**1,600**	**1,600**	**1,600**	**-**
Economic Support Fund	**1,600**	**1,600**	**1,600**	**-**
3.2 Education	1,600	1,600	1,600	-
4 Economic Growth	**1,900**	**1,900**	**5,000**	**3,100**
Economic Support Fund	**1,900**	**1,900**	**5,000**	**3,100**
4.1 Macroeconomic Foundation for Growth	100	100	-	-100
4.3 Financial Sector	250	250	-	-250
4.5 Agriculture	300	300	-	-300
4.6 Private Sector Competitiveness	600	600	5,000	4,400
4.7 Economic Opportunity	400	400	-	-400
4.8 Environment	250	250	-	-250

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Tunisia	**25,749**	**24,854**	**36,600**	**11,746**
1 Peace and Security	**20,249**	**19,854**	**23,600**	**3,746**
1.1 Counter-Terrorism	6,124	6,000	1,897	-4,103
1.2 Combating Weapons of Mass Destruction (WMD)	175	500	300	-200
1.3 Stabilization Operations and Security Sector Reform	13,950	13,354	21,403	8,049
2 Governing Justly and Democratically	**2,000**	**1,500**	**6,400**	**4,900**
2.1 Rule of Law and Human Rights	750	250	4,530	4,280
2.2 Good Governance	450	450	850	400
2.3 Political Competition and Consensus-Building	350	350	340	-10
2.4 Civil Society	450	450	680	230
3 Investing in People	**1,600**	**1,600**	**1,600**	**-**
3.2 Education	1,600	1,600	1,600	-
4 Economic Growth	**1,900**	**1,900**	**5,000**	**3,100**
4.1 Macroeconomic Foundation for Growth	100	100	-	-100
4.3 Financial Sector	250	250	-	-250
4.5 Agriculture	300	300	-	-300
4.6 Private Sector Competitiveness	600	600	5,000	4,400
4.7 Economic Opportunity	400	400	-	-400
4.8 Environment	250	250	-	-250
of which: Objective 6	**-**	**-**	**1,300**	**1,300**
6.2 Administration and Oversight	-	-	1,300	1,300

Peace and Security

The Tunisian revolution, ignited by a police officer's abuse of authority and fueled by the public's outrage over police violence and rampant corruption, highlighted the need for profound security sector reform. Under the former regime, the domestic security services formed a vast, secretive network that was used to monitor, intimidate, and harass opponents of the regime. The prison system supported the abuses through complicity and the judiciary was too controlled by the president to serve as a check on the executive's powers. The FY 2013 request reflects the United States' commitment to providing the Government of Tunisia with the tools necessary to begin the reform of their security sector infrastructure.

Due to the degraded capabilities of the Interior Ministry, the Tunisian military took on some aspects of internal security in the aftermath of the revolution, which has left its borders more vulnerable to outside infiltration of terrorists and likely affected the Tunisian Government's ability to identify and act against internal and external threats. U.S. assistance continues to help the Tunisian military enhance its capabilities to apprehend indigenous and transnational terrorist elements, improve border security, and combat smuggling. This assistance will help the Tunisian military keep its aging U.S. equipment working and provide an increase in capabilities, particularly in the areas of intelligence, surveillance, border security, and reconnaissance.

States in the Middle East and North Africa face a continuing regional terrorist threat, particularly from al Qaeda in the Islamic Maghreb (AQIM). The revolution in Tunisia, followed by the revolutions in Libya and coupled with ongoing tensions in Algeria, only increases the risk of cross-border and domestic terrorism as Islamic terrorists seek to take advantage of the current instability. Tunisia, widely perceived as a friend to the United States, and where a moderate brand of Islam and state secularism have predominated, will remain a potentially attractive target for AQIM and other terrorist groups. Continued U.S. assistance to support and enhance Tunisia's counterterrorism and border security capabilities is essential. The Trans-Sahara Counterterrorism Partnership also operates programs in Tunisia.

Foreign Military Financing (FMF): FY 2013 FMF funds will be used to support new and previously provided equipment from the Department of Defense under Section 1206 authority, such as wheeled vehicles, fast boats, airborne infrared radars. FMF will also support Tunisia's unmanned aerial vehicles provided with peacekeeping operations funding. The equipment procured and supported with FMF is critical to the Tunisian military's ability to conduct its border security and counterterrorism support missions.

The objective over the next five years is to increase Tunisia's ability to rapidly detect, identify, and defeat extremists as they enter Tunisia. Supporting Tunisian procurement and maintenance of U.S. equipment also helps ensure a long-term collaborative relationship with Tunisia, and will increase the ability of the two countries to work together in joint operations and exercises.

International Military Education and Training (IMET): Increased IMET funding will help the United States continue to strengthen relations with the senior leadership of the Tunisian military in addition to developing relations with the junior and noncommissioned officers. The IMET program offers a variety of professional military education and technical courses. Nearly every course includes instruction about democracy, civil-military relations, human rights, and an independent judiciary. Tunisia also plans to rapidly expand the use of English in its forces, and will continue to send large numbers of English language instructors to training in the United States. IMET courses provide a common understanding of military terminology at all echelons that support interoperability between the United States and Tunisian militaries. The IMET program also helps counter negative media portrayals of the United States by exposing Tunisian military officers to the United States.

International Narcotics Control and Law Enforcement (INCLE): INCLE funding will focus on supporting efforts to enable the Tunisian police to adopt a citizen-centered mandate and a public service mission. Through a combination of technical advice, study tours, mentoring, workshops, trainings, and equipment donations, and in partnership with both government and civil society stakeholders, funds may be used to: support efforts to develop a new mission statement, code of ethics and related enforcement mechanism, and personnel policies and training curricula that reflect and reinforce the new mission; establish internal and external control mechanisms to ensure transparency, oversight, and accountability; assist the host government with strategic planning, change management, and donor coordination; foster police leadership; and encourage dialogue between the police and civil society. INCLE funding will also help develop judicial capacity, enhance access to justice, institute more humane prison management practices, and strengthen the legal, institutional, and policy frameworks for preventing and combating corruption. Programs that address multiple U.S. objectives will receive priority consideration, such as those that focus on the protection of vulnerable populations, promote women's participation, support transitional justice, and prevent conflict.

Nonproliferation, Antiterrorism, Demining and Related Programs (NADR):
NADR funds implemented through the Anti-Terrorism Assistance (ATA) program will help Tunisia deal effectively with security challenges, to defend against threats to national and regional stability, and to deter terrorist operations across borders and regions. The FY 2013 request includes a significant increase in

bilateral NADR/ATA resources which will continue programs newly initiated in FY 2011, initially funded from global NADR resources in the immediate aftermath of the Tunisian revolution. In Tunisia, the ATA program focuses on assisting Tunisian law enforcement in developing leadership and management, border security, and law enforcement investigative capabilities.

NADR funds implemented through the Export Control and Related Border Security (EXBS) Program will engage Tunisia on comprehensive export control legislation and implementing regulations. The funds will support capacity-building activities to strengthen Tunisia's borders security, including technical training and equipment donation to enhance Tunisia's capability to detect, identify, and interdict illicit trafficking in items of proliferation concern.

Governing Justly and Democratically

U.S. government assistance in Tunisia focuses on supporting progress toward comprehensive political and socio-economic reforms that institutionalize democratic norms, bolster civil society, promote freedom of expression, enhance the rule of law and integrate the population into the national political process.

Economic Support Funds (ESF): ESF funds will extend existing bilateral programming and respond to emerging needs as Tunisia continues its democratic transition. The FY 2013 Request supports the continuation of critical assistance programs initiated in collaboration with USAID and other U.S. Government agencies. Programs will provide support for citizen engagement in electoral processes, civic education, technical assistance to electoral management bodies, and training for political parties. Assistance will build the capacity of local government entities to meet the needs of their citizens and strengthen mechanisms for transparency and accountability between local government, their communities, and civil society and media. ESF funds will support Tunisian efforts to establish transitional justice mechanisms and processes, and to build structures for protecting and monitoring human rights under the new government. Embassy Tunis priorities for FY 2013 are activities that promote administrative reform, foster the development of democratic institutions, encourage socio-economic development, reinforce the rule of law, build civil society capacity building, stimulate financial sector reform and catalyze economic growth. Funding will support the development of independent civil society and media organizations, and will be directed to the meaningful engagement of women and youth throughout government and civil society.

International Narcotics Control and Law Enforcement (INCLE): INCLE funding will support efforts to enhance the professionalism, independence, and accountability of the judiciary, in order to build its capacity to prosecute and adjudicate crimes, including corruption. In addition, INCLE funding will assist the Government of Tunisia in developing a legal, institutional, and policy framework to deter, detect, and punish future acts of corruption.

Investing in People

Youth skills development is a particularly important area in Tunisia, where half the population is under the age of 26 and the youth unemployment rate is estimated at 40 percent. U.S. assistance will support initiatives that seek to improve the employment and entrepreneurship initiatives for youth, and which work hand-in-hand with capacity building projects designed to foster an environment that facilitates and creates youth employment opportunities.

Economic Support Funds (ESF): Embassy Tunis will issue grants to create six linkages between U.S. and Tunisian universities. Pending the outcome of an open bidding process, these partnerships may include consultation on curriculum design and accreditation, promotion of creative entrepreneurship in the tourism field, research cooperation on green technology and renewable energy, and textbook design.

Economic Growth

U.S. government assistance in Tunisia also focuses on supporting progress toward comprehensive economic reform through programs administered by USAID and the Overseas Private Investment Corporation (OPIC) which aim to rebuild and modernize the Tunisian economy and prepare for sustainable, inclusive socio-economic growth.

Economic Support Funds (ESF): The FY 2013 request focuses resources on developing private sector competitiveness by providing support for USAID programs initially funded through the FY 2011 MERF. Assistance focuses on accelerating economic growth through developing the information and communications technology sector (ICT) by enhancing ICT small-business support services to take advantage of potential market opportunities; building ICT-sector trade capacity and international market linkages; and expanding access to investment-capital financing for ICT small and medium enterprises (SMEs). In partnership with OPIC, USAID will also provide resources to continue support to the franchising and SME sector in Tunisia by developing a debt facility to provide working capital loans to Tunisian franchisees. The Tunisia Enterprise Fund and U.S. backed loan guarantee, both authorized in FY 2012, will become operational in late FY 2012 or early FY 2013. The Enterprise Fund will be managed by USAID over the life of Fund.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The bulk of allocated FMF is being committed to the maintenance and repair of existing U.S.-origin equipment, particularly helicopters, F-5 fighter aircraft, C-130 transport aircraft, wheeled transportation vehicles, maritime ships, advanced communications equipment, ammunition, and small-caliber weapons. The key mechanism for evaluation of financial performance is the Financial Management Review (FMR) conducted annually by the Embassy, the Defense Security Cooperation Agency, and the Tunisian Ministry of Defense. The Joint Military Commission and the Annual Planning Conference provide broader insight into the effectiveness of U.S. assistance as it relates to U.S. strategic objectives. In September 2011 the Tunisian Ministry of Defense provided the Embassy's Office of Security Cooperation a five-year plan detailing its proposals for uncommitted FMF as well as national funds for the maintenance and repair of U.S.-origin equipment.

USAID managed programs will report on performance indicators annually and develop additional evaluation criteria, as necessary, in consultation with the Department of State.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The FMR process provided information to inform budget and programmatic choices for FY 2012 and beyond. FY 2013 FMF will continue to support existing U.S.-origin equipment, enhance border security and counterterrorism capabilities, and upgrade and modernize existing U.S.-origin equipment.

Tunisia’s FMF is used to maintain a baseline sustainability of U.S.-origin equipment with spare parts and maintenance services to ensure the Tunisian Armed Forces are combat-capable.

INCLE program monitoring and evaluation (M&E) will be conducted through direct observation by Department of State staff, qualitative and quantitative surveys, impact evaluations, and specific, measureable M&E provisions contained in implementing agreements, including a Letter of Agreement with the Government of Tunisia.

EXBS program monitoring and evaluation is conducted by the Department of State through the use of assessments, training evaluations, agreements with partner countries, and the Rating Assessment Tool

(RAT). The RAT uses a 419-point survey that assesses a given country's licensing, enforcement, and industry outreach capabilities and nonproliferation regime adherence practices to derive country-specific scores. The RAT methodology thus allows the Department of State to evaluate year-over-year EXBS progress in each partner country. In prior years, these assessment and evaluation activities allowed the Department of State to determine vulnerabilities in each partner country's strategic trade control system, ascertain effectiveness of prior bilateral EXBS assistance activities, and pinpoint areas where limited assistance dollars can achieve the greatest impact. ISN used this information in consultations with embassies, regional bureaus, and other U.S. government agencies to derive the specific bilateral request level.

West Bank and Gaza

Foreign Assistance Program Overview

The achievement of a negotiated two-state solution to the Israeli-Palestinian conflict is a core U.S. national security objective. The U.S. Government's foreign assistance program in the West Bank and Gaza is designed to advance progress toward the two-state solution by helping the Palestinian Authority (PA) build the institutions of a future Palestinian state, creating an atmosphere that supports negotiations, and improving the everyday lives of Palestinians, thereby contributing to the overall stability and security of the region.

Operating in a complex environment, the West Bank and Gaza program is subject to a number of internal and external forces that influence the delivery of U.S. assistance, including the PA's pursuit of international recognition, intra-Palestinian reconciliation efforts, cross border military attacks, restrictions on movement and access, and the continued presence of Hamas as the de facto governing authority in Gaza. Despite these challenges, significant programmatic results have been achieved in recent years. Programs are aligned with the PA's short and long-term development planning vision, the Oslo Accords, the Roadmap, and the Quartet Principles. In support of the goal of a negotiated two-state solution, the U.S. Government's foreign assistance program in the West Bank and Gaza will continue to focus on developing a viable Palestinian state through improvements in the security environment, infrastructure networks, service delivery systems, governance systems, and economic vitality of the private sector, as well as the provision of direct budget support for the PA.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**550,128**	**495,699**	**440,000**	**-55,699**
Economic Support Fund	395,699	395,699	370,000	-25,699
Food for Peace Title II	4,429	-	-	-
International Narcotics Control and Law Enforcement	150,000	100,000	70,000	-30,000

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
West Bank and Gaza	**550,128**	**495,699**	**440,000**	**-55,699**
1 Peace and Security	**133,500**	**62,600**	**40,200**	**-22,400**
International Narcotics Control and Law Enforcement	**133,500**	**62,600**	**40,200**	**-22,400**
1.3 Stabilization Operations and Security Sector Reform	133,500	62,600	40,200	-22,400
2 Governing Justly and Democratically	**38,049**	**53,700**	**52,300**	**-1,400**
Economic Support Fund	**21,549**	**16,300**	**22,500**	**6,200**
2.1 Rule of Law and Human Rights	4,800	3,700	5,000	1,300
2.2 Good Governance	10,149	8,600	9,000	400
2.3 Political Competition and Consensus-Building	300	-	500	500

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
2.4 Civil Society	6,300	4,000	8,000	4,000
International Narcotics Control and Law Enforcement	**16,500**	**37,400**	**29,800**	**-7,600**
2.1 Rule of Law and Human Rights	14,000	26,000	19,700	-6,300
2.2 Good Governance	2,500	11,400	10,100	-1,300
3 Investing in People	**292,030**	**285,750**	**238,000**	**-47,750**
Economic Support Fund	**292,030**	**285,750**	**238,000**	**-47,750**
3.1 Health	53,800	47,450	54,000	6,550
3.2 Education	8,700	12,500	9,000	-3,500
3.3 Social and Economic Services and Protection for Vulnerable Populations	229,530	225,800	175,000	-50,800
4 Economic Growth	**38,920**	**56,500**	**78,720**	**22,220**
Economic Support Fund	**38,920**	**56,500**	**78,720**	**22,220**
4.1 Macroeconomic Foundation for Growth	2,500	4,400	7,000	2,600
4.2 Trade and Investment	13,520	7,800	4,000	-3,800
4.3 Financial Sector	-	2,900	3,000	100
4.4 Infrastructure	11,400	26,500	50,000	23,500
4.5 Agriculture	5,000	5,000	8,820	3,820
4.6 Private Sector Competitiveness	4,500	8,200	4,000	-4,200
4.7 Economic Opportunity	2,000	1,700	1,900	200
5 Humanitarian Assistance	**47,629**	**37,149**	**30,780**	**-6,369**
Economic Support Fund	**43,200**	**37,149**	**30,780**	**-6,369**
5.1 Protection, Assistance and Solutions	43,200	37,149	30,780	-6,369
Food for Peace Title II	**4,429**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	4,429	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
West Bank and Gaza	**550,128**	**495,699**	**440,000**	**-55,699**
1 Peace and Security	**133,500**	**62,600**	**40,200**	**-22,400**
1.3 Stabilization Operations and Security Sector Reform	133,500	62,600	40,200	-22,400
2 Governing Justly and Democratically	**38,049**	**53,700**	**52,300**	**-1,400**
2.1 Rule of Law and Human Rights	18,800	29,700	24,700	-5,000
2.2 Good Governance	12,649	20,000	19,100	-900
2.3 Political Competition and Consensus-Building	300	-	500	500
2.4 Civil Society	6,300	4,000	8,000	4,000
3 Investing in People	**292,030**	**285,750**	**238,000**	**-47,750**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
3.1 Health	53,800	47,450	54,000	6,550
3.2 Education	8,700	12,500	9,000	-3,500
3.3 Social and Economic Services and Protection for Vulnerable Populations	229,530	225,800	175,000	-50,800
4 Economic Growth	**38,920**	**56,500**	**78,720**	**22,220**
4.1 Macroeconomic Foundation for Growth	2,500	4,400	7,000	2,600
4.2 Trade and Investment	13,520	7,800	4,000	-3,800
4.3 Financial Sector	-	2,900	3,000	100
4.4 Infrastructure	11,400	26,500	50,000	23,500
4.5 Agriculture	5,000	5,000	8,820	3,820
4.6 Private Sector Competitiveness	4,500	8,200	4,000	-4,200
4.7 Economic Opportunity	2,000	1,700	1,900	200
5 Humanitarian Assistance	**47,629**	**37,149**	**30,780**	**-6,369**
5.1 Protection, Assistance and Solutions	47,629	37,149	30,780	-6,369
of which: Objective 6	**21,000**	**24,000**	**26,000**	**2,000**
6.1 Program Design and Learning	500	1,500	1,000	-500
6.2 Administration and Oversight	20,500	22,500	25,000	2,500

Peace and Security

Effective Palestinian Authority Security Forces (PASF) are critical to Israeli security and to public order in the West Bank that reduces crime, violence, extremism, and creates the necessary institutions of a new state. PASF increasingly pursue lawbreakers and their enhanced operational capabilities have resulted in a safer, more secure West Bank that has improved the lives of both Palestinians and Israelis. Specifically, security campaigns in Nablus, Jenin, Hebron, and Bethlehem were widely praised for improving security and returning normalcy to these cities, and the PASF maintained security in the West Bank during periods of tension in the region. The effectiveness of the criminal justice system has also been strengthened by training, equipment, and technical assistance provided to Palestinian judicial, prosecutorial, and law enforcement institutions, and infrastructure improvements to courthouses and prosecutor's offices.

International Narcotics Control and law Enforcement (INCLE): U.S. assistance will continue to provide training, non-lethal equipment, and infrastructure support to restructure and reform the PA security services and justice system while directing a larger share of the funding toward the newer rule of law programs for the justice and corrections sectors, civilian police, and civil defense. The FY 2009 request began a multi-year investment into the structure, stability, and facilities needed for a robust and independent justice sector. Because the major initial training and construction has been completed, the INL program in FY 2013 will focus on sustainment. Specifically, the FY 2013 request will support the maintenance and sustainment of the security forces, now that most of the training and equipping requirements of previous years have been accomplished.

This assistance will further enhance the skills, competency, and professionalism of the PASF, including the National Security Forces (NSF), Palestinian Civil Police, and the Civil Defense (CD). Consistent with the plans developed jointly by the Bureau for International Narcotics and Law Enforcement Affairs (INL), the U.S. Security Coordinator (USSC), and the PA, these efforts will ensure that the PASF is better equipped and capable to maintain public security, fight terrorism, tackle serious crime and other threats to law and

order, and address national emergencies. Working with the PA Ministry of Interior, U.S. assistance will further develop the institutional planning capacity needed to manage the PASF, and to maintain and sustain the gains realized through assistance provided by the U.S. Government (USG).

Governing Justly and Democratically

PA efforts to strengthen the institutions of a viable Palestinian state focus upon improving democratic governance and increasing civic engagement. The USG supports these important objectives with programs that improve PA service delivery to Palestinians, promote the effective rule of law, and increase popular participation in democratic dialogue. These activities foster a mutually-reinforcing cycle of competent governance, popular support for the PA, and citizen-government engagement.

Economic Support Funds (ESF): U.S. assistance will support governance and rule of law programs that enhance the capacity of PA institutions, improve delivery of services to Palestinians, and strengthen the Palestinian judicial system and the judiciary's ability to prosecute crimes and enforce the law, thereby increasing public confidence in the credibility of the PA. Additional programs will assist civil society organizations, independent media, and the Central Elections Commission to actively shape and engage in democratic dialogue.

- Resources will be used to strengthen the capacity of selected PA institutions to improve service-delivery by modernizing internal processes within ministries, refurbishing customer service centers, improving regulations, and empowering ministry employees to lead and sustain reform. USAID will also support local government units to improve responsiveness to citizens' needs and strengthen institutional capacities of these institutions to operate in a more accountable and transparent manner. In addition, USAID will support the PA's efforts to decentralize its governance institutions and systems. This new project will build upon the success of previous and current USAID capacity building efforts.

- Resources will be used to support ongoing rule-of-law projects that will continue to support the civil Palestinian justice sector institutions towards strengthening public confidence in the sector, ensure effective case management and proper access to justice and enforcing the law through professional training, improved public justice sector services, enhanced legal education, and improved civic engagement on rule-of-law issues.

- Grants and technical assistance will continue to promote the involvement of civil society organizations (CSOs) and local independent media outlets in the PA decision-making process, in the monitoring and oversight of government institutions, and in the broader public sector discourse in order to ensure a more vibrant and robust democratic dialogue between the Government and its citizens. Funds will continue to build the capacity of the CSOs and local media outlets, while increasing public awareness in democratic processes.

- USAID will seek opportunities to support elections and the political process as a means of strengthening democracy in the West Bank and Gaza, to the extent that the broader peace process will allow. This assistance could include capacity-building for PA and non-governmental organizations engaged in ensuring a free and fair electoral event, technical assistance and training for a democratic legislature, and support for other activities to ensure broad and inclusive participation of all citizens in the electoral and political processes.

International Narcotics Control and Law Enforcement (INCLE): Because the major initial training and construction has been completed, the INL program in FY 2013 will focus on sustainment. Specifcally, U.S. assistance will be used to support further development of the PASF, the Attorney General's Office, and the local Public Prosecutors' Offices. Resources will continue existing rule-of-law programs in the governorates of Jenin, Ramallah, Bethlehem, and Salfit, supporting both criminal investigation and prosecution functions and, in coordination with the PA and other donors, expand this work into other priority West Bank governorates. This will include infrastructure support for prosecutors' offices that need construction or renovation and will help construct police stations in districts prioritized by the PA to build local law enforcement capacity. INL will also complement USG and other donor activities in the sector by continuing to support efforts to enhance the PA's ability to operate and maintain correctional facilities that meet accepted international standards and respect for human rights. Infrastructure funds will be made available for the construction and renovation of prisons. INL will also continue to provide technical and material support to the Ministry of the Interior to strengthen civilian oversight and management of the security forces.

Investing in People

With USG assistance, the PA has made a number of improvements in recent years in essential service delivery to the approximately four million people that reside in the West Bank and Gaza. Despite these gains, a number of challenges remain and USG assistance will focus on developing the Palestinian health sector, increasing access to clean water, repairing water infrastructure networks, addressing chronic sanitation infrastructure needs, and improving education.

Major health challenges include a fragmented health sector, a high burden of non-communicable diseases, and a health system (including a health workforce pattern) that was not designed to handle current needs. In the water sector, years of under investment, poor maintenance, and lack of emphasis on resource sustainability led to a serious deterioration of the aging water and sanitation networks that negatively affects the daily lives and the health status of many Palestinians, particularly the most vulnerable populations.

Positive education sector indicators such as an enrollment rate of 97 percent, gender parity, and an adult literacy rate of 94.1 percent are in part the result of heavy donor support for basic operating costs and school and classroom construction; this donor dependence has created an inherent vulnerability in the long term sustainability of the PA's education reform. U.S. assistance in this sector will therefore focus on improving the quality and relevance of the education system and ensure that the educational needs of the most vulnerable populations are addressed. The United States will work to increase the quality of teacher training programs, create partnerships between U.S. and Palestinian universities and prepare out-of-school pre-school aged children to enter the formal education system through quality media programming that teaches literacy, math, and life skills, including mutual respect and appreciation of others.

Finally, the PA has made significant strides in reducing its need for external budget support over the last few years. However, promised donor contributions have not arrived at a pace sufficient to cover remaining gaps in monthly expenditures, and the PA has been forced to rely on commercial bank lending and the accumulation of private sector arrears to meet its monthly expenses. Because of these factors, the U.S. will continue to provide critical direct budget support to the PA to help stabilize their financial situation

Economic Support Fund (ESF): U.S. assistance will support health, water supply, sanitation, education, and social services activities that will allow the PA to better meet the priority needs of Palestinians. In addition, U.S. assistance anticipates a continuing need for direct assistance to the PA in FY 2013.

- Maternal and Child Health: Resources will strengthen service delivery in Palestinian health facilities (both public sector and NGO clinics/hospitals) as well as in community health centers, with an emphasis on mothers and children. Clinical and community efforts will include, in particular, health education regarding healthy pregnancy behaviors and child health issues, health worker training on new clinical guidelines, and grants to local organizations to upgrade, enhance, and/or expand their services.

- Other Public Health Threats: Resources will strengthen the Palestinian health system, including both PA and NGO service providers. Funds will be used for system-wide improvements such as health workforce planning and expansion of the health information system developed with prior year funds; this will upgrade the quality of patient care, hospital management, and the availability of data for decision-making for health sector leaders and managers. Programs will also target improvements in the prevention and treatment of non-communicable diseases.

- Water: Programs will develop new sustainable water resources consistent with the rational development of the local aquifers and the reduction in water loss due to aging/leaking transmission and distribution lines. This will reduce Palestinian household dependence on Israeli-supplied tanker-transported water. Related activities include the installation and repair of water lines and pump facilities. U.S. assistance will also expand the focus on operation and maintenance activities at both new and existing facilities to ensure that equipment will last longer and will require fewer significant repairs, minimizing downstream cost requirements for the PA. Sanitation projects will also be expanded in FY 2013 which will reduce contamination of underground aquifers from untreated wastewater and rehabilitate medium-scale sewage systems. Activities will also focus on upgrading water and sanitation systems at schools, health clinics, and other public facilities. Finally, USAID will explore new technologies to treat wastewater in urban areas and promote the reuse of wastewater in agriculture, with a focus on maximizing sustainability of resources.

- Education: Teacher training, graduate education, and the establishment of professional standards will be a primary focus of U.S. assistance in this sector and will be supported by U.S.-Palestinian university partnerships that allow for the sharing of expertise and best practices. Resources will improve the learning experience for children pre-school age up to grade 12 by focusing on measureable improvements in the skill sets of teachers and building local capacity to provide quality educational television. Particular focus will address outdated teaching methodologies and provide teachers with the tools and best practices. Activities will also focus on increasing access to the educational system to ensure that the educational needs of the most vulnerable populations are addressed, particularly in those areas where overcrowding and resource scarcity have affected children the most. Additional funding will support programs aimed at: 1) improving the quality of higher education teaching and learning; 2) steering policy reform within the higher education sector; and 3) establishing model university programs through U.S.-Palestinian university partnerships.

- Social Services: Funding will continue to provide services for Palestinian youth to counter the attraction of radical political groups in the region and encourage them to take an active role in the socio-economic development of Palestinian civil society. Activities will target young people ages 14 to 29 and will focus on the provision of employment and entrepreneurship skills to enable them to find employment in the public and private sector, or to start their own businesses. U.S. assistance will include capacity building for youth-serving institutions, employment training programs, and social and civic engagement programs to promote youth leadership and enable youth to become more active and productive members of their communities.

- Social Assistance: The USG anticipates a continuing need for direct budget assistance to the PA for FY 2013. This support is expected to follow the existing model of paying down PA debt to eligible and vetted creditors or suppliers of consumer commodities. The U.S. support of the PA in this manner, which is a critical stabilizing factor within the PA fiscal environment, leverages additional financial support from international donors and improved PA fiscal management, including increased revenue collection. These resources will improve municipal governance capacity to assist local communities in selecting, developing, and completing infrastructure projects which have been prioritized within the community. This approach will better serve constituents of those communities and foster greater ownership and accountability between municipal governments and their residents.

Economic Growth

Promoting an efficiently functioning and sustainable economy are foundational requirements for a future Palestinian state. Despite strong growth in recent years, inflation-adjusted per-capita GDP is only now at its 1999 level. Yet, the unemployment rate for the Palestinian territories has risen dramatically – from 12 percent in 1999 to 24 percent today (35 percent in Gaza) which fuels frustration and limits economic aspirations among Palestinian youth. Commodity exports have fallen (from $635 million in 1999 to $592 million in 2009). Domestic tax revenue has increased due to improved collection and administrative reforms, but is still below budget targets, primarily because the PA is no longer able to capture significant amounts of revenue from the Gaza Strip.

U.S. assistance focuses its economic growth funding on the development of the private sector as the best engine of growth. More than 90 percent of the existing Palestinian businesses are micro- and small-size enterprises that currently have limited capacity to compete in local markets. Restrictions on movement and access for goods and people within the West Bank and between the West Bank, the Gaza Strip, Jerusalem, Tel Aviv, Ashod, Haifa and other external markets remain critical constraints to economic development. The lack of an enabling regulatory environment further limits access to finance and investments. USAID programs support Palestinian efforts to bolster the economy while also working with the Government of Israel to address legitimate Israeli security concerns.

Economic Support Fund (ESF): U.S. assistance for private sector development in the West Bank and Gaza will continue to take a two-pronged approach. First, it will support Palestinian enterprises to generate employment and economic opportunities in domestic, regional, and global markets. Second, it will address the essential role of the PA in overseeing public revenues and expenditures; developing a business regulatory environment that promotes strong economic growth; and overseeing financial-sector regulation. USAID is the principal donor in this sector and its programs will complement the efforts of other donors, particularly the International Monetary Fund, the World Bank, and the European Commission, which promote fiscal and regulatory reform.

- Resources will increase the competitiveness of enterprises by removing expansion obstacles and improving value chains. USAID will continue to focus on agriculture and agribusiness, tourism, the marble and stone industry, information technologies, and other value-added sectors that are identified as priority areas for growth.

- Trade resources will support infrastructure and process improvements at critical commercial crossing points in the West Bank. To complement these activities, U.S. assistance will provide capacity building support through a new program to customs organizations which will help ease the movement of goods without compromising Israel's security, as well as provide much needed revenue for the PA.

- Transportation funding will improve transportation infrastructure by renovating priority road networks that will ease the movement of goods and services throughout the West Bank. U.S. assistance will give priority to those projects that create critical trade networks by connecting urban centers, economic zones, commercial routes, and residential neighborhoods, as well as those projects which provide safer travel routes.

- U.S. assistance will focus on improving the investment climate by building capacity in the private sector and the Ministry of National Economy to prepare the legal and regulatory framework necessary to encourage trade, entrepreneurship, and foreign investment. To complement these activities, a new trade-focused project will assist the Ministry of Finance in strengthening its capacity for raising domestic revenues in a way that is compatible with improving the Palestinian business climate.

Humanitarian Assistance

The four decades of the Israeli-Palestinian conflict has been characterized by repeated cycles of low-level conflict and cross-border strikes interrupted by significant national or regional confrontations. High unemployment rates persist throughout the West Bank and Gaza and the consumer price index for food products has risen 45 percent since 2004. The World Food Program estimates that 22 percent of the people in the West Bank and 52 percent of people in Gaza are food insecure. The PA, burdened with high budget demands and lack of sufficient donor funding, is unable to provide for the needs of vulnerable families; thus, many are dependent for their survival on the support of international organizations. With little or no disposable income, these families' educational and economic opportunities are limited. While there are some humanitarian assistance needs in the West Bank, a majority of the U.S. humanitarian assistance programming is expected to be implemented in Gaza in FY 2013, given its particularly high levels of unemployment and food insecurity. U.S. programming is provided in coordination with other agencies and donors and includes activities managed by USAID and the Department of State's Bureau of Population, Refugees, and Migration.

Economic Support Fund (ESF): The U.S. Government will continue to provide assistance to the most vulnerable populations in the West Bank and Gaza in FY 2013. Although a number of U.S. programs in Gaza focus on recovery activities, there remains a core element of the population in need of humanitarian assistance, including the provision of humanitarian commodities. U.S. assistance will focus on delivering assistance to meet those needs in a way that does not encourage long-term dependency. A new project will provide the U.S. Government to continue to provide emergency shelter and other forms of humanitarian assistance that address basic needs. In addition, food assistance programs will continue, as in the past. U.S. assistance prioritizes female-headed households, families affected by recent conflicts, and families with a large number of dependents, among other criteria.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Several monitoring and evaluation efforts were undertaken by USAID during FY 2011 in the West Bank and Gaza (WBG) including:

- Evaluations in the democracy and governance sector of: 1) the Palestinian Authority Capacity Enhancement (PACE) program—which confirmed that the objectives of improved PA service delivery, increased financial transparency and accountability, enhanced capacity, and strengthened public communications and participation were met; and 2) the Local Democratic Reform (LDR) program—which affirmed that the objectives of (a) creating an enabling environment for an effective, empowered, and democratic local governance system by strengthening the Ministry of Local Government at the national level, and (b) building the capacity of Local Government Units at

the municipal level were met and successful in producing substantial results in improving ministerial and municipality capacity.

- Given the importance of high quality evaluations to the Mission's overall project management and in line with USAID Forward evaluation targets, USAID is committed to a minimum of four performance evaluations in FY 2011.

- USAID conducted a Mission-wide portfolio review process in late 2011 which was led by the Mission Director and included representation from other U.S. entities at post with interest in the relevant sectors. A robust discussion of each project ensured that programmatic adjustments were made based on performance results, USG strategic imperatives, PA priorities, and budget realities.

In addition, USAID supports an extensive system of monitoring activities to ensure that projects achieve maximum impact. This system includes site visits, financial reporting requirements, and regular performance reporting. Program managers and implementing partners document these activities in performance monitoring plans and implementation/work plans. To ensure the integrity and quality of project interventions, USAID program managers review the input of the implementing partners in the USAID West Bank and Gaza Geographic Management Information System (Geo-MIS), which has been identified as an Agency model in geo-spatial data collection. Performance information provided through Geo-MIS tracks each project's Performance Management Plan and directly informs the preparation of the annual USAID/West Bank and Gaza Performance Plan and Report.

In February 2011, USAID released the new evaluation process to ensure consistency and performance based decision making across the Agency. In response, USAID/West Bank and Gaza established a monitoring and evaluation (M&E) team that is responsible for the training and development of Mission and partner staff on the Agency's requirements for M&E. This team's primary goals are to enhance the existing M&E process in the Mission, systematically monitor program performance, refine and update the Mission's M&E standards and expectations, provide subject matter expertise on the evaluation process, and improve evidence-based decision making. The establishment of this team ensures that meaningful information about program performance will continue to be utilized to better manage for results.

USAID also has a number of compliance and auditing processes in place that provide program managers with objective information about the performance of each project. For example, USAID employs a full-time compliance specialist who monitors and assesses implementing partners' compliance with laws, regulations, and rules applicable to programs in the West Bank and Gaza, including vetting. Also, all direct USAID awardees' and significant sub-awardees' locally incurred costs are audited by USAID's Inspector General-approved auditors on an annual basis. These financial audits include, among others, the partners' compliance with the terms and conditions of their awards. The Regional Inspector General also conducts performance audits on selected programs each year which also includes assessments of the partners' adherence to applicable laws, rules and regulations. These Mission efforts ensure that all prime implementers and significant sub-awardees are reviewed at least once a year. As an additional control, all NGOs are required to submit quarterly financial reports to USAID on how funds are spent and all partners are required to submit a monthly report that captures all of their new sub-awards. As part of the U.S. Government's commitments to the PA budget support process, financial audits are conducted on all direct budget support transfers. Finally, the Mission maintains an extensive vetting process to ensure that program activities are vetted appropriately. The Mission's vetting procedures are the subject of regular GAO audits.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: USAID utilizes a number of monitoring and evaluation processes to guide programmatic choices. During FY 2012, USAID is using evaluation findings to guide important program reductions, continuations, redesigns, and expansions across several sectors. Specifically:

- The Local Governance and Infrastructure program, a partnership between the democracy and governance and the water and infrastructure sectors, continues the gains achieved through the LDR program's ministerial and local capacity development objective.

- Resources are better aligned to remove regulatory and legal barriers in order to enhance trade opportunities and entrepreneurism among Palestinians.

- A new Youth Entrepreneurship Development program is implementing lessons learned and sustaining success made through the Palestinian Youth Empowerment (RUWAAD) program in the areas of youth employability and entrepreneurship skill building.

- The health program quickly responded with important program adaptations that better align limited resources to ministerial and community needs.

- An evaluation of USAID's Expanded and Sustained Access to Financial Services program was conducted, resulting in a recommendation to deepen and broaden USAID activities in the Palestinian financial sector, including leasing, insurance, pension funds, and the capital and non-bank debt markets. USAID's investment climate improvement project will include a focus on developing the Palestinian financial sector, particularly the non-banking sector.

- A mid-term evaluation of the RUWAAD program, which aims to build the leadership capabilities of Palestinian youth by enabling civic engagement, offering economic opportunities, enhancing leadership skills, and participation in sports and culture, helped determine that the strengths of this pilot youth activity should be integrated into future youth programs.

- USAID commissioned an independent performance evaluation of its health program in order to guide the next few years of planning. USAID is adjusting the program based on the evaluation findings, in consultation with the Ministry of Health and other donors, so that the FY 2012 program will reflect the best of this largely successful program.

Relating Past Performance to FY 2013 Plans: Internally, USAID conducts Portfolio Reviews each year to assess the overall performance of its programs. In late FY 2011, USAID conducted an extensive review of all of the projects (and all the project components) being implemented in the West Bank and Gaza. This Mission-wide, cross sectoral, historical portfolio review guided program adjustments based on performance, identified new programming opportunities for USAID in future years, and clarified budget allocation requests for FY 2012 and FY 2013. This review was preceded by a number of assessment activities (as detailed in the evaluation section above), internal discussions, and consultations with key stakeholders in the region.

More broadly, the Mission will undergo a strategic planning exercise in the coming months. As a result of this exercise, USAID's strategic objectives in the West Bank and Gaza will be defined in a new five year strategy which will guide program and resource planning in FY 2013 and beyond. As part of this exercise, past performance of existing USAID projects will be reviewed and future programmatic choices will be discussed. The Mission's strategy development process will help identify the key sectors in which USAID programs can achieve the greatest programmatic impact with the resources available.

Currently, the Mission anticipates programmatic engagement to continue in the education sector, with a particular focus on increased activities supporting youth programming. USAID's past interventions in this area have provided a solid foundation for future youth programming. Support for building strengthened and capable Palestinian Authority institutions will be a critical element of project planning across sectors—in response and in coordination with U.S. foreign assistance objectives and long-term Palestinian Authority development objectives. Current plans focus on improved and strengthened health systems and health service delivery, modernized and decentralized PA institutions, innovative responses to wastewater treatment and reuse, and flexibility in delivering urgent humanitarian assistance.

Yemen

Foreign Assistance Program Overview

This is a time of particularly heightened U.S. national interest in Yemen, which calls for quick and effective efforts to support and assist in Yemen's political transition. Under the Gulf Cooperation Council (GCC) political transition plan, the presidential election on February 21, 2012 formalized the transition of power and U.S. assistance will help the Yemeni people work to establish a more inclusive democratic process. Reorganizing the military and security sector will be a component of that transition. U.S. security assistance will seek cooperation with the newly formed government, helping to ensure that the Yemeni military and security forces are properly realigned and working to reinforce stability rather than serving as a destabilizing force.

U.S. development assistance will focus on the political transition and the recovery of the country from economic collapse through policies, regulations and programs to generate employment and enable private sector development. The United States Agency for International Development (USAID) will support the development of governmental capacities to deliver services, to include citizens in decision making, to develop the capacities of civil society, and to empower youth and women to participate more effectively in political processes and the economy. In so doing, U.S. assistance will address the underlying causes of instability that make Yemen vulnerable to the exploitative activities of insurrectionists, militant extremists, and terrorist organizations, which pose threats to the security of the country, the region, and the United States.

U.S. assistance programs aim to build the capacity of key central and local government institutions, including the Supreme Commission for Elections and Referenda, the Supreme National Authority for Combating Corruption, Parliament, and line and economic planning ministries through training, equipment and technical advisory support. Assistance will be provided to the Republic of Yemen Government (ROYG) ministries, departments, and local government bodies, to enhance inclusive policy formulation and implementation capacities, and to improve accountability, transparency and anti-corruption efforts. Civil society organizations (CSOs) will be supported to play constructive roles in public policy advocacy and monitoring.

The U.S. Government will continue support to private sector and non-governmental partners, in conjunction with the ROYG, to improve standards of living, reduce poverty and unemployment, expand infrastructure and access to services by advocating for improved policies and regulations in order to enhance the business investment and operational climate in the country. Moreover, U.S. assistance will continue to support the realization of self-identified goals of communities through an approach of close collaboration and coordination with citizens, and the building of local capacities in the areas of agriculture, enterprise development, health, education, and local governance that will provide assistance and sustainable solutions to local livelihood problems.

The FY2013 request is based on expectation of continuing needs in development and security assistance. Additional transitional funding may be allocated from other sources, as the transition progresses and opportunities emerge.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**82,905**	**68,456**	**76,650**	**8,194**
Overseas Contingency Operations	**-**	**6,105**	**-**	**-6,105**
International Narcotics Control and Law Enforcement	-	3,605	-	-3,605
Nonproliferation, Antiterrorism, Demining and Related Programs	-	2,500	-	-2,500
Enduring/Core Programs	**82,905**	**62,351**	**76,650**	**14,299**
Economic Support Fund	26,606	26,606	38,000	11,394
Food for Peace Title II	20,013	-	-	-
Foreign Military Financing	19,960	20,000	20,000	-
Global Health Programs - USAID	8,982	6,000	9,500	3,500
International Military Education and Training	1,094	1,100	1,100	-
International Narcotics Control and Law Enforcement	1,750	7,395	4,000	-3,395
Nonproliferation, Antiterrorism, Demining and Related Programs	4,500	1,250	4,050	2,800

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Yemen	**82,905**	**68,456**	**76,650**	**8,194**
1 Peace and Security	**26,554**	**31,850**	**27,650**	**-4,200**
Foreign Military Financing	**19,960**	**20,000**	**20,000**	**-**
1.1 Counter-Terrorism	16,960	17,000	17,000	-
1.3 Stabilization Operations and Security Sector Reform	3,000	3,000	3,000	-
International Military Education and Training	**1,094**	**1,100**	**1,100**	**-**
1.3 Stabilization Operations and Security Sector Reform	1,094	1,100	1,100	-
International Narcotics Control and Law Enforcement	**1,000**	**7,000**	**2,500**	**-4,500**
1.3 Stabilization Operations and Security Sector Reform	1,000	7,000	2,500	-4,500
Nonproliferation, Antiterrorism, Demining and Related Programs	**4,500**	**3,750**	**4,050**	**300**
1.1 Counter-Terrorism	3,500	2,750	3,150	400
1.3 Stabilization Operations and Security Sector Reform	1,000	1,000	900	-100
2 Governing Justly and Democratically	**3,796**	**11,046**	**13,500**	**2,454**
Economic Support Fund	**3,046**	**7,046**	**12,000**	**4,954**
2.1 Rule of Law and Human Rights	500	1,046	3,000	1,954
2.2 Good Governance	1,000	2,000	3,000	1,000
2.3 Political Competition and Consensus-Building	1,046	2,000	3,000	1,000

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
2.4 Civil Society	500	2,000	3,000	1,000
International Narcotics Control and Law Enforcement	**750**	**4,000**	**1,500**	**-2,500**
2.1 Rule of Law and Human Rights	375	4,000	1,500	-2,500
2.2 Good Governance	375	-	-	-
3 Investing in People	**21,732**	**18,000**	**15,500**	**-2,500**
Economic Support Fund	**12,750**	**12,000**	**6,000**	**-6,000**
3.1 Health	500	-	1,000	1,000
3.2 Education	12,250	12,000	5,000	-7,000
Global Health Programs - USAID	**8,982**	**6,000**	**9,500**	**3,500**
3.1 Health	8,982	6,000	9,500	3,500
4 Economic Growth	**8,260**	**7,560**	**14,500**	**6,940**
Economic Support Fund	**8,260**	**7,560**	**14,500**	**6,940**
4.1 Macroeconomic Foundation for Growth	-	-	1,500	1,500
4.3 Financial Sector	1,000	-	1,000	1,000
4.4 Infrastructure	500	-	1,440	1,440
4.5 Agriculture	4,560	4,560	4,560	-
4.6 Private Sector Competitiveness	2,200	1,500	4,000	2,500
4.7 Economic Opportunity	-	1,500	2,000	500
5 Humanitarian Assistance	**22,563**	**-**	**5,500**	**5,500**
Economic Support Fund	**2,550**	**-**	**5,500**	**5,500**
5.1 Protection, Assistance and Solutions	2,550	-	5,500	5,500
Food for Peace Title II	**20,013**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	20,013	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Yemen	**82,905**	**68,456**	**76,650**	**8,194**
1 Peace and Security	**26,554**	**31,850**	**27,650**	**-4,200**
1.1 Counter-Terrorism	20,460	19,750	20,150	400
1.3 Stabilization Operations and Security Sector Reform	6,094	12,100	7,500	-4,600
2 Governing Justly and Democratically	**3,796**	**11,046**	**13,500**	**2,454**
2.1 Rule of Law and Human Rights	875	5,046	4,500	-546
2.2 Good Governance	1,375	2,000	3,000	1,000
2.3 Political Competition and Consensus-Building	1,046	2,000	3,000	1,000
2.4 Civil Society	500	2,000	3,000	1,000
3 Investing in People	**21,732**	**18,000**	**15,500**	**-2,500**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
3.1 Health	9,482	6,000	10,500	4,500
3.2 Education	12,250	12,000	5,000	-7,000
4 Economic Growth	**8,260**	**7,560**	**14,500**	**6,940**
4.1 Macroeconomic Foundation for Growth	-	-	1,500	1,500
4.3 Financial Sector	1,000	-	1,000	1,000
4.4 Infrastructure	500	-	1,440	1,440
4.5 Agriculture	4,560	4,560	4,560	-
4.6 Private Sector Competitiveness	2,200	1,500	4,000	2,500
4.7 Economic Opportunity	-	1,500	2,000	500
5 Humanitarian Assistance	**22,563**	**-**	**5,500**	**5,500**
5.1 Protection, Assistance and Solutions	22,563	-	5,500	5,500
of which: Objective 6	**3,510**	**1,125**	**4,096**	**2,971**
6.1 Program Design and Learning	1,824	-	2,509	2,509
6.2 Administration and Oversight	1,686	1,125	1,587	462

Peace and Security

Foreign Military Financing (FMF): FMF funding seeks to improve the government's control of its territory to prevent its use by terrorists, transnational criminals (including pirates), and other threats to stability, while promoting accountable governance and civilian rule of law. Funding also works to modernize the Yemeni military and improve its interoperability with United States and international forces as well as internal interoperability. Ongoing military reforms will shape future security cooperation activities with Yemen. Nonetheless, given the current threat, the focus of the FY 2013 FMF budget continues to be on Yemen's counterterrorism (CT) efforts, coordinated with counterterrorism projects initiated under the Department of Defense's section 1206 authority for CT partner units such as the Central Security Forces Counterterrorism Unit, the Yemen Special Operations Forces, the Yemen Coast Guard, and the Yemen Air Force. Additionally, some FMF funds will enable broader military-military engagement through English Language Training and logistics improvement.

International Military Education and Training (IMET): FY 2013 IMET will continue to focus on professional military education, technical training, and English language competency. This training increases Yemen's value as a military partner by enhancing interoperability with the United States, promoting military professionalism, and exposing military personnel to basic democratic values and human rights standards.

International Narcotics Control and Law Enforcement (INCLE): In FY 2013, INCLE funds will support efforts to build a more professional, accountable, and responsive criminal justice system in Yemen. Technical assistance, training, and equipment will be provided to Yemen's civilian law enforcement and judicial institutions to build their capacity to enforce Yemeni laws and to enhance delivery of basic policing and justice services, particularly in underserved regions. INCLE will support efforts to enhance access to justice, combat corruption, and strengthen accountability mechanisms within the criminal justice sector. Assistance will also help the transition government provide correctional services that respect human rights and counter radicalization.

Nonproliferation, Antiterrorism, Demining and Related Programs (NADR): The NADR request will support export control and related border security assistance efforts (EXBS), Conventional Weapons Destruction (CWD) projects, and antiterrorism assistance efforts. CWD efforts in Yemen will assist the transition government to achieve more cost-effective humanitarian demining field operations, reduce landmine/Unexploded Ordnance (UXO) victim rates through mine/UXO risk education (MRE), clear and mark suspected hazardous areas (SHAs), provide medical care and modify existing CWD structure for long term sustainability

The Anti-Terrorism Assistance (ATA) program in Yemen will provide antiterrorism training to Yemeni law enforcement, to include the Yemeni government, and will focus on helping Yemeni law enforcement build improved investigative, leadership and management, and border security capabilities in order to counter terrorism. Investigative and border security training and equipment will be geared in part towards the identification of IEDs, explosives, and non-conventional weapons that can be used to carry out terrorist operations.

Governing Justly and Democratically

Centralization of power, weak and ineffective institutions, corruption, and political stalemate were the issues that led to widespread protests, politically motivated conflict, and calls for a change of government throughout Yemen in 2011. In FY 2013, the United States will concentrate governance assistance in promoting elections and constitutional reform, decentralization, enhancing government capacity to deliver services, enhancing political competition, and strengthening civil society capacities to advocate and participate in public policy formulation and implementation. Training, equipment, and technical assistance will be targeted at the central, governorate, and local government levels to complement USAID's community development and stabilization priorities.

Economic Support Fund (ESF): USAID will focus FY 2013 resources on promoting the political transition; more responsive government; the empowerment of local communities, particularly in vulnerable areas; and improving employment and livelihoods opportunities. USAID will support line ministries whose policies and services impact community life, including the Ministries of Planning and International Cooperation, Public Health and Population, Education, Agriculture, Finance, Local Administration, and Youth and Sports. This will be complemented by support to local government and continued work with the Ministry of Local Affairs in support of decentralization. Equally as important, support will be provided to civil society organizations that promote government accountability, more equitable access to services, and improved economic opportunities for all Yemenis. Local government and community-level assistance will include nontraditional actors, and an emphasis will be placed on the role of youth. Funds in FY 2013 will also support election monitoring efforts and the strengthening of political competition.

Investing in People

Yemen's health indicators are the lowest in the Middle East, and comparable to sub-Saharan African countries. Poverty and ineffective government services contribute to high rates of malnutrition (stunting is estimated at 53 percent), and child and maternal mortality. Water and sanitation statistics are just as poor, with only 31 percent of the population having sustainable access to improved water sources, resulting in a major source of infectious disease outbreaks and waterborne diseases that contribute to already high infant mortality rates. Yemen's population is 23.5 million and increasing by 3 percent per year. Yemen's fertility rate of 5.3 per woman creates a formidable challenge.

USAID assistance in health and education is aligned with ROYG priorities. Through USAID's integrated, multi-sector approach, FY 2013 funds will provide assistance for high-impact family planning, maternal and child health, nutrition, water and sanitation; and basic education, literacy, and vocational and skills training. Targeted policy and capacity-building support to the Ministries of Health, Education, and Water

to improve service delivery will make investments more sustainable while contributing to stability in underserved communities.

Economic Support Fund (ESF): With FY 2013 funds, USAID will build upon its previous successes in increasing enrollment and improving outcomes in basic education - especially for girls - in particularly vulnerable and underserved communities. Continued emphasis will be placed on community engagement in school governance, strengthening parent and student councils, and small-scale school renovations, particularly those that will promote girls' attendance and retention. USAID programs will provide adult literacy training and assistance for training teachers, headmasters, school social workers, and inspectors. Specific policy interventions and technical support to the central and local offices of the Ministry of Education will support priorities such as the ROYG's "Education for All" initiative and meeting Millennium Development goals.

Global Health Program (GHP): GHP funds in 2013 will support the principles of the Global Health Initiative, improving health outcomes by working with partner countries to build a sustainable response by investing in health systems and promoting innovation. Funds requested under this heading will help increase access to basic health services, improve community awareness of healthy behaviors, build capacity for local health care services, and implement small-scale water and sanitation infrastructure projects. USAID's integrated local development programming will improve community resilience and stability by mitigating adverse effects of population dynamics by improving access to maternal and child health, family planning, and reproductive health services. USAID will scale up successful practices and models from prior health investments in targeted vulnerable communities. Ongoing family planning and reproductive health assistance will offer training for reproductive health care providers and promote more healthy families and communities. Support to the Ministry of Health will focus on training health care providers, alleviating specific policy obstacles and building capacity to strengthen the Ministry's evidence-based decision-making; enhancing health planning and management; and promoting transparent, needs-based allocations. Specific policy interventions that promote sustainable water and sanitation practices will also be supported.

Economic Growth

The ROYG has not adopted budget restraint in spite of declines in oil revenue as oil production slows, and the economic downturn had a devastating effect on non-oil revenues, investment and employment. Yemen is confronting a massive youth bulge with more than half of the population under the age of 18. Estimates of unemployment are over 40 percent, which dramatically increased after the turmoil that took place in 2011. The unemployment rate is much higher among youth. In order to meet Yemen's economic recovery and development needs, assistance will support the improvement of policies affecting private sector investment, growth, and employment, including power, investment, trade, financial sector and fiscal management policies. To assist Yemeni economic development and improve stability, USAID will expand economic opportunities in targeted vulnerable communities, particularly focusing on youth. Funds in FY 2013 will enhance vocational skills, agricultural productivity, rehabilitate basic infrastructure, improve access to financial and non-financial support for small, medium and microenterprises, and strengthen water and natural resource management capacities.

Economic Support Fund (ESF): Agriculture accounts for three-quarters of Yemen's employment, and will be a key focus of FY 2013 assistance intended to improve productivity of crops and livestock, promote improved water management and increased production of demand driven crops, and increase access to credit for farmers. Ubiquitous production of qat (a mild stimulant which is a major agricultural product of Yemen) and little diversity in agriculture contributes to water depletion, food insecurity, and poor nutrition in Yemen. As such, USAID will support the production of appropriate alternative crops. Programs that expand opportunities for unemployed youth in agriculture and the private sector will be emphasized. In

conjunction with local government, USAID will implement small-scale community infrastructure projects such as basic road and irrigation improvements, low-tech water conservation techniques, and repair or rehabilitation of civic infrastructure in order to advance opportunities and market access of underserved communities. Moreover, USAID will create and sustain career-enhancing vocational education and training programs that are responsive to the current and future local labor needs.

In order to promote improved economic decision-making by the ROYG and improve overall growth prospects for Yemen's economy, targeted support for key policies will be provided to central ministries in conjunction with capacity building. Financial transparency work with the Ministry of Finance and anticorruption bodies will improve public sector budgeting, increase access to public services, and promote both decentralization and private investment. Support to commercial banks and microfinance institutions will broaden opportunities for micro-, small-, and medium-sized enterprises in underserved areas. Additionally the International Monetary Fund (IMF) is evaluating a Rapid Credit Facility of approximately $100 million that would be completed in mid-2012. Depending on the outcome of that facility, it would consider a new extended credit facility to provide a larger, long-term loan designed to provide incentives for reaching agreed reform benchmarks. In early 2012 the World Bank resumed $370 million in programming that was suspended in 2011 due to the political crisis. After the presidential election and an assessment, the World Bank will determine whether to expand its programming.

Humanitarian Assistance

Yemen is ranked 154th out of 179 countries worldwide on the United Nations Human Development Index in 2011, and is unlikely to achieve its Millennium Development Goals by 2015. USAID supports quick economic recovery from the severe economic downturn of 2011. USAID works closely with the ROYG and non-governmental partners to improve standards of living, reduce poverty and unemployment, improve access to public services, strengthen community participation, build institutional capacity, and provide services and economic opportunities. USAID supports the achievement of self-identified goals by reaching communities and building linkages in the rural areas of target governorates, and urban and peri-urban areas of the main cities.

Economic Support Fund (ESF): USAID targets interventions in agricultural development, employment creation and enterprise promotion, access to and improved quality of health and basic education services, water conservation, youth empowerment, improved governance, and community empowerment to meet basic human needs. USAID will use FY 2013 funds to support quick impact livelihood rehabilitation and restoration activities; provision of goods, services, productive infrastructure, income generation and micro-enterprise initiatives; cash-for-work, and other works programs; productive input provisions (seeds, tools, livestock); training, equipping and education.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: USAID's Yemen Monitoring and Evaluation Project (YMEP) was established in FY 2010. Support to this project will ensure USAID continues to obtain unbiased and accurate field monitoring and data validation for all USAID-funded projects. The online Management Information System/Geographic Information System clearinghouse will be maintained and updated, enabling collection and analysis of program inputs, outputs, and impact. Through the project, USAID's Performance Management Plan (PMP) will continue to be improved, which will make the determinations regarding the impact of programming on development and stability in Yemen more accurate. Information will be used to identify needs for in-depth assessments and evaluations, and improve management decisions related to performance, funding, program/project modifications, and the need for follow-on support. This information will serve as an accurate and reliable source for reporting to public audiences as well as informing host country dialogue.

USAID's implementing partners maintain individual PMPs that focus on project-level inputs and results, and report against standardized indicators. In addition to consistent oversight by and reporting to USAID, partner data will be reported through the information clearinghouse, and the monitoring and evaluation project will ensure the validity and accuracy of the data quality through field monitoring. USAID holds complete portfolio reviews twice a year to examine program performance, management, budget issues, and guide the overall direction and management of its program.

Performance against discrete indicators of these efforts will be measured through the annual Performance Plan and Report.

Middle East Multilaterals (MEM)

Foreign Assistance Program Overview

Promoting Arab-Israeli relations is a key element of U.S. Middle East peace efforts. U.S. assistance will focus on strengthening the peaceful exchanges between representatives of Israel, the Palestinians, and neighboring Arab states. MEM was established after the 1991 Madrid Peace Conference as part of the multilateral track of the peace process. MEM provides funding and support for cooperative projects that support important aspects of a comprehensive peace, such as joint water management and environmental activities. MEM-funded projects promote and strengthen Arab-Israeli ties while demonstrating that peaceful technical cooperation can yield tangible benefits.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**1,140**	**1,500**	**1,000**	**-500**
Economic Support Fund	1,140	1,500	1,000	-500

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Middle East Multilaterals (MEM)	**1,140**	**1,500**	**1,000**	**-500**
1 Peace and Security	**1,140**	**1,500**	**1,000**	**-500**
Economic Support Fund	**1,140**	**1,500**	**1,000**	**-500**
1.6 Conflict Mitigation and Reconciliation	1,140	1,500	1,000	-500

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Middle East Multilaterals (MEM)	**1,140**	**1,500**	**1,000**	**-500**
1 Peace and Security	**1,140**	**1,500**	**1,000**	**-500**
1.6 Conflict Mitigation and Reconciliation	1,140	1,500	1,000	-500
of which: Objective 6	**1,140**	**-**	**-**	**-**
6.1 Program Design and Learning	570	-	-	-
6.2 Administration and Oversight	570	-	-	-

Peace and Security

Economic Support Fund (ESF): MEM assistance will be used to support ongoing joint programs that continue to provide rare opportunities for Arab and Israeli officials and technical experts to meet and discuss critical issues on a regular basis. Through these projects, Israeli and Arab participants have developed strong, sustained working relationships, while addressing issues of common interest and

focusing on issues of critical importance to the region such as water, the environment, renewable energy, health, and economic development. This will advance a regional approach to sustainable development in a region under critical environmental stress in a way that facilitates broader cooperation and reduces the potential for conflict.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Program Monitoring and Evaluation Activities: All MEM programs are also funded by at least one non-U.S. donor, and all programs are implemented by partners from U.S. Government agencies. For the two largest platforms, the Middle East Desalination Research Center and the Regional Water Databanks Executive Action Team, donors meet twice a year to review progress. Other programs supported with FY 2011 funds issue semiannual reports including an accounting of accomplishments and resources. Performance is measured by monitoring the level of real cooperation between Arabs and Israelis, and the extension of these efforts beyond specific MEM projects to a deeper level of working together on common challenges.

USAID's Middle East Bureau and the Bureau of Near Eastern Affairs closely coordinate the activities of MEM with the Middle East Regional Cooperation (MERC) program and USAID's Office of Middle East Programs (OMEP) to ensure the programs are complementary and not duplicative. This gives the United States agility and flexibility to address regional environmental and natural resource challenges with a variety of tools to promote regional and Israeli Arab cooperation on these issues.

Middle East Partnership Initiative (MEPI)

Foreign Assistance Program Overview

Ongoing democratic transitions in the Middle East and North Africa represent an opportunity for the United States to forge new partnerships with the people of the region. These popular movements illustrate the unyielding desire for representative government, economic growth, and greater political and social freedoms. During this period of transition, it is imperative that the United States continue to support democratic activists, facilitate free and fair elections, promote a civic culture that empowers women and the disenfranchised, and foster government institutional capacity development.

The Middle East Partnership Initiative (MEPI) is a key Department mechanism to support the people of the Middle East and North Africa (MENA) as they develop more pluralistic, participatory, and prosperous societies. MEPI funded projects encourage citizens of the region to fulfill their own positive visions for the future of the Middle East -- a future defined by dignity, freedom, and opportunity.

MEPI is a flexible program that responds to emerging opportunities and advances the Administration's policy to support democratic transitions and reform across the Middle East and North Africa through partnerships with the people of the region. MEPI works directly with indigenous civil society organizations, private sector groups, international NGOs, and with MENA governments when appropriate. MEPI program staffs are active in all U.S. government posts in the NEA region in addition to the two MEPI regional offices in Tunis and Abu Dhabi. MEPI projects are managed at post or in Washington as appropriate.

MEPI is a rapid and direct means of supporting grassroots advocates for reform in the region. Its local grants program empowers U.S. embassies in every NEA country to invest in locally-led reform efforts. MEPI projects are typically implemented over a two year period. MEPI flagship regional programs like the MEPI Alumni Network, MEPI Student Leaders, and Leaders for Democracy Fellowships bring together participants from across the region to build networks, share ideas, and foster the next generation of political leadership. Graduates and alumni of MEPI programs advocate for reform in their communities – many have gone on to play prominent roles both inside the government and within in civil society.

In response to the Arab Spring, MEPI realigned its resources to meet immediate transition needs within the region, and will also receive additional funding from FY 2011 Economic Support Funds (ESF) within the Middle East Response Fund (MERF). In FY 2011, MEPI's base budget was increased by nearly 23% over FY 2010 levels which enabled MEPI to expand programming across all areas, including Economic Growth. The FY 2013 budget request supports baseline, core programming with a focus on transition in the region.

MEPI is not a bilateral assistance program and does not negotiate projects with governments, affording MEPI a high degree of flexibility to respond to and work directly with those in the region who are striving for political, social, and economic reform. By design, the regional nature of MEPI's work allows for participants to share experiences and lessons learned with others across the region who share the same goals. MEPI programming is closely coordinated with and complements bilateral and global foreign assistance programs.

In countries undergoing democratic transition, MEPI will support non-governmental stakeholders in their efforts to ensure that new political systems, constitutions, and laws are informed by the interests of citizens. In countries yet to institute significant democratic reforms, MEPI will continue its efforts to expand the space for civil society to operate by investing in indigenous reform advocates. MEPI programming will complement the development efforts of USAID and additional long-term reform efforts that the proposed Middle East and North Africa Incentive Fund (MENA IF) will support.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**80,000**	**70,000**	**65,000**	**-5,000**
Economic Support Fund	80,000	70,000	-	-70,000
Middle East and North Africa Incentive Fund	-	-	65,000	65,000

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Middle East Partnership Initiative (MEPI)	**80,000**	**70,000**	**65,000**	**-5,000**
2 Governing Justly and Democratically	**63,992**	**56,600**	**60,000**	**3,400**
Economic Support Fund	**63,992**	**56,600**	**-**	**-56,600**
2.1 Rule of Law and Human Rights	8,402	5,500	-	-5,500
2.2 Good Governance	8,568	1,500	-	-1,500
2.3 Political Competition and Consensus-Building	15,285	13,000	-	-13,000
2.4 Civil Society	31,737	36,600	-	-36,600
Middle East and North Africa Incentive Fund	**-**	**-**	**60,000**	**60,000**
2.1 Rule of Law and Human Rights	-	-	8,500	8,500
2.2 Good Governance	-	-	3,000	3,000
2.3 Political Competition and Consensus-Building	-	-	13,500	13,500
2.4 Civil Society	-	-	35,000	35,000
3 Investing in People	**5,020**	**10,000**	**-**	**-10,000**
Economic Support Fund	**5,020**	**10,000**	**-**	**-10,000**
3.2 Education	5,020	10,000	-	-10,000
4 Economic Growth	**10,988**	**3,400**	**5,000**	**1,600**
Economic Support Fund	**10,988**	**3,400**	**-**	**-3,400**
4.2 Trade and Investment	1,046	-	-	-
4.3 Financial Sector	2,131	-	-	-
4.6 Private Sector Competitiveness	5,960	1,700	-	-1,700
4.7 Economic Opportunity	1,851	1,700	-	-1,700
Middle East and North Africa Incentive Fund	**-**	**-**	**5,000**	**5,000**
4.6 Private Sector Competitiveness	-	-	2,000	2,000
4.7 Economic Opportunity	-	-	3,000	3,000

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Middle East Partnership Initiative (MEPI)	**80,000**	**70,000**	**65,000**	**-5,000**
2 Governing Justly and Democratically	**63,992**	**56,600**	**60,000**	**3,400**
2.1 Rule of Law and Human Rights	8,402	5,500	8,500	3,000
2.2 Good Governance	8,568	1,500	3,000	1,500
2.3 Political Competition and Consensus-Building	15,285	13,000	13,500	500
2.4 Civil Society	31,737	36,600	35,000	-1,600
3 Investing in People	**5,020**	**10,000**	**-**	**-10,000**
3.2 Education	5,020	10,000	-	-10,000
4 Economic Growth	**10,988**	**3,400**	**5,000**	**1,600**
4.2 Trade and Investment	1,046	-	-	-
4.3 Financial Sector	2,131	-	-	-
4.6 Private Sector Competitiveness	5,960	1,700	2,000	300
4.7 Economic Opportunity	1,851	1,700	3,000	1,300
of which: Objective 6	**5,000**	**4,000**	**3,500**	**-500**
6.1 Program Design and Learning	5,000	2,000	1,075	-925
6.2 Administration and Oversight	-	2,000	2,425	425

Governing Justly and Democratically

MEPI projects will support democratic development and the rule of law across the region, promoting the establishment or expansion of inclusive, accountable, representative institutions and political processes, and offering direct support to indigenous actors who are pursuing more just and democratic societies.

As in the past, MEPI will support civil society through direct grants, networking, and capacity building projects. MEPI encourages vibrant electoral politics by training political parties and candidates committed to democratic values, helping them gain grassroots support, build coalitions, and develop constituent services; MEPI places a special emphasis on bringing women candidates and voters into the process.

Strengthening the rule of law in the region is a crucial component of democratic reform and civic participation. In the past, MEPI has supported projects that promote legal education for both lawyers and citizens, with a special focus on women, as well as projects to work with judges and other participants in the judicial process.

MEPI will continue to support its regional flagship initiatives that nurture a new generation of active citizens and democratic leaders. These projects include the Leaders for Democracy Fellowship, which brings young civic leaders from the Middle East and North Africa to the United States to learn, in an academic setting, the concepts of leadership, democracy, communication, and conflict resolution and then apply these theories in a professional assignment with a political, non-governmental, or public policy organization of professional interest in Washington, D.C. MEPI's Student Leaders program brings 100 undergraduate students each year from the MENA region to U.S. academic institutions where they develop leadership skills and expand their understanding of civil society, as well as the democratic process and how both may be applied in their home communities. Alumni from these and other MEPI initiatives --

numbering over 11,000 across the Middle East -- are contributing to the historic changes taking place across the region and regularly connect with each other to advance the cause of reform in the region. In support of their efforts, MEPI will continue in FY 2013 to build out the MEPI Alumni Network.

MEPI will continue to provide local grants, which provide small-scale support to indigenous civil society organizations to advance reform initiatives and build the capacity of nascent civil society organizations. These grants, which represent half of MEPI's awards, are a flexible and targeted means of providing direct support to change agents. Additionally, MEPI will continue to promote legal and regulatory initiatives that conform to international standards and support civil liberties, including freedom of expression and the development of independent media.

Economic Growth

Economic Growth programming will focus on improving economic inclusion, especially for women and youth, as well as expanding the private sector's role in policy debates, and ensuring that policies foster a level playing field and remain responsive to the needs of both businesses and workers. Economic programming also contributes to more participatory societies in which those directly impacted by government decisions are empowered to advocate for their interests, and policy-makers are encouraged to be open and responsive to their citizens. MEPI's economic initiatives have allowed the U.S. government to promote reform and support civil society even in challenging political environments.

The FY 2013 request supports MEPI's continued work to fund projects aimed at broadening economic opportunity through the development of job skills and the expansion of economic opportunities, particularly for youth and women. MEPI has a history of support for employment and job skills training through local and regional partnerships that have trained over 8,000 individuals during recent years, including a significant number of women and youth.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: MEPI's standards for performance are maintained by its Results Oriented Monitoring Framework (ROM) for monitoring foreign assistance grants that has added rigor to program planning, analysis, and reporting. Consistent with the Department's evaluation policy, MEPI continues fund a number of expert, third-party evaluations of ongoing and completed projects to enhance our understanding of programming successes and challenges. MEPI has been conducting these evaluations since 2006, examining specific types of grants, including grants to local civil society actors, and programming in specific sectors, such as Rule of Law.

FY 2011 was the first full year of implementation of the ROM which articulates MEPI's goals of developing more pluralistic, participatory, and prosperous societies, describes strategies used to achieve goals, and details indicators of success under each strategy. Implementers report performance against these indicators quarterly, and MEPI staff monitors their progress on an ongoing basis through conference calls, meetings, and site visits. In FY 2012 and beyond, MEPI will continue to implement a revised ROM based on lessons learned and data gathered from FY 2011.

In FY 2011, MEPI conducted four sector evaluations, covering projects supporting legal reform, civic culture, civil society, and scholarships. In FY 2012, MEPI plans evaluate: 1) political parties and election assistance; 2) media programming; 3) projects that bridge social divides; and 4) quick response grant-making in transitioning countries. The results of these evaluations will help MEPI identify lessons learned and best practices for future grant making. In addition, MEPI conducts annual assessments of its core grant-making processes at regional offices and diplomatic posts. An FY 2011 local grants assessment is in progress and MEPI anticipates that another will be scheduled in FY 2013.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Key findings of MEPI's spring 2011 sector evaluations are summarized below:

- *Legal Reform* – This evaluation examined 10 legal reform projects implemented by the American Bar Association and The International Center for Not-for-Profit Law since 2007. The evaluation identified results and best practices from programming on legal reform, legal/judicial professional development, and women's media empowerment. MEPI relied on recommendations to inform decisions on project extensions, supplements, and new awards.

- *Civic Culture* – This field evaluation examined 14 D.C.-based and local grants to understand 1) the factors that affect the development of civic cultures in the region and worldwide; 2) the role that civic education and civic leadership training can play in developing civic cultures; 3) the results MEPI has achieved through support for a variety of civic education and leadership training efforts; and 4) how best MEPI might support the development of civic cultures in the future. The analysis provided insights on useful strategies and techniques that might productively be replicated in the region. The evaluation also identified the types of activities/approaches that did not work in the target countries, or with the target audience, and explored reasons why.

- *Civil Society Advocacy* – The purpose of this evaluation was to identify best practices among a representative sample of the more successful civil society advocacy grants and to document impact, where possible, of advocacy campaigns undertaken under those projects (e.g., laws adopted, policies modified, practices changed). The evaluation also identified: 1) factors that affect the ability of civil society to participate in decision making; 2) level of civil society advocacy in which MEPI-funded civil society organizations engage; and 3) recommendations regarding future strategy and programming.

- *MEPI Scholarship Programs* – This desk review examined two major scholarship programs that target low income students -- Tomorrow's Leaders and the MEPI Scholarship Program -- to: 1) determine if the programs are selecting candidates in line with target audience criteria and 2) document results to date in meeting program objectives. Evaluation information will be used to inform future MEPI programming decisions.

Relating Past Performance to FY 2013 Plans: In FY 2013, performance monitoring and program evaluation will continue to shape and inform MEPI projects. Since MEPI's last evaluation of political party and election assistance in 2008, the Arab Spring has changed the political landscape in much of the MENA region, providing an extraordinary opportunity to assess the impact and effectiveness of projects following the fall 2011 elections in Jordan, Tunisia, Egypt, and Morocco. Findings from the scheduled FY 2012 evaluation of political party and election assistance will illuminate how MEPI's work can complement the efforts of other foreign assistance providers. In addition, through its scheduled media sector evaluation, MEPI plans to identify innovative models to address increasing demand for new media programming in the region.

Lastly, MEPI projects to foster the growth of prosperous societies have produced several successful and replicable program models that MEPI will continue to support and enhance.

Middle East Regional Cooperation (MERC)

Foreign Assistance Program Overview

The Middle East Regional Cooperation (MERC) program promotes normalized relations by supporting projects between Arab and Israeli scientists, technicians, students, and communities working together to solve common development problems. The program catalyzes cooperation that would not otherwise occur, and provides key funding for applied science in Arab countries, producing development impact. MERC is a long-standing activity initiated by the U.S. Congress in 1979 after the Camp David Accords. It was subsequently expanded beyond Israeli-Egyptian cooperation to include Arab-Israeli projects involving Morocco, Jordan, Tunisia, Lebanon and West Bank /Gaza, as well as workshop participation by other countries in the region.

MERC is a highly competitive program that provides grants based on joint Arab-Israeli research proposals from diverse groups including universities, non-governmental organizations, and government laboratories. The program receives as many as 100 joint applications each year, and supports 30 to 40 ongoing projects. Projects continue to make significant development contributions, most notably in water, agriculture, environment and health. Despite the deterioration in diplomatic relations recently, Arab and Israeli support for MERC has remained high; no projects suspended work or cooperation in 2011. Projects also continue outreach to the wider communities that utilize research results, putting the research to work and demonstrating the tangible benefits of cooperation.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**3,000**	**5,000**	**2,500**	**-2,500**
Economic Support Fund	3,000	5,000	2,500	-2,500

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Middle East Regional Cooperation (MERC)	**3,000**	**5,000**	**2,500**	**-2,500**
1 Peace and Security	**3,000**	**5,000**	**2,500**	**-2,500**
Economic Support Fund	**3,000**	**5,000**	**2,500**	**-2,500**
1.6 Conflict Mitigation and Reconciliation	3,000	5,000	2,500	-2,500

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Middle East Regional Cooperation (MERC)	**3,000**	**5,000**	**2,500**	**-2,500**
1 Peace and Security	**3,000**	**5,000**	**2,500**	**-2,500**
1.6 Conflict Mitigation and Reconciliation	3,000	5,000	2,500	-2,500
of which: Objective 6	**825**	**930**	**780**	**-150**
6.2 Administration and Oversight	825	930	780	-150

Peace and Security

Economic Support Fund (ESF): MERC projects cover a wide range of important fields with the goal of enhancing cooperation and exchanges, increasing economic development, protecting the environment, improving health conditions, and addressing water issues of crucial importance to the region. To ensure that locally identified priorities receive fair consideration on a level playing field, individual project proposals may be on any research topic, but the applicants are required to demonstrate they will produce development impact. MERC will select projects based on the technical advice of external peer-review panels composed of scientists knowledgeable in the field of each proposal. These measures have been critical to the program's success in attracting quality proposals and robust, enduring partnerships. To enhance cooperation and promote sustainability, projects will be required to include substantive joint Arab-Israeli activities, build technical capacity by providing training and equipment, and include specific plans and institutional partnerships to implement research results. USAID's Middle East Bureau and the Bureau of Near Eastern Affairs closely coordinate MERC activities with Middle East Multilaterals (MEM) and the Office of Middle East Programs (OMEP) to ensure the programs are complementary and not duplicative. This gives the United States agility and flexibility to address regional environmental and natural resource challenges with a variety of tools to promote regional and Israeli Arab cooperation on these issues.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In addition to utilizing a Program Monitoring Plan for each formal indicator, the USAID-MERC program developed specific benchmarks at the individual project level to address Arab-Israeli cooperation, technical progress toward objectives, downstream development impact, and building science and technology capacity in the target countries. Grantees are required to submit semiannual reports against these benchmarks. Oversight visits were conducted for nearly every active project during 2011 to verify progress and identify achievements, best practices, potential problems, and ways of improving implementation.

Projects also produced development results in health, water, environment and agriculture. Examples included improved artificial reefs in Jordan to preserve biodiversity in the Gulf of Aqaba, a low-cost environmentally friendly trap to reduce damage caused by olive flies to maintain commercial olive oil quality, a non-invasive diagnostic test for a significant parasitic disease, a new pH treatment to reduce fouling of reverse-osmosis membranes used to purify wastewater for unrestricted reuse in water-scarce areas, and training to place these and other technologies into the hands of end users.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Findings showed that MERC projects conducted nearly 70 joint Arab-Israeli activities in FY 2011, including workshops of students, technicians and scientists; joint lab and field work; meetings that attracted participants from additional Arab countries; and extension and outreach activities that carried cooperation to the larger societies beyond the scientific communities. On an individual project level, performance information against benchmarks is used to determine whether funding will continue or if remedies need to be sought. Nearly all projects comply with the terms of their awards; however, MERC has denied requests for payments for lack of timely reporting and terminated a small number of awards for lack of progress against objectives. On a broader level, best practices identified through performance monitoring are identified, shared with other grantees and become part of MERC's standards for new awards. While MERC can only fund research, the program is placing more emphasis on requiring grantees to develop and follow through on specific plans to partner with public and private-sector institutions to implement their research results to achieve development impact.

Relating Past Performance to FY 2013 Plans: The FY 2013 request will allow MERC to support ongoing projects. Performance evaluations primarily support project level decisions.

Multinational Force and Observers (MFO)

Foreign Assistance Program Overview

The Multinational Force and Observers (MFO) is an independent international organization that supervises the implementation of the security provisions of the Egyptian-Israeli Peace Treaty, a fundamental element of regional stability. The MFO is a cornerstone of U.S. efforts to advance the goal of comprehensive peace between Israel and all of its neighbors, as well as protecting critical U.S. security interests in the Middle East. The United States provides military personnel and civilian observers in addition to its firm political commitment to provide one-third of the annual MFO operating budget, with the remaining two-thirds provided by Israel and Egypt.

Support to the MFO is a visible symbol of the United States' political commitment the Peace Treaty and to regional stability. The FY 2013 request, which mirrors the President's initial FY 2012 request, demonstrates continued U.S. commitment to providing one-third of the MFO's operating budget and contributes an additional $1 million to cover Force Protection costs. The FY 2012 request for the MFO was eventually increased by $2 million in light of anticipated increases in the MFO's operating budget and Force Protection costs in future fiscal years.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**26,000**	**28,000**	**26,000**	**-2,000**
Peacekeeping Operations	26,000	28,000	26,000	-2,000

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Multinational Force and Observers (MFO)	**26,000**	**28,000**	**26,000**	**-2,000**
1 Peace and Security	**26,000**	**28,000**	**26,000**	**-2,000**
Peacekeeping Operations	**26,000**	**28,000**	**26,000**	**-2,000**
1.3 Stabilization Operations and Security Sector Reform	26,000	28,000	26,000	-2,000

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Multinational Force and Observers (MFO)	**26,000**	**28,000**	**26,000**	**-2,000**
1 Peace and Security	**26,000**	**28,000**	**26,000**	**-2,000**
1.3 Stabilization Operations and Security Sector Reform	26,000	28,000	26,000	-2,000

Peace and Security

Peacekeeping Operations (PKO): The MFO monitors compliance with the Egyptian-Israeli Peace Treaty and, since September 2005, implementation of the Egyptian Border Guard Agreement. It also provides a military-to-military liaison system between the Israeli and Egyptian defense forces. This primary mechanism for dialogue includes MFO-hosted bilateral meetings and consistent efforts by the MFO's Force Commander and its Chief of Liaison to meet with their Egyptian and Israeli counterparts regularly. Enjoying the full confidence and support of Egypt and Israel, the MFO is an essential resource for the Parties in monitoring their hard-earned peace, maintaining confidence, and sustaining a stable security relationship. The MFO's role is more important than ever to maintaining trust at a time when both Parties must adjust to new security and political realities following unprecedented change in the region.

U.S. assistance will continue to support operating expenses for the MFO, including enhanced force protection for personnel. The Egyptian transition and the deteriorating security situation in the Sinai require the MFO to operate with increased vigilance and force protection while effectively completing its mission. In response to this expanded need, the MFO has also increased the number of inspections performed by the Civilian Observer Unit and hosts an increasing number of bilateral meetings to discuss security in the border area.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The United States provides one-third of the annual MFO operating budget, with the remaining two-thirds provided by Israel and Egypt. This budget is supplemented by additional funds from donor states approved by Egypt, Israel, and the United States to account for inflation, foreign currency fluctuation, and the rising price of gas. The MFO presents financial plans and independent auditors' reports at the Annual Trilateral Meeting, last held November 17-18, 2011. In June 2011, the MFO held its second mid-fiscal year budget meeting with the three main Fund Contributing States to review expenditures over the past fiscal year and committed to continuing such meetings on an annual basis. The United States provides a performance and financial review in its Annual Report to Congress on the MFO.

Near East Regional Democracy

Foreign Assistance Program Overview

The Near East Regional Democracy program will continue to support programs that strengthen democratic organizations and institutions, increase respect for human rights, and integrate people in the region with the global community. FY 2013 programming will promote freedom of expression, including through new media tools; strengthen civil society capacity and advocacy; and increase awareness of and respect for human rights, the rule of law and political competition.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**35,000**	**35,000**	**30,000**	**-5,000**
Economic Support Fund	35,000	35,000	30,000	-5,000

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Near East Regional Democracy	**35,000**	**35,000**	**30,000**	**-5,000**
2 Governing Justly and Democratically	**35,000**	**35,000**	**30,000**	**-5,000**
Economic Support Fund	**35,000**	**35,000**	**30,000**	**-5,000**
2.1 Rule of Law and Human Rights	5,000	5,000	5,000	-
2.2 Good Governance	-	3,000	-	-3,000
2.3 Political Competition and Consensus-Building	4,000	5,000	3,000	-2,000
2.4 Civil Society	26,000	22,000	22,000	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Near East Regional Democracy	**35,000**	**35,000**	**30,000**	**-5,000**
2 Governing Justly and Democratically	**35,000**	**35,000**	**30,000**	**-5,000**
2.1 Rule of Law and Human Rights	5,000	5,000	5,000	-
2.2 Good Governance	-	3,000	-	-3,000
2.3 Political Competition and Consensus-Building	4,000	5,000	3,000	-2,000
2.4 Civil Society	26,000	22,000	22,000	-
of which: Objective 6	**1,000**	**-**	**-**	**-**
6.1 Program Design and Learning	200	-	-	-
6.2 Administration and Oversight	800	-	-	-

Governing Justly and Democratically

Many governments in the region continue to restrict civil liberties, including the freedoms of speech, press, assembly, association, and religion. Rule of law is not consistently respected and individuals are subjected to arrest, detention, prolonged imprisonment, and even execution without due process. Elections in a number of countries do not meet international standards. Corruption and lack of government transparency and accountability remain serious problems.

U.S. assistance programs will address these problems by supporting efforts to increase government accountability and transparency while enhancing citizen participation in decision making. Programs will encourage the awareness and defense of internationally recognized rights, especially those enshrined in international obligations to which countries are party.

U.S. support for the rule of law takes on even greater significance in light of the poor human rights conditions in parts of the region. In FY 2013, programming will focus on three areas:

1) Access to justice. Programs will support legal aid clinics to increase access to legal services, and provide resources and training to assist civil society in advocating for legal reform.
2) Human rights. Programs will train human rights activists, defenders, academics, and journalists on increasing awareness of and advocacy for adherence to principles enshrined in the United Nations Universal Declaration of Human Rights and International Convention on Civil and Political Rights. Programs will be inclusive of marginalized communities, including women, ethnic and religious minorities, LGBT individuals, and the disabled.
3) Legal defense training. Programming will include professional and other training for law students, defense attorneys and professional law associations. Training may include on-line courses, in-person training, workshops and other professional opportunities.

Building on assistance from previous years, programming to enhance political competition will support indigenous efforts to heighten awareness of international election standards and grass-roots efforts to advocate for electoral reform efforts at the national and provincial levels. The United States will continue to emphasize programs that strengthen local organizations' ability to engage in internal democratic practices, such as implementing internal elections for key positions within organizations and building grassroots support for civic objectives, as well as fair national electoral processes and legal frameworks for elections. The United States will support projects that provide online access to independent information about domestic and international electoral issues.

Support for civil society will respond to the needs of NGOs that are active, but in many cases face government repression. Programs will strengthen skills and provide tools, including new media, to safely advocate for transparency, accountability, service delivery.
Specific issues of interest include governance, corruption, economic and environmental management, the empowerment of marginalized members of society, and social service delivery.

Civil society projects will also support greater access to independent sources of information. Although professional news sources are well received in the region and many people are well connected to the Internet, some governments attempt to prevent people from accessing and sharing information internally and globally. The NERD program's FY 2013 request includes $8 million to continue programs that defend and promote a free and open Internet. This allocation is part of the State Department and United States Agency for International Development’s FY 2013 Global Internet Freedom request of $27.5 million which also allocates $17.5 in the Bureau of Democracy, Human Rights and Labor (State/DRL) and $2 million in the Bureau of Democracy, Conflict and Humanitarian Assistance (DCHA) at USAID.

Given the fluid political and security environment in the region, the NERD program maintains maximum flexibility to identify and support projects that advance democracy and human rights. Project activities may include:

1) Delivering training to civil society activists on topics such as organizational development, advocacy, networking, public outreach and securely sharing data via the Internet and mobile devices.
2) Using new media to engage youth to exert leadership and volunteerism on key policy issues, including transparent and participatory electoral processes.
3) Training journalists in international standards of journalism as well as improving journalists' ability to provide objective reporting on key policy issues such as governance, economics, human rights, and international affairs.
4) Providing citizens with access to objective and/or unfiltered sources of information; and/or promoting respect for freedom of expression.
5) Increasing public awareness of the importance of independent media in a democratic society, and other areas of civic education.
6) Development and support of web-based technology to enable civil society activists in closed societies to have free access to information.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The NERD program continually assesses program performance. In FY 2010 the NERD program established program monitoring and evaluation practices, and developed a portfolio management plan (PMP) incorporating best practices and lessons learned since program inception. The PMP allows the NERD program to systematically review all projects to ensure that activities support strategic objectives. The tool also enables us to aggregate program results across the program objectives and more accurately mange program elements. Building on the democracy assessment which will be performed in FY 2012, a number of studies will be commissioned to support program design and learning.

Trans-Sahara Counter-Terrorism Partnership (TSCTP)

Foreign Assistance Program Overview

The Trans-Sahara Counterterrorism Partnership (TSCTP) is an interagency partnership between the Department of State, the Department of Defense, and the U.S. Agency for International Development that focuses on improving individual country and regional capabilities in the Sahel and Maghreb to defeat terrorist organizations. TSCTP was authorized in March 2005 to prevent al Qaeda and other violent extremist organizations from building and sustaining safe havens in the Sahel and the Maghreb. This includes disrupting efforts to recruit and train new terrorists, particularly from the young and rural poor, and countering efforts to establish safe havens for domestic and outside extremist groups. TSCTP partner nations include Algeria, Burkina Faso, Chad, Mali, Mauritania, Morocco, Niger, Nigeria, Senegal, and Tunisia. TSCTP key priorities in the Maghreb are twofold: to create an environment inhospitable to terrorist and trafficking operations, and to address youth vulnerability to violent extremism and recruitment by terrorist networks. The below request is for NEA regional countries only and consists of government-to-government training in Counter-Terrorism and Rule of Law.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**1,530**	**4,500**	**2,500**	**-2,000**
Economic Support Fund	-	1,500	-	-1,500
International Narcotics Control and Law Enforcement	1,030	1,000	1,000	-
Nonproliferation, Antiterrorism, Demining and Related Programs	500	2,000	1,500	-500

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Trans-Sahara Counter-Terrorism Partnership (TSCTP)	**1,530**	**4,500**	**2,500**	**-2,000**
1 Peace and Security	**1,530**	**4,500**	**2,500**	**-2,000**
Economic Support Fund	**-**	**1,500**	**-**	**-1,500**
1.1 Counter-Terrorism	-	1,500	-	-1,500
International Narcotics Control and Law Enforcement	**1,030**	**1,000**	**1,000**	**-**
1.1 Counter-Terrorism	1,030	-	-	-
1.3 Stabilization Operations and Security Sector Reform	-	1,000	1,000	-
Nonproliferation, Antiterrorism, Demining and Related Programs	**500**	**2,000**	**1,500**	**-500**
1.1 Counter-Terrorism	500	2,000	1,500	-500

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Trans-Sahara Counter-Terrorism Partnership (TSCTP)	**1,530**	**4,500**	**2,500**	**-2,000**
1 Peace and Security	**1,530**	**4,500**	**2,500**	**-2,000**
1.1 Counter-Terrorism	1,530	3,500	1,500	-2,000
1.3 Stabilization Operations and Security Sector Reform	-	1,000	1,000	-
of which: Objective 6	**-**	**100**	**50**	**-50**
6.2 Administration and Oversight	-	100	50	-50

Peace and Security

U.S. assistance aims to disrupt terrorist activity by developing criminal justice institutions capable of detecting, deterring, investigating, prosecuting, and incarcerating members of transnational criminal organizations.

Nonproliferation, Antiterrorism, Demining and Related Programs (NADR): The Antiterrorism Assistance (ATA) Program supports the efforts of North African governments' law enforcement agencies to build advanced and sustainable counterterrorism capacities, including the capability to deny, disrupt, and undermine terrorists' attempts to travel across borders, establish safe havens and organize logistical resources, and to deter terrorist operations from occurring in the North Africa sub-region. FY 2013 NADR funds will be used to provide continued training and equipment in pursuit of these critical counterterrorism objectives.

Morocco: Post has seen greater professionalism and technical capabilities in the National Police in the last two years as a result of previous ATA courses, exemplified by its competent and efficient investigation of the April 2011 Marrakech bombing, which led to the arrest of the attack's perpetrator. As the April attack highlights, the terrorist threat in Morocco remains real, and 2013 NADR/ATA funding will continue to focus on building an advanced, self-sustaining cyber security and cyber investigations capabilities to prevent or prepare for the prosecution of terrorist attacks, institutionalizing anti-terrorism and counter-terrorism capabilities and "train-the-trainer" capacity so that the Moroccans can provide their own counter terrorism training for the indefinite future, and enhancing Morocco's advanced crisis response capability to respond to potential terrorist incidents within its borders..

Tunisia: The ATA program in Tunisia focuses on building Tunisian law enforcement leadership and management skills, enhancing border security capacity, and improving law enforcement investigative capabilities, all of which are particularly important in the aftermath of Tunisia's transition. In FY 2011, two million dollars of FY 2010 ATA funds were obligated in Tunisia for a number of programs, including border control and maritime port and harbor security management. In FY 2013, the ATA program will continue to fund courses focusing on border security, enhancing leadership and management capacity, as well as developing law enforcement investigative capacity.

Algeria: The ATA program in Algeria will focus on assisting Algerian law enforcement in building self-sustaining investigative capabilities and improving existing forensic capabilities to detect, and prepare for prosecution, terrorist operations. This program will work to build advanced border security capabilities, with emphasis on screening capabilities, to prevent terrorist transit or operations, and to encourage the Government of Algeria to engage with regional neighbors and partners on counterterrorism issues.

International Narcotics Control and Law Enforcement (INCLE): The Bureau of International Narcotics and Law Enforcement Affairs (INL), supports partner nation efforts to make law enforcement, judicial, and corrections systems more effective, responsive, and accountable. INCLE funding is a critical component in strengthening TSCTP partner countries' criminal justice sector institutions in the Maghreb. It is an essential element supporting the ability of these governments' criminal justice sectors to combat terrorism, from prevention to response, investigation, and prosecution.

INCLE resources requested in FY 2013 will build on previous program successes and will be used to build capacity in law enforcement, rule of law, and corrections to promote systemic change in TSCTP partner countries in these areas. Funds are requested to provide training, technical assistance, and equipment for programs including, but not limited to, forensic and law enforcement development, prison reform, judicial training, and anti-corruption support.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Past reporting has taken into account three measures of performance: The number of students trained in anti-terrorism under TSCTP auspices, the number of public information campaigns completed by U.S. Government TSCTP programming, and the number of U.S. Government-assisted assessments on terrorism. The Bureau of Near Eastern Affairs will continue to review the progress of TSCTP and identify ways of improving coordination and programming implementation.

USAID Middle East Regional (OMEP)

Foreign Assistance Program Overview

The Middle East and North Africa (MENA) region faces serious development challenges, including a burgeoning youth population with limited employment opportunities, and a growing scarcity of natural resources that increases tensions and constrains economic growth. At the same time, the historic political and social changes that have swept the region over the past year provide new opportunities for programs that can have a positive impact on the everyday lives of millions of citizens. The United States Agency for International Development's (USAID) regional program in the Middle East provides a platform for trans-boundary assistance that complements USAID bilateral programs. OMEP programs are empowering youth to make constructive choices for success in a global society, promoting a stronger enabling environment for governing justly and democratically, transforming the culture and governance of natural resources such as water resource management, improving health conditions, and stimulating economic growth. In addition to supporting bilateral programs in the region, OMEP is also positioned to support for implementation of programs funded from the new Middle East and North Africa Incentive Fund (MENA IF) by drawing from its expertise to provide surge capacity and region-wide scope for development activities that respond to regional transition and reform. OMEP programs are aligned with the USAID Forward goal to strengthen monitoring and evaluation and improved knowledge-sharing, decision making, leading to better-informed development programming that optimizes U.S. assistance across the region. USAID's Middle East Bureau and the Department of State's Bureau of Near Eastern Affairs closely coordinate the activities of OMEP with Middle East Regional Cooperation, and Middle East Multilaterals, to ensure the programs are complementary and not duplicative. This gives the United States agility and flexibility to address regional environmental and natural resource challenges with a variety of tools to promote regional cooperation on these issues.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**5,000**	**5,000**	**5,000**	**-**
Economic Support Fund	5,000	5,000	-	-5,000
Middle East and North Africa Incentive Fund	-	-	5,000	5,000

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
USAID Middle East Regional (OMEP)	**5,000**	**5,000**	**5,000**	**-**
2 Governing Justly and Democratically	**3,000**	**1,000**	**1,000**	**-**
Economic Support Fund	**3,000**	**1,000**	**-**	**-1,000**
2.4 Civil Society	3,000	1,000	-	-1,000
Middle East and North Africa Incentive Fund	**-**	**-**	**1,000**	**1,000**
2.4 Civil Society	-	-	1,000	1,000
3 Investing in People	**2,000**	**3,000**	**3,000**	**-**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Economic Support Fund	**2,000**	**3,000**	**-**	**-3,000**
3.1 Health	2,000	3,000	-	-3,000
Middle East and North Africa Incentive Fund	**-**	**-**	**3,000**	**3,000**
3.1 Health	-	-	3,000	3,000
4 Economic Growth	**-**	**1,000**	**1,000**	**-**
Economic Support Fund	**-**	**1,000**	**-**	**-1,000**
4.7 Economic Opportunity	-	1,000	-	-1,000
Middle East and North Africa Incentive Fund	**-**	**-**	**1,000**	**1,000**
4.7 Economic Opportunity	-	-	1,000	1,000

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
USAID Middle East Regional (OMEP)	**5,000**	**5,000**	**5,000**	**-**
2 Governing Justly and Democratically	**3,000**	**1,000**	**1,000**	**-**
2.4 Civil Society	3,000	1,000	1,000	-
3 Investing in People	**2,000**	**3,000**	**3,000**	**-**
3.1 Health	2,000	3,000	3,000	-
4 Economic Growth	**-**	**1,000**	**1,000**	**-**
4.7 Economic Opportunity	-	1,000	1,000	-
of which: Objective 6	**1,200**	**1,200**	**1,200**	**-**
6.1 Program Design and Learning	200	200	200	-
6.2 Administration and Oversight	1,000	1,000	1,000	-

Governing Justly and Democratically

The historic events of the past year have amplified the need and opportunity to strengthen civil society networks that can positively impact the region's development challenges. OMEP programs encourage the empowerment of civil society advocates to positively engage on development issues with citizens and governments across the region. Through a regional initiative, OMEP will build relationships with and between subject-matter experts focused on civil society, media, and also youth from local, regional, and international organizations. This network will identify relevant research and analyses, commission applied development research, and disseminate best practices and lessons learned from development efforts in the region. The applied development research component will fund development research where missions in the region have identified a need for research that does not yet exist.

Investing in People

Managing water is a major health issue and potential flashpoint in the MENA region. Development of water resources is limited as a result of declining natural resources, increasing consumption, and poor management.

OMEP's regional water initiative will build interactions with subject matter experts from local, regional, and international organizations in the area of water resource management in order to identify relevant research and analyses, commission applied development research where the need exists, and disseminate lessons learned and best practices from development efforts in the region. Through a combination of direct support to bilateral missions, both virtual and TDY staff support, and a range of regional programming, OMEP will continue to improve trans-boundary water-resource management, enhance policies and regulations for more efficient water use, and support the development and implementation of cutting-edge tools that monitor the availability and use of water resources and allow water managers to make better decisions on integrated water management. This program will increase the efficiency of water management, mitigate the impact of water scarcity, and improve water quality and sanitation to reduce health risks to the population of the MENA region.

Economic Growth

Almost half of the region's population is under the age of 24 years. This large youth population lacks educational and employment opportunities. OMEP supports programs that empower young people to make constructive choices and gives them the tools they need to build a better future for themselves and the region.

OMEP will continue to support targeted programs that increase youth engagement, entrepreneurship, and workforce skills that enhance innovation and critical-thinking skills, preparing young people to be competitive in the labor market and take advantage of career opportunities. Through a regional initiative, OMEP will build relationships with subject-matter experts from local, regional, and international organizations in the area of youth development and engagement in order to identify relevant research and analyses, commission applied research where the need exists, and disseminate lessons learned and best practices from development efforts in the region.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: OMEP conducted a review of its regional youth programs at the end of FY 2010 and beginning of FY 2011. The key findings and recommendations of this review were used to inform existing programming and the design of new programs focusing on youth. The results of the review have also been shared with other USAID Missions in the MENA region. In FY 2012 OMEP will evaluate the impact of a recently-completed youth-focused program, in which an educational television drama on issues central to young people's lives was produced and broadcast throughout the MENA region.

In addition to the evaluation efforts described above, OMEP's regional strategy is complemented by a robust Performance Management Plan, updated annually, with a full range of indicators that address all levels of the results framework. OMEP has a monitoring and evaluation specialist who oversees OMEP's performance management, advising implementing partners on accurately measuring and reporting on performance, and providing monitoring and evaluation technical assistance to other USAID Missions in the MENA region. Portfolio reviews are conducted regularly to examine strategic and operational issues, and to determine whether activities are leading to the achievement of intended results; the most recent review was conducted in November 2011. OMEP also regularly consults with bilateral Missions in the MENA region on programming to ensure that it is appropriately targeted and fully complementary to Mission initiatives. USAID conducts continuous monitoring of program performance through the review of quarterly and annual reports of implementing partners and site visits. Regular meetings with implementing partners are held to discuss program performance and recommend ways to improve implementation. These monitoring efforts will continue in FY 2012 and FY 2013.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The efforts noted above have allowed OMEP to draw important conclusions and take targeted actions, in line with the USAID Forward emphasis on improving decision making by obtaining, analyzing, using and sharing meaningful information about program performance and impact. With respect to evaluations, a regional youth entrepreneurship activity currently under design will draw upon the lessons learned through the review of regional youth programs completed in early FY 2011, and the results of the impact evaluation of the television program described above will help determine whether future investments in this area are advisable. As for existing programming, a program focused on training and mentoring journalists was expanded in FY 2011 based on strong performance and high demand amongst program applicants.

Relating Past Performance to FY 2013 Plans: Research produced through OMEP's regional initiative, focused on improved knowledge-sharing and better-informed development programming that optimizes U.S. assistance, will help inform decisions on the allocation of FY 2013 resources.

South and Central Asia Regional Overview

Foreign Assistance Program Overview

U.S. engagement in South and Central Asia remains vital to both U.S. national security and regional stability as the U.S. Government aims to foster an integrated, cooperative region that supports peace and stability. FY 2013 foreign assistance will support the New Silk Road vision – the Administration's highest priority across the region. Recognizing that a secure, stable, and prosperous Afghanistan depends on a secure, stable, and prosperous region, the New Silk Road envisions a network, with Afghanistan at its heart, of economic and transit connections linking Central and South Asia. The FY 2013 request supports this vision of regional cooperation and recognizes the commitment of the U.S. Government to support Afghanistan's transition and integration into the wider region.

FY 2013 foreign assistance will also aim to solidify India's transformation from a traditional recipient of donor funds to a strategic partner, with the United States and India work in partnership to identify, test, and scale up cost-effective innovations that address development challenges in India and globally. The U.S. Government will continue to support reconciliation and peace in Nepal and Sri Lanka; solidify democratic gains in the Kyrgyz Republic; support the rule of law, democratic institutions, and civil society throughout the region; and increase access to objective news and information in Central Asia. U.S. security programs will continue to support military engagement and reform, as well as nonproliferation, counterterrorism, and counternarcotics efforts across the region. U.S. development programs will address complex global challenges with continued strong investments in the three Presidential Initiatives: the Global Health Initiative (GHI), Feed the Future Initiative (FTF), and the Global Climate Change Initiative (GCCI). Other U.S. programs will work to reinforce economic growth in Sri Lanka, Bangladesh, Nepal, and the Central Asian republics, and improve access to quality basic and higher education throughout the region. To fortify U.S. Government efforts to generate region-wide linkages in support of the New Silk Road vision, the United States will enhance cooperation with multilateral partners, regional organizations, private sector partners, and country coalitions to address weak institutions, infrastructure gaps and cross-border challenges, including narcotics flows, barriers to trade and private sector development, human trafficking, terrorism threats, trans-boundary water management, energy resources, and disaster preparedness.

For Central Asia, the FY 2013 budget normalizes foreign assistance resources by requesting funding for programs formerly supported through the Assistance for Europe Eurasia and Central Asia (AEECA) account in the Economic Support Fund (ESF), Global Health Programs (GHP), and International Narcotics Control and Law Enforcement (INCLE) accounts.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**5,013,464**	**5,006,033**	**5,288,494**	**282,461**
Overseas Contingency Operations	**297,220**	**4,281,870**	**2,037,871**	**-2,243,999**
Economic Support Fund	-	2,801,462	1,037,871	-1,763,591
Foreign Military Financing	-	197,408	-	-197,408
International Narcotics Control and Law Enforcement	-	440,000	200,000	-240,000
Nonproliferation, Antiterrorism, Demining and Related Programs	-	43,000	-	-43,000

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Pakistan Counterinsurgency Capability Fund	297,220	800,000	800,000	-
Enduring/Core Programs	**4,716,244**	**724,163**	**3,250,623**	**2,526,460**
Assistance for Europe, Eurasia and Central Asia	111,840	112,811	-	-112,811
Development Assistance	146,527	126,286	130,695	4,409
Economic Support Fund	2,906,927	32,003	1,839,195	1,807,192
Food for Peace Title II	296,120	42,000	42,000	-
Foreign Military Financing	305,652	107,625	360,330	252,705
Global Health Programs - State	23,504	21,254	25,780	4,526
Global Health Programs - USAID	278,453	192,400	191,600	-800
International Military Education and Training	13,088	14,040	14,259	219
International Narcotics Control and Law Enforcement	522,558	12,814	554,619	541,805
Nonproliferation, Antiterrorism, Demining and Related Programs	111,575	62,930	92,145	29,215

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
South and Central Asia Regional Overview	**5,013,464**	**5,006,033**	**5,288,494**	**282,461**
1 Peace and Security	**1,289,664**	**1,807,775**	**1,908,693**	**100,918**
Assistance for Europe, Eurasia and Central Asia	**15,977**	**15,463**	**-**	**-15,463**
1.2 Combating Weapons of Mass Destruction (WMD)	200	200	-	-200
1.3 Stabilization Operations and Security Sector Reform	8,720	9,188	-	-9,188
1.4 Counter-Narcotics	3,366	2,851	-	-2,851
1.5 Transnational Crime	3,691	3,224	-	-3,224
Development Assistance	**4,540**	**2,700**	**2,240**	**-460**
1.3 Stabilization Operations and Security Sector Reform	1,640	600	200	-400
1.5 Transnational Crime	1,100	1,100	1,100	-
1.6 Conflict Mitigation and Reconciliation	1,800	1,000	940	-60
Economic Support Fund	**262,099**	**342,657**	**338,121**	**-4,536**
1.2 Combating Weapons of Mass Destruction (WMD)	-	-	100	100
1.4 Counter-Narcotics	66,000	75,000	65,000	-10,000
1.5 Transnational Crime	1,000	1,695	3,350	1,655
1.6 Conflict Mitigation and Reconciliation	195,099	265,962	269,671	3,709
Foreign Military Financing	**305,652**	**305,033**	**360,330**	**55,297**
1.3 Stabilization Operations and Security Sector Reform	305,652	305,033	360,330	55,297
International Military Education and Training	**13,088**	**14,040**	**14,259**	**219**
1.3 Stabilization Operations and Security Sector Reform	13,088	14,040	14,259	219

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
International Narcotics Control and Law Enforcement	**279,513**	**221,952**	**301,598**	**79,646**
1.3 Stabilization Operations and Security Sector Reform	97,453	97,370	116,689	19,319
1.4 Counter-Narcotics	182,060	124,582	184,299	59,717
1.5 Transnational Crime	-	-	610	610
Nonproliferation, Antiterrorism, Demining and Related Programs	**111,575**	**105,930**	**92,145**	**-13,785**
1.1 Counter-Terrorism	43,250	54,391	51,101	-3,290
1.2 Combating Weapons of Mass Destruction (WMD)	8,325	8,539	8,344	-195
1.3 Stabilization Operations and Security Sector Reform	60,000	43,000	32,700	-10,300
Pakistan Counterinsurgency Capability Fund	**297,220**	**800,000**	**800,000**	**-**
1.3 Stabilization Operations and Security Sector Reform	297,220	800,000	800,000	-
2 Governing Justly and Democratically	**1,013,546**	**937,694**	**1,201,957**	**264,263**
Assistance for Europe, Eurasia and Central Asia	**26,103**	**25,026**	**-**	**-25,026**
2.1 Rule of Law and Human Rights	4,879	5,389	-	-5,389
2.2 Good Governance	5,788	5,203	-	-5,203
2.3 Political Competition and Consensus-Building	2,584	1,162	-	-1,162
2.4 Civil Society	12,852	13,272	-	-13,272
Development Assistance	**15,963**	**7,786**	**15,797**	**8,011**
2.1 Rule of Law and Human Rights	4,874	2,136	4,445	2,309
2.2 Good Governance	5,183	2,050	5,588	3,538
2.3 Political Competition and Consensus-Building	2,880	1,100	2,880	1,780
2.4 Civil Society	3,026	2,500	2,884	384
Economic Support Fund	**728,435**	**674,020**	**733,139**	**59,119**
2.1 Rule of Law and Human Rights	23,856	41,000	34,800	-6,200
2.2 Good Governance	540,690	517,640	526,740	9,100
2.3 Political Competition and Consensus-Building	25,262	43,680	71,900	28,220
2.4 Civil Society	138,627	71,700	99,699	27,999
International Narcotics Control and Law Enforcement	**243,045**	**230,862**	**453,021**	**222,159**
2.1 Rule of Law and Human Rights	243,045	230,862	452,692	221,830
2.2 Good Governance	-	-	329	329
3 Investing in People	**797,627**	**835,298**	**695,146**	**-140,152**
Assistance for Europe, Eurasia and Central Asia	**19,619**	**22,744**	**-**	**-22,744**
3.1 Health	13,647	10,654	-	-10,654
3.2 Education	5,972	12,090	-	-12,090
Development Assistance	**8,500**	**18,100**	**4,500**	**-13,600**
3.1 Health	1,000	5,100	-	-5,100
3.2 Education	7,500	13,000	4,500	-8,500
Economic Support Fund	**442,162**	**556,300**	**448,766**	**-107,534**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
3.1 Health	157,781	268,050	238,799	-29,251
3.2 Education	233,711	266,250	187,967	-78,283
3.3 Social and Economic Services and Protection for Vulnerable Populations	50,670	22,000	22,000	-
Food for Peace Title II	**25,389**	**24,500**	**24,500**	**-**
3.1 Health	24,406	23,500	23,500	-
3.3 Social and Economic Services and Protection for Vulnerable Populations	983	1,000	1,000	-
Global Health Programs - State	**23,504**	**21,254**	**25,780**	**4,526**
3.1 Health	23,504	21,254	25,780	4,526
Global Health Programs - USAID	**278,453**	**192,400**	**191,600**	**-800**
3.1 Health	278,453	192,400	191,600	-800
4 Economic Growth	**1,644,856**	**1,411,666**	**1,470,148**	**58,482**
Assistance for Europe, Eurasia and Central Asia	**47,491**	**46,878**	**-**	**-46,878**
4.1 Macroeconomic Foundation for Growth	2,820	3,061	-	-3,061
4.2 Trade and Investment	2,898	1,821	-	-1,821
4.3 Financial Sector	828	2,583	-	-2,583
4.4 Infrastructure	4,221	7,834	-	-7,834
4.5 Agriculture	26,272	18,000	-	-18,000
4.6 Private Sector Competitiveness	10,452	13,579	-	-13,579
Development Assistance	**117,224**	**97,700**	**107,808**	**10,108**
4.5 Agriculture	58,912	54,000	64,000	10,000
4.6 Private Sector Competitiveness	10,812	5,700	13,429	7,729
4.7 Economic Opportunity	2,500	1,500	2,084	584
4.8 Environment	45,000	36,500	28,295	-8,205
Economic Support Fund	**1,464,231**	**1,254,588**	**1,349,840**	**95,252**
4.1 Macroeconomic Foundation for Growth	13,640	36,155	38,590	2,435
4.2 Trade and Investment	28,519	40,978	67,195	26,217
4.3 Financial Sector	2,050	4,000	15,360	11,360
4.4 Infrastructure	1,072,741	754,900	806,058	51,158
4.5 Agriculture	193,187	219,500	232,207	12,707
4.6 Private Sector Competitiveness	130,459	156,705	148,580	-8,125
4.7 Economic Opportunity	18,300	36,550	40,850	4,300
4.8 Environment	5,335	5,800	1,000	-4,800
Food for Peace Title II	**15,910**	**12,500**	**12,500**	**-**
4.5 Agriculture	15,910	12,500	12,500	-
5 Humanitarian Assistance	**267,771**	**13,600**	**12,550**	**-1,050**
Assistance for Europe, Eurasia and Central Asia	**2,650**	**2,700**	**-**	**-2,700**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
5.1 Protection, Assistance and Solutions	2,650	2,700	-	-2,700
Development Assistance	**300**	**-**	**350**	**350**
5.2 Disaster Readiness	300	-	350	350
Economic Support Fund	**10,000**	**5,900**	**7,200**	**1,300**
5.1 Protection, Assistance and Solutions	10,000	5,900	7,200	1,300
Food for Peace Title II	**254,821**	**5,000**	**5,000**	**-**
5.1 Protection, Assistance and Solutions	250,305	-	-	-
5.2 Disaster Readiness	4,516	5,000	5,000	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
South and Central Asia Regional Overview	**5,013,464**	**5,006,033**	**5,288,494**	**282,461**
1 Peace and Security	**1,289,664**	**1,807,775**	**1,908,693**	**100,918**
1.1 Counter-Terrorism	43,250	54,391	51,101	-3,290
1.2 Combating Weapons of Mass Destruction (WMD)	8,525	8,739	8,444	-295
1.3 Stabilization Operations and Security Sector Reform	783,773	1,269,231	1,324,178	54,947
1.4 Counter-Narcotics	251,426	202,433	249,299	46,866
1.5 Transnational Crime	5,791	6,019	5,060	-959
1.6 Conflict Mitigation and Reconciliation	196,899	266,962	270,611	3,649
2 Governing Justly and Democratically	**1,013,546**	**937,694**	**1,201,957**	**264,263**
2.1 Rule of Law and Human Rights	276,654	279,387	491,937	212,550
2.2 Good Governance	551,661	524,893	532,657	7,764
2.3 Political Competition and Consensus-Building	30,726	45,942	74,780	28,838
2.4 Civil Society	154,505	87,472	102,583	15,111
3 Investing in People	**797,627**	**835,298**	**695,146**	**-140,152**
3.1 Health	498,791	520,958	479,679	-41,279
3.2 Education	247,183	291,340	192,467	-98,873
3.3 Social and Economic Services and Protection for Vulnerable Populations	51,653	23,000	23,000	-
4 Economic Growth	**1,644,856**	**1,411,666**	**1,470,148**	**58,482**
4.1 Macroeconomic Foundation for Growth	16,460	39,216	38,590	-626
4.2 Trade and Investment	31,417	42,799	67,195	24,396
4.3 Financial Sector	2,878	6,583	15,360	8,777
4.4 Infrastructure	1,076,962	762,734	806,058	43,324
4.5 Agriculture	294,281	304,000	308,707	4,707
4.6 Private Sector Competitiveness	151,723	175,984	162,009	-13,975

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.7 Economic Opportunity	20,800	38,050	42,934	4,884
4.8 Environment	50,335	42,300	29,295	-13,005
5 Humanitarian Assistance	**267,771**	**13,600**	**12,550**	**-1,050**
5.1 Protection, Assistance and Solutions	262,955	8,600	7,200	-1,400
5.2 Disaster Readiness	4,816	5,000	5,350	350
of which: Objective 6	**221,242**	**128,364**	**352,698**	**224,334**
6.1 Program Design and Learning	71,135	38,915	94,997	56,082
6.2 Administration and Oversight	150,107	89,449	257,701	168,252

Peace and Security

The U.S. Government will continue to provide security assistance across the region, including the training and equipping of police and military forces, to build their capacity to provide internal security, secure their borders, strengthen the rule of law, and combat violent extremism. In Afghanistan, security assistance will also include counternarcotics support to enhance Afghan capacity, public information campaigns, law enforcement support, and judicial reform efforts. The FY 2013 request will provide continued assistance to help Pakistan's security forces and civilian law enforcement build their counterinsurgency and counterterrorism capabilities. The FY 2013 request also includes funding for the Central Asia Counternarcotics Initiative (CACI), which aims to build regional cooperation to counter the flow of narcotics through Central Asia from Afghanistan.

Governing Justly and Democratically

Establishing democratic institutions, effective governance, and respect for rule of law and human rights are critical to combating the spread of extremism in South and Central Asia. FY 2013 resources will continue to support Central Asia's bold democratic transition in the Kyrgyz Republic; strengthen civil society and civilian governance and accountability in Pakistan; help secure and consolidate democracy in Bangladesh; support executive, legislative, and judicial institutions in Nepal as they prepare to implement a new constitution, launch a bold, new experiment in federalism, and carry out expected national and sub-national elections; and strengthen democratic and civil society institutions in Sri Lanka. U.S. assistance will also continue to support programs in Central Asia that address areas of concern including media, civil society, elections, rule of law, and human rights.

Investing in People

Weak public health systems, low literacy rates, poverty, and a lack of basic services all threaten the success of development and security in the region.

Through the Global Health Initiative (GHI), the U.S. will continue to support efforts throughout the region to improve the reach of health services, including improving maternal and child health, advancing family planning and reproductive health, combating the spread of infectious diseases, and enhancing environmental and human health through water and sanitation programs. Additionally, U.S. assistance will support interventions to improve successful case detection and treatment of increasing rates of multiple drug resistant tuberculosis (MDR-TB) across the region.

Education is fundamental not only in improving social and economic development in South and Central Asia, but also in mitigating the region's vulnerability to extremist influences. The FY 2013 request includes funding for cross-border educational exchanges that build mutual understanding through

scholarships to students throughout the region for study at preeminent institutions of higher education, including the American University of Central Asia (AUCA) in the Kyrgyz Republic. The United States will continue to support efforts to improve literacy and access to education for vulnerable populations throughout the region. Education programs will improve the quality of basic and higher education, advance reading skills among early primary school students, and establish a foundation for continued learning. The United States will also work to improve the quality and effectiveness of, and access to, higher education.

Economic Growth

Economic integration increases regional stability, which in turn creates an environment for prosperity. However, South and Central Asia is currently one of the least economically integrated regions in the world. With FY 2013 resources, U.S. assistance will continue to promote economic recovery and development throughout the region. In addition, U.S. assistance will encourage energy exports from Central to South Asia, increase intra-regional trade and investment, improve cooperation on natural resource management, and help the region participate in the global economy. Working with other donors, international financial institutions, and the private sector, FY 2013 resources will build on gains from existing programs in building energy, transportation, science, and telecommunications links, and harmonizing regulations required for cooperation across the region. Additional assistance will complement this effort by creating a supportive investment climate.

In Sri Lanka, resources will assist reconciliation by catalyzing private-sector growth in conflict-affected areas. In Bangladesh, Nepal, Tajikistan, and Kyrgyz Republic, a major focus will be to promote agricultural productivity and food security as part of the Feed the Future Initiative. In Afghanistan, investments will focus on priority sectors that will lay the foundation for sustainable long-term growth and prepare for the potential economic impact of the 2014 transition, finalizing key energy and water infrastructure investments needed for economic growth and revenue generation post-transition, and building the skills of the Afghans who will carry forward Afghanistan's longer-term economic growth and development. In Pakistan, resources will help private sector enterprises obtain financing for growth and will work with the government to support infrastructure to help Pakistan address its energy crisis and provide economic opportunity in underdeveloped border regions vulnerable to extremism. U.S. assistance will support India and Bangladesh's low-carbon growth through the deployment of clean energy technologies and the creation of low emissions development plans.

Humanitarian Assistance

Natural disasters are an ever-present risk to most countries in South and Central Asia, with the potential to adversely affect entire populations. In FY 2013, humanitarian assistance to South and Central Asia will be directed towards emergency response, disaster readiness programs, and mitigation activities in countries that are susceptible to annual flooding, earthquakes, and other natural disasters, such as Bangladesh, Tajikistan, Uzbekistan, Pakistan, Nepal, and the Kyrgyz Republic.

Afghanistan

Foreign Assistance Program Overview

The core U.S. goal in Afghanistan remains to disrupt, dismantle, and defeat al-Qaeda, and to prevent its return to Afghanistan. Although the United States is transferring responsibility for security to Afghan security forces by 2014, drawing down troops is not the same as disengaging. The civilian foreign assistance program contained in the FY 2013 request remains essential to support U.S. national security interests in Afghanistan and the region and to secure the gains won at such a high cost over the last decade.

At the December 2011 Bonn Conference, the international community endorsed Afghanistan's vision of economic potential and regional integration and pledged to an enduring commitment described as the "transformation decade." The enduring commitment made at Bonn reflects the unique challenges faced by Afghanistan and the extraordinary efforts made by the United States and international partners to stabilize the country over the last ten years. Afghanistan will remain a unique development challenge for the coming years and the FY 2013 request is the first indication of the United States' continuing commitment. The Tokyo conference scheduled for July 2012 will further define international development assistance commitments to Afghanistan, and the United States intends to lead other nations to delivering significant contributions to the development of Afghanistan by pledging a portion of FY 2013 resources.

The United States has structured its partnership with Afghanistan to be sustainable, durable, and realistic in terms of funding levels. The overall FY 2013 request represents a more than $1.6 billion decrease from FY 2010, the high-water mark of U.S. civilian funding levels. Inherent in all programs is the recognition that assistance to Afghan institutions and society should be focused, effective, and sustainable. Programs have been reviewed to confirm that they increase Afghan ownership and capacity, contribute to stability, promote accountability, and are cost-effective. Results of assistance programs must be monitored and increasingly tied to measurable improvements. Focus is shifting from shorter-term stabilization projects to programs that more directly support the transition to Afghan-led development and strengthen the capacity of the Government of the Islamic Republic of Afghanistan (GIRoA) to manage its internal security, sustainably deliver basic services, and provide economic opportunities to its people. U.S. Government investments will focus on priority sectors that will lay the foundation for sustainable long-term growth and prepare Afghanistan for the potential economic impact of transition. Projects will focus on private sector development; strengthening rule of law and access to justice; building capacity at key levels of government institutions; finalizing key energy and water infrastructure investments needed for economic growth and revenue generation post-2014; strengthening the capacity of the GIRoA to manage and sustain previous investments in infrastructure and key industries; increasing regional connectivity and integration; and human capacity development to build the skills of the Afghans who will carry forward Afghanistan's longer-term economic growth and development. Regional integration efforts are guided by the New Silk Road vision and the on-going regional discussion that is working to change the way Afghanistan relates to its neighbors to a more mutually beneficial and supportive paradigm.

The FY 2013 request is broken into two components. The first section is the core assistance to areas including economic growth, agriculture, health, education, rule of law, and governance, all areas critical to Afghanistan's medium and long-term development. The second is Overseas Contingency Operations (OCO), which includes support for critical, immediate programs linked to remaining stabilization needs, as well as support for foundational investments and capacity building in key sectors.

The FY 2013 program emphasizes the desire to partner with the Afghan people for the long-term, an engagement underscored by the current Strategic Partnership negotiations aimed at defining U.S.-Afghan long-term security, economic, and social development cooperation. The United States is working with the

Afghan government to support transition from donor dependence to a sustainable and resilient economy built upon private sector investment and growth. The process of transitioning security responsibility to Afghan forces started in July 2011, and now includes provinces and districts representing 50 percent of the Afghan population. Successful transition will require sufficient governance, development, and rule of law programming to buttress Afghan-led security. Essential to this will be successful elections in 2014 that will enable a peaceful transfer of power. The United States will provide critical assistance to support these elections to ensure the new government represents the voice of the Afghan people.

In coordination with international partners, U.S. assistance will support priority efforts to serve as anchors for this broader regional potential. One key to unlocking the promise of the Afghan economy is improved governance. Last winter, the United States developed a new economic strategy to organize its efforts that calls for a focus on viable sectors of the Afghan economy, greater emphasis on fiscal sustainability, and more action to improve the climate for commerce. Accordingly, assistance dollars will focus on developing operations and maintenance capacity to ensure the ability to sustain completed infrastructure; cement progress in health and education; enable the government to generate more revenue; and reorient stabilization programming to support the transition to Afghan-led development. The United States will maintain its goal of 50 percent of assistance provided through on-budget mechanisms with GIRoA, but that commitment assumes significant improvements in accountability and financial management within the various ministries.

FY 2013 programs will focus U.S. assistance on sectors and activities most likely to generate the jobs and economic activity needed to promote long-term growth and increased revenue generation. Over 80 percent of Afghans derive their incomes from agriculture and related businesses. Continued focus on this sector aims to generate reliable employment for the greatest number of people, as well as improving Afghanistan's food security. The development of minerals and hydrocarbons is Afghanistan's best chance to attract foreign investment and reduce its dependence on foreign assistance by generating significant revenue for the government in the long term. Completing key infrastructure projects in two high-impact sectors – power and water – is an important means to promote sustainable trade, commerce, and employment while integrating Afghanistan into the regional economy and attracting U.S. and other foreign direct investment. A carefully targeted program of building out and linking the country's power grids will provide one of the key inputs for sustained economic growth.

Improved rule of law and access to justice are essential for long-term stability in Afghanistan. The primary focus for rule of law programs is to develop a sustainable Afghan capacity to investigate, prosecute, and adjudicate national security cases and major counter-narcotics cases, as well as operate an effective corrections system. FY 2013 program will also focus on improving access to justice and developing links between the informal and formal justice systems as more Afghans begin to interact with formal courts and informal justice *shuras* to resolve civil issues. To help the Afghan government provide its people with transparent, affordable, and effective dispute resolution mechanisms, programs will support rule of law initiatives at the district, provincial, and national levels focused on increasing access to justice, capacity building, and promoting transparency and accountability.

The advancement of women's rights is critical to political, social, and economic progress in Afghanistan, where women's human rights have been ignored, attacked, and eroded over decades, especially under Taliban rule. Many challenges remain, and the U.S. Government is committed to ensuring that women remain a cornerstone of U.S. policy efforts and programs. Afghan women must have a voice in making decisions about the future of their country.

As the United States transitions to an Afghan security lead and an enduring, strategic partnership, there will be challenges. For example, corruption, to the extent it is not adequately addressed, will continue to undermine the Afghan public's confidence in the legitimacy of their government. Therefore, a main

priority of governance, justice, and rule of law efforts will be to institute systems for transparency and accountability, and to empower Afghan institutions, both formal and informal, to check and balance one another in detecting and deterring corruption.

The civilian strategy in Afghanistan aims to strengthen Afghan ownership of their country's future and undercut the appeal of the insurgency. This strategy recognizes that lasting stability and security go hand-in-hand with economic opportunity. It also recognizes the vital role of women and civil society in building a more stable country and in achieving lasting peace and reconciliation, and puts accountability and transparency squarely at the heart of all U.S. efforts.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**2,620,823**	**2,327,462**	**2,505,020**	**177,558**
Overseas Contingency Operations	**-**	**2,283,762**	**1,237,871**	**-1,045,891**
Economic Support Fund	-	1,936,762	1,037,871	-898,891
International Narcotics Control and Law Enforcement	-	324,000	200,000	-124,000
Nonproliferation, Antiterrorism, Demining and Related Programs	-	23,000	-	-23,000
Enduring/Core Programs	**2,620,823**	**43,700**	**1,267,149**	**1,223,449**
Economic Support Fund	1,967,509	-	811,399	811,399
Food for Peace Title II	112,549	-	-	-
Global Health Programs - State	250	-	-	-
Global Health Programs - USAID	69,660	-	-	-
International Military Education and Training	1,555	1,950	1,500	-450
International Narcotics Control and Law Enforcement	400,000	-	400,000	400,000
Nonproliferation, Antiterrorism, Demining and Related Programs	69,300	41,750	54,250	12,500

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Afghanistan	**2,620,823**	**2,327,462**	**2,505,020**	**177,558**
1 Peace and Security	**492,454**	**511,694**	**549,002**	**37,308**
Economic Support Fund	**256,099**	**338,362**	**332,871**	**-5,491**
1.4 Counter-Narcotics	66,000	75,000	65,000	-10,000
1.6 Conflict Mitigation and Reconciliation	190,099	263,362	267,871	4,509
International Military Education and Training	**1,555**	**1,950**	**1,500**	**-450**
1.3 Stabilization Operations and Security Sector Reform	1,555	1,950	1,500	-450
International Narcotics Control and Law Enforcement	**165,500**	**106,632**	**160,381**	**53,749**
1.4 Counter-Narcotics	165,500	106,632	160,381	53,749
Nonproliferation, Antiterrorism, Demining and	**69,300**	**64,750**	**54,250**	**-10,500**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Related Programs				
1.1 Counter-Terrorism	28,350	23,650	23,150	-500
1.2 Combating Weapons of Mass Destruction (WMD)	950	1,100	1,100	-
1.3 Stabilization Operations and Security Sector Reform	40,000	40,000	30,000	-10,000
2 Governing Justly and Democratically	**834,906**	**763,868**	**1,017,819**	**253,951**
Economic Support Fund	**600,406**	**546,500**	**578,200**	**31,700**
2.1 Rule of Law and Human Rights	23,856	31,000	31,500	500
2.2 Good Governance	472,341	435,500	447,200	11,700
2.3 Political Competition and Consensus-Building	17,840	37,000	64,300	27,300
2.4 Civil Society	86,369	43,000	35,200	-7,800
International Narcotics Control and Law Enforcement	**234,500**	**217,368**	**439,619**	**222,251**
2.1 Rule of Law and Human Rights	234,500	217,368	439,619	222,251
3 Investing in People	**308,099**	**341,500**	**288,799**	**-52,701**
Economic Support Fund	**236,312**	**341,500**	**288,799**	**-52,701**
3.1 Health	90,642	181,500	168,799	-12,701
3.2 Education	95,000	138,000	98,000	-40,000
3.3 Social and Economic Services and Protection for Vulnerable Populations	50,670	22,000	22,000	-
Food for Peace Title II	**1,877**	**-**	**-**	**-**
3.1 Health	1,877	-	-	-
Global Health Programs - State	**250**	**-**	**-**	**-**
3.1 Health	250	-	-	-
Global Health Programs - USAID	**69,660**	**-**	**-**	**-**
3.1 Health	69,660	-	-	-
4 Economic Growth	**875,865**	**710,400**	**649,400**	**-61,000**
Economic Support Fund	**874,692**	**710,400**	**649,400**	**-61,000**
4.1 Macroeconomic Foundation for Growth	8,200	35,750	36,250	500
4.2 Trade and Investment	21,580	31,650	36,600	4,950
4.3 Financial Sector	2,050	4,000	14,000	10,000
4.4 Infrastructure	678,347	416,300	375,700	-40,600
4.5 Agriculture	83,290	109,800	104,100	-5,700
4.6 Private Sector Competitiveness	57,925	83,950	61,900	-22,050
4.7 Economic Opportunity	18,300	26,950	20,850	-6,100
4.8 Environment	5,000	2,000	-	-2,000
Food for Peace Title II	**1,173**	**-**	**-**	**-**
4.5 Agriculture	1,173	-	-	-
5 Humanitarian Assistance	**109,499**	**-**	**-**	**-**
Food for Peace Title II	**109,499**	**-**	**-**	**-**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
5.1 Protection, Assistance and Solutions	108,913	-	-	-
5.2 Disaster Readiness	586	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Afghanistan	**2,620,823**	**2,327,462**	**2,505,020**	**177,558**
1 Peace and Security	**492,454**	**511,694**	**549,002**	**37,308**
1.1 Counter-Terrorism	28,350	23,650	23,150	-500
1.2 Combating Weapons of Mass Destruction (WMD)	950	1,100	1,100	-
1.3 Stabilization Operations and Security Sector Reform	41,555	41,950	31,500	-10,450
1.4 Counter-Narcotics	231,500	181,632	225,381	43,749
1.6 Conflict Mitigation and Reconciliation	190,099	263,362	267,871	4,509
2 Governing Justly and Democratically	**834,906**	**763,868**	**1,017,819**	**253,951**
2.1 Rule of Law and Human Rights	258,356	248,368	471,119	222,751
2.2 Good Governance	472,341	435,500	447,200	11,700
2.3 Political Competition and Consensus-Building	17,840	37,000	64,300	27,300
2.4 Civil Society	86,369	43,000	35,200	-7,800
3 Investing in People	**308,099**	**341,500**	**288,799**	**-52,701**
3.1 Health	162,429	181,500	168,799	-12,701
3.2 Education	95,000	138,000	98,000	-40,000
3.3 Social and Economic Services and Protection for Vulnerable Populations	50,670	22,000	22,000	-
4 Economic Growth	**875,865**	**710,400**	**649,400**	**-61,000**
4.1 Macroeconomic Foundation for Growth	8,200	35,750	36,250	500
4.2 Trade and Investment	21,580	31,650	36,600	4,950
4.3 Financial Sector	2,050	4,000	14,000	10,000
4.4 Infrastructure	678,347	416,300	375,700	-40,600
4.5 Agriculture	84,463	109,800	104,100	-5,700
4.6 Private Sector Competitiveness	57,925	83,950	61,900	-22,050
4.7 Economic Opportunity	18,300	26,950	20,850	-6,100
4.8 Environment	5,000	2,000	-	-2,000
5 Humanitarian Assistance	**109,499**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	108,913	-	-	-
5.2 Disaster Readiness	586	-	-	-
of which: Objective 6	**79,451**	**-**	**208,916**	**208,916**
6.1 Program Design and Learning	28,634	-	52,300	52,300
6.2 Administration and Oversight	50,817	-	156,616	156,616

Peace and Security

The ability of Afghan forces to credibly assume various security roles and control restive provinces as international troops draw down will be critical to the success of transition and the long term stability of Afghanistan. The Department of State will supplement major military training efforts with specialized training and services for Afghan forces including a focus on counternarcotics and border security.

International Military Education and Training (IMET): The IMET program is a key component of the leadership development and professionalization of the Afghan National Army (ANA). Strong leaders, developed over the course of time through IMET-funded professional military education programs, ensure the success of near-term efforts to build an enduring Afghan National Security Force (ANSF). In FY 2013, IMET programs will continue to contribute to regional stability through effective, mutually beneficial military-to-military relations that culminate in increased understanding and defense cooperation between the United States and foreign countries. FY 2013 IMET programs will inculcate basic democratic values, including the protection of internationally-recognized human rights, among Afghan national military and civilian personnel. This programming will support English language training, senior noncommissioned officer leadership development, junior officer basic leadership, Captains Career Courses, Intermediate Level Education for mid-grade officers, and senior level service colleges.

International Narcotics Control and Law Enforcement (INCLE): The United States will support transition through the continuation of its comprehensive program to address counternarcotics production and trafficking in Afghanistan. FY 2013 funds will continue to finance operations and maintenance support to the Counternarcotics Police of Afghanistan (CNPA) including facilities maintenance, salary supplements, basic provisions, and mentoring. The United States will continue to train and mentor CNPA vetted teams and provincial drug enforcement units sponsored by the U.S. Drug Enforcement Administration. The United States will continue a broad capacity building effort for the Ministry of Counter Narcotics. Assistance will help the ministry further develop and manage drug policy including regional cooperation, implementing incentive-based provincial programs such as the Good Performers Initiative (GPI), promoting provincial poppy reduction with Governor Led Eradication, and improving public information programs. Both the GPI and interdiction programs have a significant role in reducing the cultivation of illicit crops and the trafficking of drugs, which fund the insurgency and are most prevalent in the insecure provinces where the footprint of the U.S. military is most substantial. The Department of State will also work with Afghan authorities to mitigate the social impact of drug use through public outreach, improved addiction prevention and treatment programs, and drug demand reduction initiatives. Funds will also be used to pay for additional program management and oversight requirements in Afghanistan, and other allowable administrative costs including aviation support, operations and maintenance, transportation, and personnel recruitment and training.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR):

- Counterterrorism: In FY 2013, the U.S. Government will continue work to build the capacity of Afghan security forces to protect public officials with a major emphasis on sustainability. U.S. assistance will improve the sustainability of the Afghan Presidential Protective Service (PPS) by continuing to develop a corps of nearly 500 PPS instructors. Training for the PPS will continue to wind down during FY 2013, although one U.S. embedded advisor will remain with the agency through 2013. The focus of the program will shift to the Afghan Department of Protection and Security for High Level Persons (D-10) and establishment of a 24-person Crisis Response Team (CRT) within the Kabul City Police. The CRT will be trained to respond to attacks on national government and local government facilities in their jurisdiction, such as those experienced in 2009 and 2010. With FY 2013 funding, the program will help the government protect a wider array of Afghan Government officials and empower civilian law enforcement to protect strategic interests and

installations including foreign embassies against transnational terrorism. The program will help preserve the lives and safety of the President of Afghanistan, high-ranking Afghan government officials, and the general public. Activities include numerous specialized training sessions and intensive capacity building to ensure skill retention and achieve self-sufficiency by 2014.

- Combating Weapons of Mass Destruction: In FY 2013, the U.S. Export Control and Related Border Security Assistance (EXBS) Program will continue to provide essential support to GIRoA through targeted enforcement training, equipment donations, and infrastructure improvements. This multifaceted approach will result in an upgraded security structure at major border crossing points and throughout Afghanistan. In addition, advisors will help ensure the recently drafted Afghan Nuclear Law and the Afghan Strategic Goods Law will be introduced to the Afghan Parliament for consideration. The program will also assist the Afghan High Commission on Nuclear Energy (AHCNE) in establishing an Afghan Nuclear Regulatory Agency capable of inspecting and monitoring nuclear sources within Afghanistan. Once the new agency is established, EXBS will work with AHCNE and the International Atomic Energy Agency (IAEA) to provide training and equipment.

- Stabilization Operations: As of November 2011, the United Nations Mine Action Programme of Afghanistan (MAPA) reported that there are 4,563 hazard areas affecting 593 square kilometers and 1,980 Afghan communities. The U.S. Weapons Removal and Abatement Program works to reduce the number of hazardous areas and mitigate the impact of mines and unexploded ordnance on the Afghan people. The program contributes to transition objectives by protecting victims of conflict and enabling critical reconstruction projects. The program also contributes to counterinsurgency goals by expanding ties and trust with local populations through community-based demining activities. In FY 2011, the Weapons Removal and Abatement Program cleared approximately 48 square kilometers of contaminated land, collected and disposed of approximately 578 anti-tank and 9,455 anti-personnel landmines, and destroyed approximately 235,763 pieces of unexploded ordnance. Mine clearing and weapons destruction operations are closely aligned with MAPA priorities and coordinated through the Voluntary Trust Fund for Mine Action with other donor activities. In addition, the program supports rehabilitation programs and vocational training for accident victims to enhance their livelihoods and to improve the socio-economic status of their families. FY 2013 funds will continue to support the removal of various explosive remnants of war and survivor assistance programs, with increased emphasis on the development of host nation capacity to ensure sustainability.

Governing Justly and Democratically

As security responsibilities transition from the International Security Assistance Force (ISAF) to GIRoA by the end of 2014, the U.S. Government must ensure that its governance programs directly support the transition. The goal is to increase the number of Afghans who view the state as legitimate and at least minimally effective at providing essential services and organizing the functions of the state. Presidential elections in 2014 must adhere to the Constitution and be credible and inclusive. Key checks and balances and independent institutions need to be strengthened. The goal is to lay sustainable groundwork for GIRoA to govern and provide basic services, including delivery of justice, to the population in an accountable manner.

The transition of security responsibility and accompanying drawdown of international military forces will coincide with a time of critical political development in Afghanistan. Governance programming will be calibrated to address these factors, focusing on the most sustainable and cost-effective priorities including support to ensure credible and inclusive presidential elections; strengthening independent institutions (including the Parliament, political parties, Independent Election Commission, judicial system, and civil

society); and strengthening GIRoA capacity to deliver basic services. Particular attention will be paid to reinforcing governance links between provincial-level government entities receiving central government funds and the district and sub-district levels, where service delivery takes place and counterinsurgency efforts have the most traction.

Economic Support Fund (ESF):

- Rule of Law and Human Rights: Formal and informal justice mechanisms will receive assistance focused on resolving disputes that fuel economic and political instability. Support to the formal justice sector will focus on strengthening the human and institutional capacity of the Supreme Court and law schools. A sound legal education system is essential for training and equipping the next generation of rule of law reformers. Support to informal justice mechanisms is essential to providing effective conflict resolution mechanisms at the local level. Geographically, these efforts focus on key terrain and other priority districts. In addition, programs will raise legal and civil rights awareness among the Afghan population through outreach activities and targeted training programs, with a focus on building gender equality and the capacity of organizations that support women's rights. Assistance will support the training and development of Afghan civil society organizations that focus on human rights, such as the Afghan Independent Human Rights Commission, as well as other civil society organizations.

- Good Governance: The United States will focus efforts on making formal and traditional governance structures sustainable by improving their representativeness and effectiveness. Programs will include work to strengthen financial, administrative, and technical capacity of GIRoA institutions at both national and sub-national levels, and help to improve sub-national basic service delivery. In addition, funds will support the Civil Service Commission to develop the capacities of GIRoA line ministries at both national and sub-national levels and promote institutional reform. USAID will also continue institutional strengthening efforts with Parliament to aid that institution in developing its oversight, legislative, and outreach capacity.

- Political Competition and Consensus-Building: The United States will help Afghans explore options to strengthen their electoral system by sponsoring dialogues on various longer-term reforms to improve the responsiveness and representativeness of Afghan political institutions and processes. Other programs will provide training to political parties, issues-based coalitions, and political entities to participate more effectively in the Afghan political process and to be more responsive to constituent interests. Important voter and civic education programs will engage and inform the Afghan population about the importance of the democratic electoral and political process, as well as individual rights and responsibilities to participate in that process. These efforts will support OCO-funded activities planned for the 2014 presidential and 2015 parliamentary elections.

- Civil Society: In addition to strengthening governance capacity, a politically active civil society and an independent media are important to hold government accountable, advocate on behalf of citizens, and aggregate and publicize diverse views. Assistance will help sustain the legally-protected freedom to associate, express views publicly, and debate public policies openly. In these areas, programs will support civil society sector strengthening through building the capacity of Afghan civil society support centers that train and provide grants to non-governmental organization (NGOs) in their respective regions, increasing accountability, policy dialogue, monitoring and advocacy skills, and enabling more constructive engagement between civil society and government on citizen concerns. In addition, FY 2013 funds will support U.S. Embassy programs to increase Afghans' access to information, facilitate the involvement of civil society and women's groups in the political process and economic development, and support local media to amplify Afghan voices of tolerance and unity. Findings of external program evaluations undertaken of previous civil society, gender,

and media programs will promote greater effectiveness and targeting of future programming to strengthen democratic civic participation, media freedom, and the free flow of information.

International Narcotics Control and Law Enforcement (INCLE): The United States will implement a number of projects in this sector to expand access to justice, protect the rights of citizens, and improve the capacity of legal professionals. The FY 2013 Administration of Justice Program will focus on the promotion of civil society to create a demand for legal rights to ensure that the need for a strong security sector is balanced by government protection of individual rights, including the protection of at-risk populations, particularly women and children. The Justice Sector Support Program will continue training and mentoring programs on a nationwide basis, helping investigators, prosecutors, defense attorneys, and judges to more effectively administer the justice system, while also providing direct support to the Attorney General's Office, Ministry of Justice, Supreme Court, Ministry of Women's Affairs, and other justice organizations. Assistance to ministries will include support for salaries, infrastructure, and system integration. Programs will increasingly focus on building sustainability within Afghan justice institutions through a continuing program to develop organizational capacity for planning, financing, communication, and functionality at the national and provincial levels. Funds will also support protective services initiatives for women and children, including shelters, legal aid for indigent women, promotion of women's legal rights, and professional development programs for Afghan female justice practitioners. Funding will continue to support anti-corruption programs, judicial security, and counternarcotics justice programs. The Corrections System Support Program will continue to provide a broad array of assistance to the correctional sector including advice and training for officials at provincial prisons, inmate rehabilitation, infrastructure support, and initiatives for women and juveniles. Funding will support an embedded capacity building team at the Central Prison Directorate (CPD) headquarters to help develop effective policies to ensure a safe, secure, and humane Afghan corrections system. Salary support will be provided for the CPD through the Law and Order Trust Fund for Afghanistan (LOTFA). Other activities in FY 2013 will include study trips to U.S. correctional facilities and a variety of services for vulnerable inmate populations, including women and their children, and juveniles housed in Juvenile Rehabilitation Directorate facilities. Funds will also be used to pay for program management and oversight requirements in Afghanistan including aviation support, operations and maintenance, transportation, and personnel recruitment and training.

Investing in People

Efforts to strengthen Afghanistan's human capital will continue through targeted investments in health and education. As surveys of Afghan citizens demonstrate, when people have access to education and health care, they believe the country is headed in a positive direction. Thus, investments in health and education play a significant role in consolidating stabilization gains and are essential to unlocking human potential, directly contributing to elevated human development and supporting Afghanistan's broad-based, long-term economic growth.

In FY 2013, assistance will seek to sustain those impacts achieved by U.S. efforts to date in health and education, much of which directly benefits women. The U.S. Government will continue programs designed to strengthen the capacity of Afghan institutions to take increasing ownership for the delivery of functional and efficient health and education services, thus contributing to improved governance, lasting stability, and economic growth. Further, this assistance will build connections between the Afghan Government and the country's most vulnerable populations.

Economic Support Fund (ESF):

Health: With FY 2013 funds, USAID will continue working with the Ministry of Public Health (MOPH) to support the delivery of the Basic Package of Health Services (BPHS) and the Essential Package of Hospital Services (EPHS) in existing health facilities in 13 provinces through MOPH-contracted and

managed NGOs. Technical assistance will focus on strengthening the MOPH's capacity to oversee, manage, monitor, and evaluate its programs and to implement financial strategies and reforms that increase GIRoA funding for health and sustain the health care system over the long term.

The United States will work with Afghan health authorities to improve their capacity to deliver quality health services without the assistance of international contractors. Assistance will focus on improving the transparency of financial systems to increase efficiency, facilitating better planning processes, and expanding service monitoring. Programs will emphasize efficiency and sustainability in healthcare management and delivery. Activities will also promote partnerships between public and private sector healthcare providers, expanding access and sustainability.

- HIV/AIDS: Afghanistan will receive funding to support the national HIV/AIDS strategy and the goals of the President's Emergency Plan for AIDS Relief. With FY 2013 funds, U.S. assistance will continue to strengthen the capacity of the HIV and AIDS Coordination Committee of Afghanistan to plan and manage the national HIV/AIDS program. Resources will also support MOPH implementation of the National HIV and AIDS Strategic Framework to provide most at-risk populations with prevention, testing, and counseling services.

- Tuberculosis (TB): In the area of TB control, U.S. funds will support the training of health workers at primary health facilities on TB education, diagnosis, and treatment to support the Directly Observed Treatment, Short-course (DOTS) protocol included in the BPHS. Community health workers will also be trained in the implementation of community-based DOTS.

- Other Public Health Threats: With FY 2013 funds, the United States will assist the MOPH to further strengthen key health systems functions such as financing, procurement, and pharmaceutical management.

- Maternal and Child Health: With FY 2013 funds, the United States will continue support to the MOPH to maintain gains made thus far in increasing access to health care for women and children and to contribute to further reductions in maternal, child, and infant mortality. Resources will also be used to strengthen the capacity of the MOPH to monitor and maintain the quality of health services. Support will continue for the national polio surveillance system.

- Family Planning and Reproductive Health (FP/RH): The United States will continue to help the MOPH increase the availability of high-quality family planning and reproductive health services, strengthen outreach campaigns to change behavior, and implement programs to increase demand for FP/RH services. The program will also focus on increasing community involvement in, and support of, family planning services and post-partum family planning.

- Water and Sanitation: USAID will continue to support education and behavior-change interventions to promote clean water, sanitation, and hygiene practices at the community level.

- Nutrition: With FY 2013 funds, USAID will support the MOPH in improving the quality of nutrition-related services within the BPHS and EPHS, including exclusive breastfeeding, vitamin-A supplementation, diagnosis and treatment of anemia, micronutrient supplementation, zinc supplementation for children with diarrhea, and promotion of nutrient-rich foods.

Education:

- Basic Education: FY 2013 funds will be used to consolidate gains made to date in education and to help Afghanistan identify ways to sustain the system. The United States will invest through on- and off-budget programs to improve educational governance and gender issues, as well as management

and policy development and implementation within the Ministry of Education (MOE). On-budget assistance to the MOE for teacher training will support interventions to increase the linkages between pre-service and in-service (continuing) education programs, as well as continue support for accelerated learning and other interventions that increase the number of women in the teaching force. FY 2013 funds will also support community-based education to ensure that remote and underserved areas are able to offer children access to primary education. USAID will also support programs to improve literacy and skills for women who have not had previous access to education.

- Higher Education: The United States will invest in higher educational programs to develop human capacity for the labor market and generate employment opportunities to spur economic growth. USAID will focus on developing strong technical/vocational institutes and training centers in key sectors and on improving the institutional capacity at universities, technical/vocational training centers, and the Ministry of Higher Education (MOHE) to address areas including governance and gender issues, curriculum revision, quality assurance, accreditation standards, and improved management and policy. The U.S. Embassy will continue to support quality higher education and improved pedagogy with expanded scholarship opportunities, university linkages, and English language teaching programs.

Economic Growth

Sustained economic growth will be a key factor in consolidating and maintaining stability at the national and local levels in Afghanistan. The focus of these programs will be to seek gains in employment, income, and food security for Afghanistan's people. The recently revised Economic Strategy for Afghanistan helps guide U.S. efforts and recognizes economic growth as a key foundation for stability providing alternatives to the insurgency. FY 2013 investments in the economic growth sector will focus on five priority areas necessary to achieve stability and critical transition goals: (1) creating jobs in the private sector; (2) improving the environment for business and investment; (3) assistance to viable sectors of the economy including agriculture and extractives; (4) commercializing government services that support growth; and (5) assisting the government in achieving fiscal sustainability.

<u>Economic Support Fund (ESF):</u>

- Macroeconomic Foundation for Growth: The U.S. Government will provide technical assistance to ministries that undertake management of the economy. Programs will focus on building Afghanistan's capacity to develop and implement sound economic and regulatory policies and to improve the enabling environment that is necessary to increase the role of the licit private sector in sustaining Afghanistan's future growth. Assistance programs will be designed to strengthen Afghanistan's management of public finances, particularly in revenue and expenditure management. Sustained attention on increasing fiscal accountability and transparency will be essential to private sector confidence in government management of the economy. Assistance will also support implementation of tax administration and customs reforms in Afghanistan's key provincial economic centers, diversifying Afghanistan's public revenue sources and improving prospects for achieving fiscal sustainability. U.S. assistance will offer programs to strengthen the Ministry of Finance's Fiscal Policy Unit to conduct macroeconomic forecasting critical to managing business-cycle volatility.

- Trade and Investment: Although private export growth has increased 30 percent annually since 2002, an increasing portion of Afghanistan's growth will have to be export-led to earn foreign exchange needed to increase government revenue and offset decreased international spending resulting from the security transition. U.S. assistance will advance Afghanistan's economic growth, trade, and investment by improving the conditions for international and cross-border trade and transit. U.S. assistance will help the Afghan Government and the private sector to realize the

advantages of greater regional and global trade linkages and export-oriented business development, and to reduce impediments affecting Afghanistan's trade and investment environment. The Afghanistan-Pakistan Transit Trade Agreement represents a major advance in trade facilitation that will spur increased investment along the infrastructure corridors leading into Pakistan. The FY 2013 program will continue support for trade policy liberalization, trade facilitation, customs reform, and public outreach on trade-related issues including WTO accession. In the agriculture sector, development programs will promote export and trade corridors, strengthen value chains, and work with farmers and traders to improve harvesting, packing, cooling, and shipping methods.

- Financial Sector: A vibrant and robust financial sector is critical to facilitate savings, investment, and payments for expanded trade and commerce. In FY 2013, U.S. assistance will continue programs designed to expand access to finance and financial services for small- and medium-sized enterprises and Afghan citizens. Assistance will be focused on legal and regulatory issues related to financial institutions, such as commercial banks, deposit-taking microfinance institutions and credit unions. U.S. assistance will support implementation of key financial sector laws, such as those covering mortgages, movable property, leasing, secured transactions, investor protection, and dispute resolution all of which will help increase access to finance by developing new financial products. Expansion of the availability of credit to small- and medium-scale commercial farmers and businesses that participate in the agricultural economy of Afghanistan is an essential component of this sector, and USAID will be encouraging the development of sustainable value chains that increase efficiencies, adopt new and appropriate technologies, and improve marketing or other activities that increase the overall competitiveness of the agricultural sector. FY 2013 assistance will also support business education and professional training programs for accountants, financial managers, and other skilled professionals that supply services supporting private sector-led growth.

- Infrastructure: In keeping with USAID's focus on sustainability, core funding will continue to focus on building Afghan capacity to operate and maintain constructed facilities. FY 2013 infrastructure programs will be closely coordinated with infrastructure projects funded by the Department of Defense and in many cases will provide technical training and capacity building to enable the Afghan Government to operate completed infrastructure projects effectively. In its core infrastructure programs, USAID will significantly expand commercialization efforts throughout major cities in the country by improving billing and collections for electricity services, and reducing systems losses to reduce operating costs. In concert with continued USAID support of GIRoA efforts to construct its own energy infrastructure, the resulting increase in revenues will allow the power utility to sustain its operations and expand service delivery. Funding will provide substantial technical assistance and training to Afghanistan counterparts to sustain physical infrastructure investments. Activities will continue to facilitate the corporate viability of Da Afghanistan Breshna Sherkat (DABS), the Afghan power utility.

  USAID will build on its success in helping improve DABS collections that is making the utility less dependent on general government budget subsidies and donor support. Assistance will also be provided to build capacity in the Ministry of Mines and the Ministry of Energy and Water to manage the development of their respective sectors. The result of these efforts will set the stage for the growth of the economy over the next several years. Smaller investments in renewable energy programs will support stabilization efforts by improving access to modest, clean energy supplies in off-grid communities to improve quality of life. These activities will result in increased opportunities for Afghan firms and greater local employment. Infrastructure-related funding will build the capacity of GIRoA to operate and maintain the infrastructure investments that have been made as well as strengthen cost recovery for the government. The United States will continue to support GIRoA in developing a sustainable mechanism to oversee road maintenance and construction by Afghan contractors and finance road operations and maintenance.

- Agriculture: The U.S. agricultural strategy in Afghanistan supports agricultural development through improved productivity, the promotion of high-value crops, agricultural and agribusiness training, and expansion of agricultural credit, including OCO-funded efforts in support of counternarcotics/alternative development. With FY 2013 resources, the U.S. Government will continue to promote Afghanistan's agriculture self-sufficiency and support a responsible and sustainable regime for managing natural resources. FY 2013 funds will continue to build the capacity of the Ministry of Agriculture, Irrigation, and Livestock (MAIL) to provide services at the national and sub-national levels. Assistance programs will work with the private sector to boost farm-level production and strengthen agricultural value chains, including the provision of improved inputs and private sector services. The U.S. Government will also work with MAIL to rehabilitate watersheds, facilitate technology transfer for water conservation, improve irrigation infrastructure, and strengthen agricultural research, extension, and education. Assistance programs will enhance capacity by training Afghans in key technical areas and institutionalize applied research and extension systems, increase the effectiveness of private sector partnerships in extension delivery, and develop and deploy productivity enhancing technologies and best practices. FY 2013 resources will support small grants for farmers and direct implementation, supporting long-term economic growth, with a specific objective of increasing women's access to credit and economic opportunities in the agricultural sector. The U.S. Mission will work with MAIL on developing a transition strategy for the provision of agricultural credit through the Agricultural Development Fund that will address the credit demand by small commercial farmers. The United States will also support U.S.-Afghanistan-Pakistan trilateral initiatives focusing on food security, agriculture trade corridors, and water management and watershed rehabilitation.

- Private Sector Competitiveness: The U.S Government will focus on strengthening the business-enabling environment in Afghanistan by helping GIRoA implement new commercial legislation to boost investment in Afghanistan and to deliver services. The continued development of an enduring and Afghan-owned and managed land market framework will encourage investment and productivity growth. As a result, the United States expects Afghanistan to continue making progress against the World Bank's Doing Business indicators, particularly in the area of protecting investors, getting credit and trading across borders. The United States will continue to provide business development services to small- and medium-sized enterprises and their supporting private sector institutions, advocate for policy reforms to eliminate barriers to establishing and sustaining successful businesses, support the development of local business infrastructure, facilitate public-private partnerships, support practical business training for private sector leaders, and facilitate internal and external market linkages for Afghan small- and medium-sized enterprises. U.S. assistance in support of private sector competitiveness is linked with agriculture and alternative development efforts to create a strong foundation for long-term agricultural development with the objective of developing profit-oriented, privately-owned enterprises that can provide the agricultural inputs, services, and market linkages that Afghan farmers need to transition to successful commercial agriculture. These activities will be implemented with a special emphasis on increasing women's entrepreneurship.

  U.S. assistance will also help build the capacity of business associations to enhance and expand services provided to their constituents. The United States will also continue working to develop small- and medium-sized enterprises in key sectors: construction, carpets, marble, gemstones, agribusiness, handicrafts, wool, and others. In collaboration with the Ministry of Education, FY 2013 assistance will support the development of the Afghan workforce by partnering with Afghan public- and private-sector organizations to improve access to and the quality of market-driven technical and vocational education and training within a national qualifications framework. The overarching goal of assistance will be to increase the number of job placements for target groups.

- Economic Opportunity: Access to finance, a critical component to expanding economic opportunities, is constrained by high risk, insufficient human capital, high costs, and poor infrastructure in Afghanistan. The United States will promote innovative technologies like "mobile money" as solutions to tough challenges and continue building the long-term foundations for sustainable, diverse, and inclusive financial systems, which will remove constraints on business expansion, thereby contributing to stability and transition efforts. FY 2013 assistance will support the design and provision of capital for new demand-driven products such as leasing, Sharia-compliant credit, agricultural loans, and value-chain finance including the development of Sharia-compliant financial products for targeted lending to women. The United States will continue to focus on developing the commercial banking industry's capacity to provide a range of financial services to small- and medium-sized enterprises. FY 2013 assistance will also help build a sustainable, diverse, and inclusive financial sector that can meet the needs of micro, small, and medium enterprises throughout Afghanistan and generate quality employment, with a special focus on the agricultural sector. Activities will focus on creating "quick response" points of access to credit, while building a national-level foundation for a sustainable and inclusive financial system that will expand access to enterprises across the country. Increased assistance will be provided to the expansion of mobile money technology that extends the reach of the financial sector and provides financial services to the unbanked.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The U.S. Embassy's Coordinating Director for Development and Economic Affairs (CDDEA) maintains a strong link with key leaders and staff within USAID, ISAF, and U.S. Forces - Afghanistan (USFOR-A) sharing concerns and best practices related to acquisitions accountability, particularly focused on oversight and management, acquisition project coordination and de-confliction, ensuring that funds do not go to malign actors, as well as maintaining a joint counterinsurgency acquisition strategy. CDDEA also ensures U.S. Embassy participation with the counterinsurgency contracting activity of USFOR-A's Task Force 2010 which performs anti-corruption and anti-terrorism vendor vetting, award oversight, and acquisition information management. Over the past year, USAID/Afghanistan initiated or completed ten performance project evaluations, plus ten additional assessments and project designs across all sectors. In addition, USAID and the Department of State conducted a comprehensive review of assistance programs in coordination with GIRoA to ensure alignment with U.S. and Afghan policy and development goals. Program fiscal reviews were also conducted to ensure effective management of pipelines and expenditures and to help determine whether procurement plans were being fulfilled.

USAID has strengthened its monitoring and evaluation capacity by expanding the Monitoring and Evaluation (M&E) Unit within the Office of Program and Project Development. This M&E Unit supports the implementation of all M&E activities and the implementation of the approved Mission Performance Management Plan (PMP). The results of the M&E activities are being used for programmatic and budget decisions, as described under section II.

Additionally, USAID has instituted the On-Site Monitors (OSMs) program, which identifies field staff at Regional Platforms to act as the "eyes and ears" of project management personnel in Kabul. OSMs are responsible for providing program and implementation oversight of activities in their area of responsibility; reporting implementation issues and recommending alternative courses of actions to the Contracting Officers Technical Representative (COTR); and facilitating communication between the U.S. Government and implementing partners, or local stakeholders. OSMs assist USAID by conducting regular project monitoring, including site visits, and preparing monitoring reports.

Similarly, the Department of State's Bureau of International Narcotics and Law Enforcement's (INL) oversight responsibilities will increase as programs are transitioned to GIRoA and focus shifts to building GIRoA capacity. INL is increasing its oversight by up to 25 Government Technical Monitors (GTMs) and Contracting Officers Representatives (CORs) to help oversee its programs and contracts. INL currently has 14 CORs/GTMs on contract, another 9 in the contracting process, and is actively recruiting for the remaining approved positions. It anticipates having the full complement of CORs/GTMs by mid-2012.

Stabilization programming will be designed, implemented and evaluated with the benefit of data and analysis from the Measuring Impact of Stabilization Initiatives (MISTI) program. The three-year program will: (1) provide independent monitoring, evaluation, and impact assessment of USAID stabilization activities; (2) collect, synthesize, and analyze data from the sub-district to national levels to identify drivers of stabilization outcomes and track higher-order stabilization trends, helping to shape U.S. Government and GIRoA policy and practice related to transition; and (3) contribute to the larger body of knowledge on best practices and lessons learned related to the design, implementation, and assessment of stabilization activities within a counterinsurgency context.

Additionally, USAID will continue to implement USAID Forward in Afghanistan, focusing on delivering results that matter for the Afghan people. This will include streamlining processes, additional monitoring and evaluation activities, innovation, and enhanced management. While Afghanistan is one of the most challenging environments in which the USAID operates, these reforms will enable USAID activities to be that much more effective.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: As mentioned above, ten project evaluations plus ten additional assessments were initiated and/or completed by USAID over the past year, which provided a series of findings and recommendations to be used for programmatic and budget decisions. Below are some examples of the results derived from these activities which resulted in modifications to programs, discontinuation of components/activities, designs of follow-on programs, institution of new procedures, among others.

Economic Growth and Governance Initiative (EGGI): A rapid assessment was conducted in February 2011. According to this assessment, EGGI achieved success in the area of training budget units to implement program budgeting, but the lack of a policy framework resulted in marginal tangible results. The program is working with the government to improve its policy framework and additionally has reduced monthly costs by transitioning from expatriate to Afghan staff including a new Afghan Deputy Chief of Party.

Project Evaluations for Health Projects: BASIC, Tech Serve, and Health Service Support Project (HSSP): The results of the fourth quarter 2011 evaluation will be used to help design one of two new health projects. Program management has decided to consolidate and decrease management units. Because of the intention to narrow and focus management units as well as declining budget levels in out-years, the results/lessons learned from the evaluation will be used to prioritize interventions using 2012-2015 funding.

Afghanistan Vouchers for Increased Production (AVIPA) Plus: USAID conducted a review of AVIPA during May-July 2011 to identify which areas (both geographically and by sectors) needed further support (what type) and which areas are ready to transition from stabilization to development and what should be included in future USAID support packages to those areas. This evaluation also looked at the potential mechanisms for implementation and the recommendations helped to shape the design of the new Regional Agricultural Development Programs.

Afghanistan Small and Medium Enterprise Development Project (ASMED) and Construction Value Chain (CVC) Assessment: The evaluations conducted in May-August 2011 provided feedback and recommendations for the design of ASMED's follow on project. The overall conclusion of ASMED evaluation was that the project has been highly effective in stimulating the private sector to accelerate economic growth. Both the ASMED evaluation and the CVC assessment provided productive findings and recommendations to be incorporated in the design of a new project, ABADE. Using the results of the evaluation and assessment, the focus of ABADE will be in sectors that create more jobs and are more economic growth driven.

Ambassador's Small Grants Program to Support Gender Equality in Afghanistan (ASGP): The evaluation conducted in July 2011 assessed the effectiveness of ASGP's support for women-focused civil society organizations. The results from the evaluation will inform the development of new gender programs.

Relating Past Performance to FY 2013 Plans: The lessons learned and recommendations and findings from the different valuations and assessments undertaken in 2011 provided valuable information for management decisions in terms of program impact, changes to be made to current and future programming, and shifts in the levels of funding requested.

The U.S. Mission also conducted an extensive mission-wide portfolio review in January 2012. This sector-by-sector, project-by-project review examined the performance, strategic alignment, and sustainability of the entire U.S. assistance program in Afghanistan. The expected results of this review are to have a manageable, achievable, and focused portfolio that aligns with U.S. and GIRoA objectives. This internal review will be followed by extensive joint reviews with GIRoA planned for February 2012.

Bangladesh

Foreign Assistance Program Overview

Bangladesh is the fourth most populous Muslim country in the world, and a strong U.S. ally that continues to make progress toward a more prosperous and democratic society. In FY 2013, U.S. foreign assistance will continue to foster robust engagement with the Government of Bangladesh (GOB). Assistance will complement support from other donors to address the underlying social, demographic, and economic factors that threaten democratic governance, stifle economic growth, and increase vulnerability to extremism in Bangladesh. Despite advancements made in previous years, more than 31.5 percent of the population still lives in extreme poverty and the country faces major vulnerabilities in the areas of food security, corruption, and potential terrorist exploitation by extremist groups. These challenges are compounded by the fact that Bangladesh is one of the most densely populated countries in the world.

In FY 2013, the United States will build on previous gains to further reduce poverty and food insecurity, improve health and education, mitigate the impact of frequent natural disasters, and achieve more effective governance in order to foster equitable and sustainable growth. A substantial portion of FY 2013 U.S. assistance will be allocated among three Presidential Initiatives: the Global Health Initiative (GHI), Feed the Future (FTF), and the Global Climate Change Initiative (GCCI). Bangladesh is a key strategic partner in South Asia and the country's efforts at reform, development, and security are vital to regional and global stability.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**190,701**	**200,076**	**199,489**	**-587**
Development Assistance	79,286	81,686	86,000	4,314
Food for Peace Title II	43,056	42,000	42,000	-
Foreign Military Financing	2,957	1,500	1,650	150
Global Health Programs - USAID	61,483	69,600	64,900	-4,700
International Military Education and Training	994	950	900	-50
International Narcotics Control and Law Enforcement	350	674	674	-
Nonproliferation, Antiterrorism, Demining and Related Programs	2,575	3,666	3,365	-301

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Bangladesh	**190,701**	**200,076**	**199,489**	**-587**
1 Peace and Security	**7,626**	**7,216**	**7,015**	**-201**
Development Assistance	**1,100**	**1,100**	**1,100**	**-**
1.5 Transnational Crime	1,100	1,100	1,100	-
Foreign Military Financing	**2,957**	**1,500**	**1,650**	**150**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.3 Stabilization Operations and Security Sector Reform	2,957	1,500	1,650	150
International Military Education and Training	**994**	**950**	**900**	**-50**
1.3 Stabilization Operations and Security Sector Reform	994	950	900	-50
Nonproliferation, Antiterrorism, Demining and Related Programs	**2,575**	**3,666**	**3,365**	**-301**
1.1 Counter-Terrorism	2,500	3,391	3,090	-301
1.2 Combating Weapons of Mass Destruction (WMD)	75	275	275	-
2 Governing Justly and Democratically	**12,530**	**5,760**	**12,854**	**7,094**
Development Assistance	**12,180**	**5,086**	**12,180**	**7,094**
2.1 Rule of Law and Human Rights	3,000	936	3,000	2,064
2.2 Good Governance	4,300	2,050	4,300	2,250
2.3 Political Competition and Consensus-Building	2,880	1,100	2,880	1,780
2.4 Civil Society	2,000	1,000	2,000	1,000
International Narcotics Control and Law Enforcement	**350**	**674**	**674**	**-**
2.1 Rule of Law and Human Rights	350	674	674	-
3 Investing in People	**88,081**	**100,100**	**91,400**	**-8,700**
Development Assistance	**4,000**	**6,000**	**2,000**	**-4,000**
3.1 Health	-	2,000	-	-2,000
3.2 Education	4,000	4,000	2,000	-2,000
Food for Peace Title II	**22,598**	**24,500**	**24,500**	**-**
3.1 Health	21,615	23,500	23,500	-
3.3 Social and Economic Services and Protection for Vulnerable Populations	983	1,000	1,000	-
Global Health Programs - USAID	**61,483**	**69,600**	**64,900**	**-4,700**
3.1 Health	61,483	69,600	64,900	-4,700
4 Economic Growth	**76,443**	**82,000**	**82,870**	**870**
Development Assistance	**61,706**	**69,500**	**70,370**	**870**
4.5 Agriculture	40,000	50,000	50,000	-
4.6 Private Sector Competitiveness	4,706	2,000	8,370	6,370
4.8 Environment	17,000	17,500	12,000	-5,500
Food for Peace Title II	**14,737**	**12,500**	**12,500**	**-**
4.5 Agriculture	14,737	12,500	12,500	-
5 Humanitarian Assistance	**6,021**	**5,000**	**5,350**	**350**
Development Assistance	**300**	**-**	**350**	**350**
5.2 Disaster Readiness	300	-	350	350
Food for Peace Title II	**5,721**	**5,000**	**5,000**	**-**
5.1 Protection, Assistance and Solutions	1,791	-	-	-
5.2 Disaster Readiness	3,930	5,000	5,000	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Bangladesh	**190,701**	**200,076**	**199,489**	**-587**
1 Peace and Security	**7,626**	**7,216**	**7,015**	**-201**
1.1 Counter-Terrorism	2,500	3,391	3,090	-301
1.2 Combating Weapons of Mass Destruction (WMD)	75	275	275	-
1.3 Stabilization Operations and Security Sector Reform	3,951	2,450	2,550	100
1.5 Transnational Crime	1,100	1,100	1,100	-
2 Governing Justly and Democratically	**12,530**	**5,760**	**12,854**	**7,094**
2.1 Rule of Law and Human Rights	3,350	1,610	3,674	2,064
2.2 Good Governance	4,300	2,050	4,300	2,250
2.3 Political Competition and Consensus-Building	2,880	1,100	2,880	1,780
2.4 Civil Society	2,000	1,000	2,000	1,000
3 Investing in People	**88,081**	**100,100**	**91,400**	**-8,700**
3.1 Health	83,098	95,100	88,400	-6,700
3.2 Education	4,000	4,000	2,000	-2,000
3.3 Social and Economic Services and Protection for Vulnerable Populations	983	1,000	1,000	-
4 Economic Growth	**76,443**	**82,000**	**82,870**	**870**
4.5 Agriculture	54,737	62,500	62,500	-
4.6 Private Sector Competitiveness	4,706	2,000	8,370	6,370
4.8 Environment	17,000	17,500	12,000	-5,500
5 Humanitarian Assistance	**6,021**	**5,000**	**5,350**	**350**
5.1 Protection, Assistance and Solutions	1,791	-	-	-
5.2 Disaster Readiness	4,230	5,000	5,350	350
of which: Objective 6	**9,677**	**15**	**9,803**	**9,788**
6.1 Program Design and Learning	2,596	-	3,000	3,000
6.2 Administration and Oversight	7,081	15	6,803	6,788

Peace and Security

Extreme poverty, a history of political turbulence, poorly controlled borders, and loosely governed areas in remote regions continue to make Bangladesh vulnerable to extremism. In FY 2013 U.S. assistance will continue to support programs for Bangladeshi civilians, law enforcement, and military counterparts to build their capacity to monitor, detect, and prevent potential terrorism and major crimes, including trafficking in persons.

Foreign Military Financing (FMF): In FY 2013, FMF funds will enhance the capability of the Bangladesh military and Coast Guard to protect Bangladesh's land and maritime borders. This will address a current vulnerability towards terrorism and other transnational crime, as well as increase the GOB's presence in isolated areas.

International Military Education and Training (IMET): IMET assistance will build Bangladesh's capacity to mitigate the underlying causes of conflict and extremism, strengthen border and maritime security, and combat terrorism. With FY 2013 resources, training will also improve humanitarian response and peacekeeping operations, and promote cooperation between the U.S. Government and the GOB, among Bangladesh and its regional partners, and among Bangladeshi security agencies.

Nonproliferation, Anti-terrorism, De-mining and Related Programs (NADR): FY 2013 resources will strengthen the law enforcement and judicial sectors in Bangladesh by enhancing the capacity of Bangladeshi institutions to identify, investigate, and prosecute criminal cases resulting in the interdiction or disruption of terrorist financing and money-laundering activities. U.S. assistance, implemented by the Department of Justice, will help make it harder for transnational terrorists to use Bangladesh as a safe haven. In addition, the Department of State will fund and implement Antiterrorism Assistance (ATA) programs to build the capacity of Bangladeshi law enforcement agencies to deter, detect, and respond to terrorism incidents, with the aim of sustaining these capabilities within Bangladesh's police academy system. ATA trainings will focus on areas such as infrastructure protection, border security, critical incident response, and investigation. ATA will also promote Bangladeshi counterterrorism cooperation with regional partners against shared regional and international threats.

Development Assistance (DA): U.S. assistance will support activities to combat trafficking in persons that will strengthen the capacity of the GOB to enforce existing laws, prevent trafficking, and prosecute traffickers and unscrupulous recruiting agencies. Programs also will invest in awareness-raising campaigns and provide care and support for trafficking victims.

Governing Justly and Democratically

U.S. democracy and governance programs will further consolidate the democratic transition that began after the elections of December 2008. FY 2013 resources will support the rule of law, human rights, electoral and political processes, legislative strengthening, and decentralization programs. In FY 2013 USAID will also implement a new civil society program to strengthen the Bangladesh Elections Commission's capacity to conduct free and fair elections.

International Narcotics Control and Law Enforcement (INCLE): In FY 2013, INCLE funding will be used to provide training and operational support for prosecutorial and judicial reform. In collaboration with Bangladeshi experts and legislators, technical assistance will support improvements in the judicial sector, including but not limited to, substantive and procedural law and regulations governing the conduct of major crime prosecutions and adjudication, and police-prosecutor collaboration. An increased range of training programs will develop more professional and independent prosecutorial and judicial services.

Development Assistance (DA): U.S. assistance will consolidate Bangladesh's democratic transition by strengthening key political practices and institutions. In FY 2013, U.S. assistance will continue to strengthen the Parliament in Bangladesh as an effective institution of democratic representation and governance while also building the capacity of political parties. Activities to promote democratic local governance and effective service delivery will continue in FY 2013. USAID will evaluate the impact of its current anti-corruption program and design a follow-on program as appropriate. With FY 2013 funds, the United States will support civil society development, community leadership, and planning for the 2013/2014 general elections.

Investing in People

In a country with one of the highest population densities in the world, U.S. assistance supports family planning services for Bangladesh's constantly growing population of over 150 million. U.S. assistance also enables Bangladesh to address other critical health challenges, including high rates of maternal and child (under the age of five) mortality, one of the worst rates of tuberculosis in the world, and severe stunting and malnutrition among children. In FY 2013, health programs will continue offering basic services, including voluntary family planning, maternal and child health care, nutrition, tuberculosis treatment, and HIV/AIDS prevention. In addition, the U.S. assistance will build host country capacity in procurement reform, monitoring, research and technology, decentralization and health systems reform, and health care financing. Support will also increase civil society advocacy for transparency and accountability in health services. In the basic education sector, the United States will support early childhood learning initiatives that enable children to succeed in primary school. Across all program elements, the U.S. Government will conduct studies and analysis to test innovations, increase evidence-based interventions, and advance best practices to improve program performance.

Global Health Program (GHP): Assistance provided through the GHP accounts will support the goals and principles of GHI to achieve major improvements in health outcomes through sustainable approaches and increased country ownership. With FY 2013 GHP funds, USAID will continue to support maternal and child health, family planning, and nutrition, and fight HIV/AIDS and tuberculosis. U.S assistance will scale-up health activities and better align with the GOB's new health sector program. The U.S. Government will also increase harmonization, joint financing, and collaboration with other key donors in the health sector.

HIV/AIDS: Bangladesh will receive funding to support the national HIV/AIDS strategy and the goals of PEPFAR. USAID programs will continue providing quality HIV prevention services for at-risk populations. FY 2013 funds will increase GOB capacity to plan and manage the national program and will help keep HIV/AIDS prevalence below 5 percent among the at-risk group, and below 1 percent among the general population.

Tuberculosis (TB): Bangladesh has one of the highest rates of TB in the world, yet is on track to meet its Millennium Development Goal (MDG 6). With FY 2013 funds, strategic U.S. assistance, through USAID, will continue to strengthen GOB capacity to manage the Bangladesh TB Control Program for TB detection and treatment; increase public, non-government, and private sector collaboration on TB control; improve management of TB drug resistance; and strengthen integration of TB/HIV activities.

Maternal and Child Health (MCH): While Bangladesh is on track for meeting its Millennium Development Goals for Maternal and Child Health, more focused support is needed for low performing areas and pockets of the country where health problems persist. FY 2013 funds will help the GOB health system provide improved primary health services to women and children at the district and sub-district level. Service delivery programs supported by the U.S. Government will offer pregnancy and post-delivery check-ups, safe delivery, counseling on MCH care, expanded immunization services, and treatment for childhood illnesses. Activities also will include community mobilization to improve safe motherhood and newborn care in underserved areas and to expand adoption of simple proven interventions to reduce maternal and infant deaths. FY 2013 funds will also support a national behavior change strategy that partners with civil society on maternal health. Resources will expand the use of mobile phones to reach women with life-saving messages that reduce maternal and infant mortality and morbidity. FY 2013 funds will support the training of GOB birth attendants and provide them with low-cost kits to resuscitate infants within the first sixty seconds of birth – known as the "golden minute."

Family Planning and Reproductive Health (FP/RH): U.S. assistance will continue to ensure access to voluntary FP/RH services through the strengthening of health systems and service delivery programs in the public, non-government, and private sectors. Building on past successes, U.S. assistance will scale-up GOB on-line procurement and logistics management to improve efficiency, and expand marketing and distribution of contraceptives through the Bangladeshi private sector. USAID provides assistance to the GOB to improve access to long-acting and permanent methods of contraceptives and will scale-up this support to expand private sector and NGO providers. FY 2013 funds will also reduce unmet needs for family planning by purchasing selected contraceptives, reinvigorating behavior change and communication activities in FP/RH, and further improving access to quality services, particularly for the poor, in underserved, hard–to-reach areas.

Nutrition: USAID will implement new programs to prevent and manage maternal, infant, and young child malnutrition through community based programs that support the objectives of GHI and FTF. The United States will provide financial and technical support to the GOB's National Nutrition Service to mainstream nutrition into the health system. GHI and FTF will jointly scale-up evidence-based nutrition interventions in southern Bangladesh. These interventions include exclusive breastfeeding, proper infant feeding, and the promotion of homestead gardening for poor rural families who lack access to nutritious foods. The U.S. Government will send a technical advisor to the Bangladesh Institute of Public Health and Nutrition to reinvigorate messaging on achieving better nutrition. U.S. programs will also support local institutions to conduct operations research to improve nutritional interventions, such as the social marketing of a micronutrient powder.

Development Assistance: The United States will continue strengthening basic education in Bangladesh, not only because it is a prerequisite of development, but also because such investments mitigate the country's vulnerability to extremism.

Basic Education: Although the school enrollment rate in Bangladesh has improved, an alarmingly high dropout rate has virtually negated this achievement. FY 2013 funds will train teachers in student-oriented teaching methods to improve educational quality and bolster student's reading ability in order to reduce the number of dropouts. In order to improve school readiness, U.S. assistance will also offer pre-school opportunities. USAID will expand its assistance to the most vulnerable children from disadvantaged communities through the introduction of math, language, and science. FY 2013 funds will improve the GOB's capacity and management of community schools, which are generally religious in nature and outside the educational system overseen by the Ministry of Education.

Public Law 480 Title II (P.L. 480): The United States will address household-level food insecurity through a P.L. 480 non-emergency food assistance program. The program supports the poorest of the poor with food-for-work in seasonally food insecure areas for highly vulnerable people and food assistance for pregnant and lactating mothers and children under two. In FY 2013, over 500,000 families will receive food assistance under the P.L. 480 program. Programs will also focus on improving nutrition during the first 1,000 days of life in an effort to reduce stunting and wasting. As much as half the population lacks clean, safe drinking water and access to sanitation. U.S. assistance will help test for arsenic and other forms of contamination and improve access to safe water and sanitation.

Water Supply and Sanitation: In FY 2013, Food for Peace's (FFP) Title II Multi-Year Programs (MYAPs) in Bangladesh will continue to provide improved access to hygienic sanitation facilities and safe drinking water to target populations. USAID will rehabilitate existing and install new deep-tube wells in locations that lack safe drinking water sources. The program will collaborate with the GOB's Department of Public Health to improve awareness outreach on arsenic and various drinking water contamination issues and use the latest techniques to mitigate arsenic contamination in water. Additionally, there will be a focused

effort on collaboration with health programs to introduce a cohesive messaging campaign on proper hygiene and sanitation practices.

Nutrition: In FY 2013, FFP's MYAPs in Bangladesh will continue to addresses the nutrition concerns of women and children. FFP funding will focus on prevention and treatment of child malnutrition; expansion of integrated clinical health services; and improvement of household and community response to health and nutrition challenges. Programming will follow the Preventing Malnutrition in Children under 2 years of Age Approach (PM2A) and will target all pregnant mothers with children under two in the program areas. Using PM2A, the program will endeavor to improve the health and nutrition status of pregnant women and children under the age of two by improving access to community-based health and nutrition services, including supplementary family food rations. The program will align with and support the National Food Policy goal of ensuring a dependable food security system for all people of the country at all times and support the development of a National Food Policy from formulation to a Plan of Action.

Social and Economic Services: In FY 2013, FFP will continue its MYAPs in Bangladesh which will reduce food insecurity and increase resiliency among vulnerable rural households in southern Bangladesh and will work with stakeholders through an integrated approach to achieve improved household food security in targeted households. These programs will increase gender equity through income-generation activities and increased decision-making in the household and community. The program will endeavor to improve community response capabilities and preparedness to natural disasters and will support structural disaster mitigation measures such as maintenance of multi-purpose shelters. Non-structural mitigation measures will include raising public awareness on response, community preparedness, local level contingency planning, and social mobilization to minimize the impact of disasters on poor and vulnerable communities. Programs will work closely with the disaster management and emergency response division of the Ministry of Food and Disaster Management and several other line ministries and directorates through a steering committee established at the national level, while also partnering with non-government organizations.

Economic Growth

Despite notable growth in Bangladesh's economy over the past 20 years, extreme poverty continues to affect a large proportion of the population. Food security is a major concern and domestic crop production cannot meet demand. A growing population together with shrinking arable land due to climate change-induced land degradation and urbanization compounds this situation. USAID programs will increase food production and improve access to food among the poor; help the most vulnerable communities adapt to global climate change; and reduce poverty by removing barriers to growth in sectors of the economy that have the greatest benefit for the poor. U.S. assistance will also promote clean energy and encourage conservation and demand-side management of energy through changes in policy and law. To help preserve the environment, the United States will support a sustainable co-management approach in which the government and local communities work together to achieve sustainable management of natural resources.

Development Assistance (DA)**:** Through FTF, the U.S. Government will improve food policies and continue to increase agricultural productivity through the following methods: improved farming practices, new technology and research, infrastructure, crop diversification, trade, and increased consumption of nutritious food. FY 2013 funding will build upon programs that have already demonstrated significant impact. For example, with U.S. assistance in FY 2011, approximately 468,000 smallholder farmers adopted improved agronomic technologies. Specifically, USAID expanded the efficient use of fertilizer (Urea Deep Placement) to more than 244,000 hectares. USAID assistance was also responsible for increased sales across the horticulture, aquaculture and cereal sectors by $130 million and for the creation of 17,200 full-time jobs. Activities in FY 2013 will help increase employment and incomes, expand

livelihood opportunities for the poor, facilitate market linkages, and mitigate the effects of natural disasters on food security. As part of the FTF initiative, USAID will support the efforts of the GOB to implement the country-led comprehensive food security strategy that they have designed. These strategies aim to reduce hunger and increase economic growth through market-led agricultural development. Potential Accelerated Investment countries like Bangladesh will be reviewed annually to evaluate their eligibility for becoming Phase II countries, and thus, potentially significantly expanded investment levels.

USAID's environment program, traditionally focused on promoting biodiversity, will support the GCCI in ways that sustain biodiversity, enable communities affected by climate change to adapt to their new circumstances, and promote clean energy development. Proposed GCCI funding will include efforts through the Enhancing Capacity for Low Emission Development Strategies (ECLEDS) program to support the development and implementation of LEDS in Bangladesh.

Public Law 480 Title II (P.L. 480): P.L. 480 resources will help small farmers increase their food production and cash income by improving agricultural technology through innovations developed under FTF, expanding market facilities, providing on-farm demonstrations, and improving outreach to diversify food production, both for family consumption and for the domestic market. In addition, the P.L. 480 program will assist the poor and landless with off-farm income generating activities designed to ensure household-level food security. P.L. 480 programs have demonstrated impressive results in Bangladesh. In FY 2011, USAID provided training to more than 10,000 farmers through the P.L. 480 program to help increase their food production through home gardening and fish and poultry husbandry, increasing their incomes by 200 percent. With FY 2013 assistance, over 470,000 families will benefit from P.L. 480 economic growth activities.

Humanitarian Assistance

Natural disasters are an ever-present risk in Bangladesh with the potential to adversely affect the entire population. The poor and extreme poor often live in the hardest hit areas, and with 28 percent of the population living in coastal areas, their vulnerability to floods and cyclones is more pronounced. Any gains made in terms of increasing incomes, improving nutrition and increasing agricultural production – all factors that lead to household-level food security – could be washed away when a flood or cyclone hits. In addition to emergency response, U.S. assistance will support disaster risk management and disaster mitigation activities.

Development Assistance (DA): FY 2013 DA funds will complement P.L. 480-funded MYAPs. These programs are intended to transform the lives of women and men in some of the poorest and most marginalized districts of Bangladesh by reducing their vulnerability to food insecurity and increasing their resilience to natural disasters.

Public Law 480 Title II (P.L. 480): P.L. 480 resources in FY 2013 will prepare communities for disaster response and minimize the impact of natural disasters after they occur. Activities will target economically and socially disadvantaged communities and will focus on protecting lives and livelihoods through measures such as building flood barriers, strengthening early warning systems, and building a volunteer disaster response corps and disaster management committees.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Program Monitoring and Evaluation Activities: The U.S. Mission in Bangladesh informed its budget allocations and strategic planning by reviewing and preparing the annual Performance Plan and Report through which all U.S. Government agencies implementing foreign assistance review and report on prior performance and set targets for the upcoming year. Similarly, the Operational Plan sets the stage for the proposed allocation of programmatic activities for the upcoming fiscal year. In addition, USAID structured its request based on the completion of a five-year Country Development Cooperation Strategy which requires additional portfolio reviews to monitor progress toward strategic objectives. To help track performance and inform programmatic decision-making and resource allocation, USAID Bangladesh collects performance data using Performance Management Plans. All USAID Bangladesh performance data reported to Washington undergo data quality assessments (DQAs). The most recent DQAs were conducted in FY 2012.

USAID Bangladesh uses evaluations to measure project effectiveness, relevance, and efficiency, disclosing those findings to stakeholders, and using evaluation findings to inform resource allocation. In FY 2011, USAID conducted four evaluations covering Democracy and Governance, Humanitarian Assistance, and Maternal Child and Health. Below are examples of how the U.S. Mission utilized these evaluations to inform budget and planning decisions. In FY 2012, USAID will conduct one impact evaluation and four performance evaluations for the following programs: NGO Service Delivery, Actions for Combating Trafficking in Persons, Promoting Governance, Accountability, Transparency, and Integrity (PROGATI), Promoting Democratic Institutions and Practices, and the Integrated Protected Area Co-Management Program.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The Leaders of Influence (LOI) program evaluation provided invaluable insights for the design of the new Leadership Development Program. The evaluation showed that targeted leaders under LOI had been effective spokespersons and change agents for USAID's health, economic growth and other sector programs. However, the program had been less effective in promoting democracy and governance goals. Therefore, the design of the new Leadership Development Program includes an equal focus on promoting civic engagement and democratic principles by linking the leaders with current and future Democracy and Governance programs

Findings from the PROGATI Anti-Corruption project evaluation provided recommendations and guidance for the design of the follow-on program. For example, the evaluation recommended that the Mission maintain its cross-sector programming technique and continue to support the processes initiated under PROGATI for another three to four years in order to consolidate USAID investments made during the first phase of the program.

In FY 2011, the USAID Health Program commissioned an evaluation that is currently being used to design a new social marketing program. Findings from the Social Marketing Company (SMC) evaluation identified potential growth areas for social marketing of health and nutrition products. In addition, the evaluation showed that SMC has been moving steadily towards significant achievements in its efforts to improve cost recovery. In FY 2011, SMC recovered close to 80 percent of costs from sales income. However, the evaluation showed that SMC has reached a stage where far more stringent processes in decision-making are needed to guide future growth. USAID Bangladesh is incorporating the managerial and product transition recommendations from the evaluation into the new social marketing program.

Relating Past Performance to FY 2013 Plans: The Bangladesh Agricultural Transformation Strategy Assessment coupled with evaluations of past USAID/Bangladesh projects form the basis for the Mission's agriculture strategy which played a key role in informing the FY 2013 budget request for Bangladesh. In particular, the FY 2013 budget request was informed by an analysis that centered on: investment areas with the greatest potential (both impact and scalability); comparative advantage vis-à-vis other donors and the GOB, and geographical limitations or advantages. To this end, FY 2013 key investments in agriculture will be made on rice production intensification and agriculture diversification into high-value nutrient-dense products.

USAID/Bangladesh's FY 2013 investments in family planning, maternal, neonatal and child health respond directly to the objectives and strategic priorities of the GOB's Health, Population and Nutrition Sector Program. Importantly, the investments build on the success of previous USAID work and achievements. Resources provided in FY 2013 will balance the need to directly contribute to health service delivery with greater emphasis on a longer-term view of NGO capacity building and systems strengthening. This approach is informed by the key lesson learnt from USAID's previous service delivery project that showed that while cost recovery is an indication of progress towards sustainability, it is not conducive to reaching the poor and ultra-poor. Therefore, the focus of future USAID investments in these areas will be on diversifying and leveraging funding to service the poor and ultra-poor and overall capacity building.

An important result of USAID's past natural resource program will be the piloting of a co-management approach bringing the national government and communities together to manage natural resources. The model has proven successful due to the transfer of rights from the national government to the community and is important in sustainable protected area management. FY 2013 resources will build upon USAID's foundational investments in sound resource management and biodiversity conservation for the promotion of the co-management of resources in critical eco-systems. In contrast to previous USAID investments which were supporting a national network of protected areas, FY 2013 funds will be focused on three of the most critical fragile areas, the Sundarbans, the Southeastern coast and the Sylhet region in order to achieve the greatest impact from these resources.

India

Foreign Assistance Program Overview

As a dynamic and democratic global power, India has risen to become an increasingly significant international player as well as a vital partner of the United States, sharing many foreign policy goals in the region and serving as an important trading partner and source of investment. The U.S. Government has begun a transition to a new strategic assistance relationship with India, from one of donor-recipient to a true partnership, where both sides have something to offer. The United States is increasingly looking to India as a source of development innovations that can provide effective and sustainable solutions that address not only the needs of India's poor but also have the potential to improve the lives of those living in poverty globally. India's dramatic growth has lifted millions out of poverty. Much of this growth can be attributed to India's leadership and experience in developing products, processes, and service delivery models that benefit vulnerable populations. In FY 2013, the United States will work with the Government of India (GOI), private sector, and civil society to identify, pilot, and scale up cost-effective innovations and best practices in development in India with the potential for global impact. The India platform could serve as a new model for other emerging middle-income countries with significant pockets of poverty. India also faces both internal and external security challenges, and U.S. assistance continues to support its critical role as a leader in maintaining regional stability. In FY 2013, the United States will deepen cooperation on counterterrorism issues with both capacity building activities and policy dialogues.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**121,600**	**108,030**	**98,310**	**-9,720**
Development Assistance	26,500	18,500	15,500	-3,000
Food for Peace Title II	914	-	-	-
Global Health Programs - State	9,000	7,000	7,000	-
Global Health Programs - USAID	78,385	76,000	69,500	-6,500
International Military Education and Training	1,601	1,330	1,260	-70
Nonproliferation, Antiterrorism, Demining and Related Programs	5,200	5,200	5,050	-150

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
India	**121,600**	**108,030**	**98,310**	**-9,720**
1 Peace and Security	**6,801**	**6,530**	**6,310**	**-220**
International Military Education and Training	**1,601**	**1,330**	**1,260**	**-70**
1.3 Stabilization Operations and Security Sector Reform	1,601	1,330	1,260	-70
Nonproliferation, Antiterrorism, Demining and Related Programs	**5,200**	**5,200**	**5,050**	**-150**
1.1 Counter-Terrorism	4,500	4,500	4,050	-450

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.2 Combating Weapons of Mass Destruction (WMD)	700	700	1,000	300
3 Investing in People	**92,799**	**88,000**	**79,000**	**-9,000**
Development Assistance	**4,500**	**5,000**	**2,500**	**-2,500**
3.1 Health	1,000	1,000	-	-1,000
3.2 Education	3,500	4,000	2,500	-1,500
Food for Peace Title II	**914**	**-**	**-**	**-**
3.1 Health	914	-	-	-
Global Health Programs - State	**9,000**	**7,000**	**7,000**	**-**
3.1 Health	9,000	7,000	7,000	-
Global Health Programs - USAID	**78,385**	**76,000**	**69,500**	**-6,500**
3.1 Health	78,385	76,000	69,500	-6,500
4 Economic Growth	**22,000**	**13,500**	**13,000**	**-500**
Development Assistance	**22,000**	**13,500**	**13,000**	**-500**
4.5 Agriculture	8,000	4,000	4,000	-
4.6 Private Sector Competitiveness	1,000	-	-	-
4.7 Economic Opportunity	1,000	-	1,000	1,000
4.8 Environment	12,000	9,500	8,000	-1,500

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
India	**121,600**	**108,030**	**98,310**	**-9,720**
1 Peace and Security	**6,801**	**6,530**	**6,310**	**-220**
1.1 Counter-Terrorism	4,500	4,500	4,050	-450
1.2 Combating Weapons of Mass Destruction (WMD)	700	700	1,000	300
1.3 Stabilization Operations and Security Sector Reform	1,601	1,330	1,260	-70
3 Investing in People	**92,799**	**88,000**	**79,000**	**-9,000**
3.1 Health	89,299	84,000	76,500	-7,500
3.2 Education	3,500	4,000	2,500	-1,500
4 Economic Growth	**22,000**	**13,500**	**13,000**	**-500**
4.5 Agriculture	8,000	4,000	4,000	-
4.6 Private Sector Competitiveness	1,000	-	-	-
4.7 Economic Opportunity	1,000	-	1,000	1,000
4.8 Environment	12,000	9,500	8,000	-1,500
of which: Objective 6	**5,458**	**4,450**	**5,650**	**1,200**
6.1 Program Design and Learning	2,335	500	1,300	800
6.2 Administration and Oversight	3,123	3,950	4,350	400

Peace and Security

India has been the victim of attacks by international terrorist groups that are also hostile toward the United States. The Cabinet-level Homeland Security Dialogue and the Counterterrorism Cooperation Initiative Framework, launched as a part of the U.S.-India Strategic Dialogue, will enhance coordination between U.S. and Indian law enforcement authorities to protect both countries' citizens and interests. India possesses nuclear weapons, a robust and developing civil nuclear sector, advanced conventional capabilities, and rapidly growing chemical and biotechnology industries. Strengthening India's strategic trade control systems and building greater Indian conventional military capacity will create a stronger partner to address regional and global challenges.

International Military Education and Training (IMET): U.S. assistance will support training to enhance military professionalism and facilitate cooperation during joint exercises between the United States and India. This training will favorably impact India's military leadership, doctrinal developments, and perceptions of the United States, which are crucial to U.S. national security. Funding will support increased interoperability and understanding to ensure regional stability. The program, implemented by the Department of Defense, provides access and leverage for U.S. diplomatic, military, and regional objectives.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): Department of State programs will improve India's capabilities to counter terrorism, address terrorism financing, and prevent the proliferation of weapons of mass destruction (WMD). Counterterrorism training programs will build mutual trust, transparency, and credibility in order to find new ways to curb threats, prevent attacks, block funding sources, and bring terrorists to justice by partnering with Indian law-enforcement agencies. NADR funds will also support Antiterrorism Assistance (ATA) training for Indian law enforcement agencies, building the capacity of specific Indian law enforcement units to effectively respond to and mitigate crisis events, investigate terrorism-related incidents, and secure critical infrastructure. ATA activities will also assist the Indian government in promoting counterterrorism cooperation, particularly in border security, with regional partners. The export control and border security program will bring India's strategic trade control systems up to international standards to prevent the proliferation of WMD and related technologies.

Investing in People

India's ability to achieve sustainable growth and reduce poverty will depend on its capacity to reach the poorest of the poor and deliver crucial services, information, and opportunities to lift the bottom 40 percent of its population out of extreme poverty. U.S. assistance is increasingly focused on both influencing the GOI's development budgets and public policies, and working with the private sector to identify and develop the innovative tools, technologies, processes, and systems that will sustainably improve the health of vulnerable population. For example, U.S. health programs assist the implementation of the GOI's $12.5 billion National Rural Health Mission, the $2.5 billion National AIDS Control Program, and the $257 million Revised National Tuberculosis Control Program. USAID programs strengthen India's health institutions and improve related service delivery at national, state, and district levels. USAID will continue to shift resources to local institutions to achieve greater cost efficiencies, build local capacity and buy-in, and provide incentives to encourage innovation. U.S. assistance will promote capacity for research and innovations to develop and leverage new technologies and delivery systems to improve maternal, infant, child, and reproductive health, and control the spread of HIV/AIDS and tuberculosis (TB), especially by engaging with the private sector to find solutions to these health threats.

Global Health Programs (GHP): Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership. Funds will be used for interventions to improve quality maternal, newborn, and child health services; reproductive health services; and prevention,

care, and treatment services to populations at high risk for TB, HIV/AIDS, and polio. The U.S.-India Health Partnership Program will provide technical assistance to strengthen India's public and private-sector health care system, while improving access to integrated, quality care.

HIV/AIDs/Linkages with the PEPFAR: India will receive significant support to build partnerships to provide integrated prevention, care, and treatment programs throughout the country and to support orphans and vulnerable children. The Department of State, USAID, the U.S. Centers for Disease Control and Prevention, and the Department of Defense will jointly implement the HIV/AIDS program.

Tuberculosis: USAID will assist the GOI as the country addresses the global shift from the earlier target of 70 percent case detection toward universal case detection. USAID will fund technical assistance to the national TB program, focused on the country's seven poorest states, to sustain and improve the quality of the Directly Observed Treatment Short (DOTS) course strategy; expand services for diagnosis and treatment of multi-drug-resistant TB; strengthen linkages between TB and HIV/AIDS interventions; increase the involvement of private sector providers; improve infection control; and support vital operations research.

Maternal and Child Health: USAID will continue to work in the maternal, newborn, and child health arena to help India achieve Millennium Development Goals Four (reduce child mortality rate) and Five (improve maternal health). FY 2013 funding will support targeted technical assistance to the GOI's flagship national programs to strengthen capacity and service delivery in birth preparedness and maternity services, newborn and childcare, and immunizations. The program will also help the GOI to implement its strategy on water management to improve access to water and sanitation services for the urban poor.

India has seen a significant decline in its polio cases and is close to eradicating the crippling disease. Compared to 741 polio cases in 2009, India recorded just 42 cases in 2010 and only 1 case in 2011. With a U.S.-supported world class surveillance system and social mobilization activities in place as mainstays for polio control, India is poised to cover the last mile of eradication. The U.S. Government will play a key role in sustaining a national commitment to achieve full eradication, but this goal will require several more years of programming before it is achieved. To help India in its polio eradication efforts, U.S. assistance will support the GOI's National Polio Surveillance Project, which conducts high quality surveillance, provides technical advice for immunization activities, builds a network of volunteers to educate and mobilize communities, and strengthens laboratories. Support will also ensure communication and social mobilization activities continue to target and reach those most at risk, including migrants and other mobile populations.

Family Planning and Reproductive Health (FP/RH): USAID will utilize funding to expand access to high-quality, voluntary family planning services and information and reproductive health care in India. The program will encourage the GOI and state governments to adopt innovative reproductive health services to enhance the ability of couples to decide the number and spacing of births.

Development Assistance (DA): FY 2013 funding will be used to support innovations in literacy and to improve the quality of basic education in India.

Basic Education: The United States will continue to strengthen basic education in India and will support innovations in early grade reading. India has successfully attained 96 percent enrollment in the primary grades. However, the quality of education lags, with 52 percent of students in grade five not reading at a second grade level. USAID will work with public and private partners in India to catalyze innovations in early grade reading that address not only India's challenges, but can also be applied globally.

Economic Growth

India's enormous population and rapidly rising demand for energy has put an incredible strain on the environment, making it particularly vulnerable to climate change. Because India is the world's third largest emitter of greenhouse gases (GHGs), close U.S.-India cooperation on climate change, in terms of mitigation, adaptation, and sustainable landscapes, is a necessity. While India aims to develop an efficient and modern energy system to sustain its economic growth and social development, the country also strives to reduce its GHG emissions and other negative impacts on the environment. U.S. assistance will support partnerships that include U.S. firms to work together on innovations, energy efficiency, and sustainable forestry to accelerate India's transition to a high-performing, low-emission, climate-change resilient economy.

India's Green Revolution of the 1960s was a direct result of U.S.-India collaboration in agriculture and led to new advances, especially new crop varieties that saved millions of people from starvation. However, climate change, population pressure, and agricultural stagnation have threatened to undo such gains in agricultural productivity. In recognition of India's unique position as an emerging global power, the U.S. Government will collaborate with the public and private sectors to support transformational agricultural innovations such as: higher quality, pest-resistant seed production; higher yield crops; resource conserving growth methods; and innovations in harvesting and food distribution networks that will ultimately contribute to greater global food security.

Development Assistance (DA): USAID will help reduce India's GHG emissions and increase cooperation with the GOI and the private sector to plan for, develop, and deploy a full and innovative range of clean and energy-efficient technologies. Medium-term goals include improved energy efficiency, increased supply of renewable energy, and enhanced GHG mitigation planning. The program will also support India's efforts to mitigate and ultimately prevent deforestation and forest degradation. Regarding adaptation, the program will assist India on livelihood issues most likely to be impacted by climate change, such as improving access to water for domestic and agricultural use, and adapting agricultural practices to climate change. Proposed activities will support a lower emissions development pathway for India.

The United States and India's 60 year partnership in agricultural research has established a strong foundation for agricultural innovation in India. India is a "strategic partner" under the President's Feed the Future Initiative (FTF) because USAID activities, especially in research, innovations, and technology development, can have global impact. Innovations include products such as improved seeds, modern processes such as new management systems, and improved services such as capacity building and agribusiness linkages, including rural business hubs.

The ongoing Agriculture Innovations Partnership will combine the expertise of a consortium of U.S. institutions led by Cornell University with the Indian State Agricultural University system to develop and replicate demand-driven curricula in agriculture. A new public-private partnership will seek to develop 30 hubs in eastern India, and then to promote the adoption of agro-business hubs for agriculture growth globally, including in Africa. USAID will also provide resources to joint U.S.-Indian-third country consortia to address global food security issues.

Other economic growth programs will support platforms to identify, test, validate, and expand Indian development innovations for the most vulnerable and poorest in India and globally.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: All USAID projects are closely monitored through frequent site visits by technical and administrative officials. USAID completed the following evaluations during FY 2011:

1. USAID's Greenhouse Gas Pollution Prevention Project final evaluation revealed the positive gains achieved through introducing technologies and best practices to enhance the efficiency of India's coal-fired power plants and the promotion of alternative energy sources. The evaluation concluded that the project helped India avoid emitting 92.7 million tons of greenhouse gasses since 1994.

2. USAID's Partnership for Innovation and Knowledge in Agriculture final evaluation measured the impact, relevance, effectiveness, and efficiency of the program and concluded that its public-private partnerships instituted between 2008 and 2011 quickly attained scale, efficiently marshaled divergent expertise, and disseminated improved technologies and practices to small and marginal farmers. Some 240,000 farmers in India used new technologies and farm practices and almost uniformly increased yields and productivity. For the first time, small and marginal farmers in India realized 10-20 percent production surpluses over conventional practices.

3. The final evaluation of a USAID energy project confirmed that, as a direct result of the assistance provided, electricity losses in three pilot sites were reduced from an average of 53 percent to an average of 15 percent, a notable accomplishment and a significant efficiency improvement. The project improved billing and collection rates to 100 percent and transformer failures are now only 2 percent, compared to 10 percent prior to intervention. Customers in the agriculture sector, in particular, reported that their incomes increased up to 15 percent as a result of having more reliable and better quality power.

4. A family planning and reproductive health program's (the Avert project) final evaluation certified consistent increases in correct and consistent condom use among most at-risk populations for HIV/AIDS in the project's priority districts. The project also succeeded in developing a strong peer educator cadre to deliver behavior change communication messages and linked communities to HIV/AIDS prevention, care, support, and treatment services.

5. The evaluation of the USAID-funded World Health Organization (WHO) TB program confirmed that, without this assistance, the GOI's Revised National Tuberculosis Control Program would not have reached the targets of universal coverage, 70 percent case detection, and 85 percent cure of new smear positive cases.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Evaluation and sector assessment recommendations have influenced the design of new projects, budget allocation decisions, and programmatic choices, as illustrated below:

- The new HIV/AIDS Prevention Project (HAPP) incorporates recommendations from the evaluation of the Samastha HIV/AIDS prevention, care, and support program. Specifically, HAPP will demonstrate models of the prevention-to-care continuum by building the capacity of State AIDS Control Societies (SACS). HAPP will also build national and state level capacity by placing consultants at the SACS and the National AIDS Control Organization, providing technical assistance, and through partnership approaches with U.S. institutions.

- The evaluation of a USAID energy project highlighted the need to measure training outcomes (what people learned and how they used it) rather than outputs (number of people trained). The evaluation recommended all USAID training programs include methods of measuring knowledge gained, as well as follow-up mechanisms to see how the training was applied on the job. This recommendation is guiding the design of new USAID training/human capacity building programs.

Relating Past Performance to FY 2013 Plans: To evaluate FY 2011 programmatic and financial performance, USAID conducted in-depth portfolio reviews in November-December 2011. These reviews assessed FY 2011 performance in terms of outputs, outcomes, impact, and the status of financial pipelines. The conclusion of these reviews was that modestly funded U.S. foreign assistance programs in India can yield impressive and sustainable development results while also carrying out the President's global development agenda and supporting the goals of the U.S.-India Strategic Dialogue.

USAID/India is currently developing its new five-year strategy. With India as a development innovation lab, USAID and its partners will identify, pilot, and scale cost-effective innovations and best practices in India with the potential for global impact. This approach has the potential to serve as a new model for other emerging middle income countries with significant pockets of poverty. While the U.S. Government will continue its long partnership with the GOI, it will also work more collaboratively with a much wider range of partners – particularly private sector organizations. U.S. assistance is a powerful catalyst for the development of innovative models that can be scaled up with funds from the GOI, other donors, and the private sector to reduce poverty in India and globally.

Kazakhstan

Foreign Assistance Program Overview

The United States' strategic aim in Kazakhstan is to ensure and maintain the development of the country as a stable, secure, democratic, and prosperous partner that respects international standards and agreements, embraces free-market competition and the rule of law, and is a respected regional leader. Over the past 20 years, Kazakhstan has made significant progress toward these goals, and U.S. assistance has played an important supporting role.

For FY 2013, the United States will continue to focus assistance funds toward projects that support Kazakhstan's evolution into a stronger partner state, one that can play a greater role in promoting regional stability and economic integration. Support to strengthen the Government of Kazakhstan's (GOK) ability to combat illicit trafficking, terrorist activity, and other transnational threats will remain a top priority. Assistance will also focus on continued development of the judiciary in support of the rule of law, and the promotion of effective civil society input into, and media coverage of, national public policy debates and decisions. In addition, the United States will continue to help the GOK develop more effective health systems to control the spread of infectious diseases. The FY 2013 request will continue to facilitate regional cooperation in the electricity sector and assist Kazakhstan in reducing greenhouse gas intensity by stimulating investments in energy efficiency. In FY 2013, the jointly U.S.- and GOK-funded Program for Economic Development will continue to improve public-sector capacity and governance, promote economic diversification, support the development of small and medium-sized enterprises, and assist Kazakhstan's accession to the World Trade Organization (WTO). The GOK has indicated a willingness to extend its current commitment to contribute two dollars for every dollar contributed by the United States through the United States Agency for International Development (USAID) for the Program for Economic Development.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**17,567**	**18,785**	**14,900**	**-3,885**
Assistance for Europe, Eurasia and Central Asia	10,400	14,100	-	-14,100
Economic Support Fund	-	-	6,892	6,892
Foreign Military Financing	2,395	1,800	1,800	-
Global Health Programs - USAID	1,996	400	2,500	2,100
International Military Education and Training	876	785	707	-78
International Narcotics Control and Law Enforcement	-	-	1,471	1,471
Nonproliferation, Antiterrorism, Demining and Related Programs	1,900	1,700	1,530	-170

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Kazakhstan	**17,567**	**18,785**	**14,900**	**-3,885**
1 Peace and Security	**7,418**	**6,245**	**5,758**	**-487**
Assistance for Europe, Eurasia and Central Asia	**2,247**	**1,960**	**-**	**-1,960**
1.2 Combating Weapons of Mass Destruction (WMD)	50	100	-	-100
1.3 Stabilization Operations and Security Sector Reform	310	435	-	-435
1.4 Counter-Narcotics	670	685	-	-685
1.5 Transnational Crime	1,217	740	-	-740
Economic Support Fund	**-**	**-**	**250**	**250**
1.5 Transnational Crime	-	-	250	250
Foreign Military Financing	**2,395**	**1,800**	**1,800**	**-**
1.3 Stabilization Operations and Security Sector Reform	2,395	1,800	1,800	-
International Military Education and Training	**876**	**785**	**707**	**-78**
1.3 Stabilization Operations and Security Sector Reform	876	785	707	-78
International Narcotics Control and Law Enforcement	**-**	**-**	**1,471**	**1,471**
1.3 Stabilization Operations and Security Sector Reform	-	-	498	498
1.4 Counter-Narcotics	-	-	724	724
1.5 Transnational Crime	-	-	249	249
Nonproliferation, Antiterrorism, Demining and Related Programs	**1,900**	**1,700**	**1,530**	**-170**
1.1 Counter-Terrorism	500	500	450	-50
1.2 Combating Weapons of Mass Destruction (WMD)	1,400	1,200	1,080	-120
2 Governing Justly and Democratically	**3,811**	**3,760**	**2,742**	**-1,018**
Assistance for Europe, Eurasia and Central Asia	**3,811**	**3,760**	**-**	**-3,760**
2.1 Rule of Law and Human Rights	1,045	1,300	-	-1,300
2.2 Good Governance	114	-	-	-
2.3 Political Competition and Consensus-Building	693	-	-	-
2.4 Civil Society	1,959	2,460	-	-2,460
Economic Support Fund	**-**	**-**	**2,742**	**2,742**
2.1 Rule of Law and Human Rights	-	-	1,100	1,100
2.4 Civil Society	-	-	1,642	1,642
3 Investing in People	**3,829**	**1,500**	**2,500**	**1,000**
Assistance for Europe, Eurasia and Central Asia	**1,833**	**1,100**	**-**	**-1,100**
3.1 Health	1,833	1,100	-	-1,100
Global Health Programs - USAID	**1,996**	**400**	**2,500**	**2,100**
3.1 Health	1,996	400	2,500	2,100
4 Economic Growth	**2,509**	**7,280**	**3,900**	**-3,380**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Assistance for Europe, Eurasia and Central Asia	**2,509**	**7,280**	**-**	**-7,280**
4.1 Macroeconomic Foundation for Growth	506	1,380	-	-1,380
4.2 Trade and Investment	730	234	-	-234
4.3 Financial Sector	428	1,000	-	-1,000
4.4 Infrastructure	75	4,226	-	-4,226
4.6 Private Sector Competitiveness	770	440	-	-440
Economic Support Fund	**-**	**-**	**3,900**	**3,900**
4.1 Macroeconomic Foundation for Growth	-	-	450	450
4.2 Trade and Investment	-	-	500	500
4.4 Infrastructure	-	-	2,600	2,600
4.6 Private Sector Competitiveness	-	-	350	350

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Kazakhstan	**17,567**	**18,785**	**14,900**	**-3,885**
1 Peace and Security	**7,418**	**6,245**	**5,758**	**-487**
1.1 Counter-Terrorism	500	500	450	-50
1.2 Combating Weapons of Mass Destruction (WMD)	1,450	1,300	1,080	-220
1.3 Stabilization Operations and Security Sector Reform	3,581	3,020	3,005	-15
1.4 Counter-Narcotics	670	685	724	39
1.5 Transnational Crime	1,217	740	499	-241
2 Governing Justly and Democratically	**3,811**	**3,760**	**2,742**	**-1,018**
2.1 Rule of Law and Human Rights	1,045	1,300	1,100	-200
2.2 Good Governance	114	-	-	-
2.3 Political Competition and Consensus-Building	693	-	-	-
2.4 Civil Society	1,959	2,460	1,642	-818
3 Investing in People	**3,829**	**1,500**	**2,500**	**1,000**
3.1 Health	3,829	1,500	2,500	1,000
4 Economic Growth	**2,509**	**7,280**	**3,900**	**-3,380**
4.1 Macroeconomic Foundation for Growth	506	1,380	450	-930
4.2 Trade and Investment	730	234	500	266
4.3 Financial Sector	428	1,000	-	-1,000
4.4 Infrastructure	75	4,226	2,600	-1,626
4.6 Private Sector Competitiveness	770	440	350	-90
of which: Objective 6	**3,361**	**3,524**	**3,107**	**-417**
6.1 Program Design and Learning	624	536	281	-255

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
6.2 Administration and Oversight	2,737	2,988	2,826	-162

Peace and Security

In FY 2013, the United States will provide funding to improve the capability of the GOK to secure its borders, combat the illegal trafficking of drugs and persons, and improve the professionalism of its military forces.

Economic Support Fund (ESF): In FY 2013 USAID programs under this objective will focus on prevention activities that increase public's awareness of human trafficking and improve assistance to trafficking victims.

Foreign Military Financing (FMF): The United States will support projects to increase the Kazakhstani military's professionalism and ability to protect its sovereignty and territorial integrity. Projects will also help Kazakhstani military to combat violent extremism, achieve its NATO Partnership Goals, and enhance its capacity to operate alongside U.S., United Nations, and Coalition forces in peacekeeping and stability operations.

International Military Education and Training (IMET): In FY 2013, resources will be used to provide professional military education, English language training, and other courses that will increase the military's professionalism and exposure to U.S. military practices and values.

International Narcotics Control and Law Enforcement (INCLE): FY 2013 funds will continue to support the full-time, in-country presence of a U.S. law enforcement advisor to consult with the GOK on a range of law enforcement-related issues, and to manage various capacity-building projects. Specific Department of State projects will provide training courses and equipment to support the work of counternarcotics officers at internal checkpoints and in mobile patrols, assistance to secure the southern border of Kazakhstan, and continued support for canine programs in counternarcotics and border security operations. Additionally, the Department of State will support training programs for law-enforcement officers and community leaders to improve their capacity to identify and assist trafficking victims, as well as to increase the legal system's ability to prosecute human traffickers. The Department of State will provide assistance for governmental and non-governmental information campaigns to prevent the trafficking of at-risk populations, to discourage drug use, and to increase the GOK's ability to prevent and investigate money laundering and terrorism financing.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): The United States will assist Kazakhstan to combat transnational threats such as international terrorism and the proliferation of weapons of mass destruction (WMD)-related commodities and technology through cooperative activities and by the provision of necessary equipment. Antiterrorism Assistance (ATA) training courses and equipment provided by the Department of State play a vital role in the Administration's effort to build and sustain the global coalition of partner nations prosecuting the war on terrorism. ATA will provide needs-based anti-terrorism training and equipment to increase Kazakhstan's capacity to respond to terrorist activity. Export Control and Related Border Security (EXBS) assistance provided by the Department of State seeks to improve the GOK's capacity to control strategic trade, meet international nonproliferation obligations, and strengthen its borders through provision of modern equipment and specialized training programs. For FY 2013, EXBS programs will continue to support Kazakhstan's plans to build a WMD interdiction training facility and capacity development efforts. EXBS funding will also pursue regional enforcement training between Kazakhstan and its neighbors and will focus on helping the GOK effectively patrol its borders.

Governing Justly and Democratically

The United States will continue to cooperate with the GOK on improving the functioning of the judiciary, increasing governmental accountability and transparency, and encouraging the continued development of civil society and independent media.

Economic Support Fund (ESF)**:** In FY 2013 USAID programs will improve the functioning of and public trust in the judiciary, as well as civil society's ability to influence national-level public policy decision-making. U.S. assistance will also help develop and maintain venues at the local community level for addressing issues and disputes. USAID-implemented programs will promote respect for human rights, encourage civic activism and coalition building among non-governmental organizations (NGOs), and provide advice on legal and regulatory reforms needed to develop civil society and the media. In addition, U.S. programs will seek to provide increased access to objective news and information.

In FY 2013, the Department of State will continue projects that are administered through the Democracy Commission Small Grants Program, and Speaker and Alumni programs. Recent presidential and parliamentary elections, even though the latter provided for a multiparty parliament, fell short of international standards according to Organization for Security and Cooperation in Europe (OSCE) reports. Moreover, some in Kazakhstan fear that the recently adopted law on television broadcasting may have negative implications on freedom of speech in Kazakhstan. Additional work on electoral education, rights of the electorate, election freedom and transparency and freedom of speech remain critical to the development of a strong democracy and will be addressed through the Democracy Commission small grants program. FY 2013 funding under this programs will be used to fund the visits of expert speakers on democracy, civil society, economic growth, religious tolerance, and other topics to engage audiences and promote local dialogue on these themes.

Investing in People

U.S. investments, increased GOK health spending, and reforms achieved have enhanced the Ministry of Health's ability to manage its programs and provide improved healthcare for more citizens. Despite such advances, health outcomes, particularly in infectious disease prevention, are not yet at a level appropriate for such a developed country.

Global Health Programs (GHP): Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership. Kazakhstan will benefit from Central Asia Regional programs that support the GOK's national HIV/AIDS strategy and the goals of the President's Emergency Plan for AIDS Relief (PEPFAR). USAID, the Centers for Disease Control and Prevention (CDC) and other U.S. Government agencies will collaborate to strengthen HIV prevention, treatment and care services, systems, and policies.

Tuberculosis (TB): GHP resources will support GHI goals through ongoing USAID assistance to build GOK capacity to effectively address TB and multiple-drug-resistant TB in Kazakhstan.

Economic Growth

The United States will extend the jointly funded Program for Economic Development in FY 2013, and seek an increase in Kazakhstan's contribution above the current two-to-one match.

Economic Support Fund (ESF): The USAID-administered Program for Economic Development will be extended with a planned GOK contribution of no less than two-thirds of the program's costs. It will focus on macroeconomic assistance, including projects to improve public-sector governance and capacity, attract

foreign investment, promote regional economic integration and regulatory simplification, advance economic diversification and small-business support, and support Kazakhstan's accession to the World Trade Organization (WTO). The program also will support specific economic sectors through the delivery of business services and will link Kazakhstan's firms with U.S. businesses. USAID implemented programs in the energy-sector will continue to promote reform in the regulatory environment and improve the prospects for regional trade of electricity. FY 2013 funding will support a significant new effort to help the GOK address and reduce climate-change-related emissions through the development and implementation of a national low emissions development plan as well as continued assistance in reducing greenhouse gas intensity by stimulating investments in energy efficiency. Proposed activities will support a lower emissions development pathway for Kazakhstan. In addition, the continuation of successful agricultural and business-exchange programs implemented by the U.S. Departments of Agriculture and Commerce will be supported with FY 2013 funds.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: A U.S. Embassy-conducted interagency review and assessment of assistance guided the proposed budget priorities and areas of focus for FY 2013. In addition, the U.S. Government regularly consults with the GOK and stakeholders. The U.S. Government regularly uses performance monitoring plans in projects and maintains the ability to refocus as circumstances warrant. Internal evaluations will be conducted of ongoing assistance to reform the legal and regulatory environment of NGOs and recently completed economic reform activities. The Mission closely scrutinizes project performance versus funding and program managers conduct pipeline analyses of program expenditures on a quarterly basis.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: USAID conducted several reviews in preparation for strategy development, including on needs related to civil society and the judiciary and the performance of programs supporting political parties and process.

Relating Past Performance to FY 2013 Plans: Programs planned for FY 2013 will build off of prior program successes achieved throughout recent fiscal years. Due to these past achievements, FY 2013 programs will primarily continue to strengthen the GOK's ability to combat illicit trafficking, terrorist activity, and other transnational threats; and focus on continued development of the judicial branch in support of the rule of law, and the promotion of effective civil society input into and media coverage of national public policy debates and decisions. In the area of health, the FY 2013 request will continue to help the GOK develop more effective health systems, including programs to control the spread of infectious diseases. Additionally, the FY 2013 request will continue to facilitate regional cooperation in the electricity sector and includes a significant new effort to assist the GOK reduce climate change-related emissions. The jointly funded Program for Economic Development, a success in achieving host country buy-in and sustainability in and of itself, will improve the business environment, promote economic diversification, support the development of small and medium-size enterprises, and strengthen Kazakhstan's chances for WTO accession.

Kyrgyz Republic

Foreign Assistance Program Overview

In December 2011, the people of the Kyrgyz Republic witnessed the successful transition of power following the October 2011 presidential election, the first such peaceful, democratic transfer in Central Asia. The primary goals of the United States for the Kyrgyz Republic in FY 2013 will be the consolidation of democratic gains in the country and the development of a more representative government that provides improved access to justice and better citizen services. Specifically, the FY 2013 assistance program will focus on building democratic institutions and supporting democratic processes, improving rule of law and respect for human rights, reducing inter-ethnic conflict, and increasing support for the rebuilding of reformed security forces to bolster stability. Significant emphasis will be placed on judicial reform, parliamentary development, engaging with civil society, empowering the private sector, community development, and food security. The FY 2013 request will also address humanitarian aid needs, and underlying development challenges in the areas of health and education.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**41,364**	**47,050**	**46,725**	**-325**
Assistance for Europe, Eurasia and Central Asia	36,500	40,800	-	-40,800
Economic Support Fund	-	-	32,819	32,819
Foreign Military Financing	1,496	1,500	1,500	-
Global Health Programs - USAID	998	2,500	4,000	1,500
International Military Education and Training	820	1,000	1,000	-
International Narcotics Control and Law Enforcement	-	-	6,156	6,156
Nonproliferation, Antiterrorism, Demining and Related Programs	1,550	1,250	1,250	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Kyrgyz Republic	**41,364**	**47,050**	**46,725**	**-325**
1 Peace and Security	**5,759**	**6,281**	**9,156**	**2,875**
Assistance for Europe, Eurasia and Central Asia	**1,893**	**2,531**	**-**	**-2,531**
1.2 Combating Weapons of Mass Destruction (WMD)	100	100	-	-100
1.3 Stabilization Operations and Security Sector Reform	993	1,566	-	-1,566
1.4 Counter-Narcotics	600	540	-	-540
1.5 Transnational Crime	200	325	-	-325
Economic Support Fund	**-**	**-**	**450**	**450**
1.2 Combating Weapons of Mass Destruction (WMD)	-	-	100	100

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.5 Transnational Crime	-	-	350	350
Foreign Military Financing	**1,496**	**1,500**	**1,500**	**-**
1.3 Stabilization Operations and Security Sector Reform	1,496	1,500	1,500	-
International Military Education and Training	**820**	**1,000**	**1,000**	**-**
1.3 Stabilization Operations and Security Sector Reform	820	1,000	1,000	-
International Narcotics Control and Law Enforcement	**-**	**-**	**4,956**	**4,956**
1.3 Stabilization Operations and Security Sector Reform	-	-	4,176	4,176
1.4 Counter-Narcotics	-	-	780	780
Nonproliferation, Antiterrorism, Demining and Related Programs	**1,550**	**1,250**	**1,250**	**-**
1.1 Counter-Terrorism	650	450	450	-
1.2 Combating Weapons of Mass Destruction (WMD)	900	800	800	-
2 Governing Justly and Democratically	**8,920**	**9,742**	**10,900**	**1,158**
Assistance for Europe, Eurasia and Central Asia	**8,920**	**9,742**	**-**	**-9,742**
2.1 Rule of Law and Human Rights	2,263	2,431	-	-2,431
2.2 Good Governance	1,848	2,088	-	-2,088
2.3 Political Competition and Consensus-Building	1,891	1,162	-	-1,162
2.4 Civil Society	2,918	4,061	-	-4,061
Economic Support Fund	**-**	**-**	**9,700**	**9,700**
2.1 Rule of Law and Human Rights	-	-	2,200	2,200
2.2 Good Governance	-	-	2,000	2,000
2.3 Political Competition and Consensus-Building	-	-	1,000	1,000
2.4 Civil Society	-	-	4,500	4,500
International Narcotics Control and Law Enforcement	**-**	**-**	**1,200**	**1,200**
2.1 Rule of Law and Human Rights	-	-	1,200	1,200
3 Investing in People	**4,642**	**9,800**	**7,500**	**-2,300**
Assistance for Europe, Eurasia and Central Asia	**3,644**	**7,300**	**-**	**-7,300**
3.1 Health	2,173	1,800	-	-1,800
3.2 Education	1,471	5,500	-	-5,500
Economic Support Fund	**-**	**-**	**3,500**	**3,500**
3.2 Education	-	-	3,500	3,500
Global Health Programs - USAID	**998**	**2,500**	**4,000**	**1,500**
3.1 Health	998	2,500	4,000	1,500
4 Economic Growth	**20,693**	**20,127**	**18,169**	**-1,958**
Assistance for Europe, Eurasia and Central Asia	**20,693**	**20,127**	**-**	**-20,127**
4.1 Macroeconomic Foundation for Growth	901	1,051	-	-1,051
4.2 Trade and Investment	1,127	1,240	-	-1,240
4.3 Financial Sector	-	1,137	-	-1,137

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.4 Infrastructure	387	2,169	-	-2,169
4.5 Agriculture	10,607	8,000	-	-8,000
4.6 Private Sector Competitiveness	7,671	6,530	-	-6,530
Economic Support Fund	**-**	**-**	**18,169**	**18,169**
4.1 Macroeconomic Foundation for Growth	-	-	1,100	1,100
4.2 Trade and Investment	-	-	1,300	1,300
4.3 Financial Sector	-	-	1,060	1,060
4.4 Infrastructure	-	-	2,300	2,300
4.5 Agriculture	-	-	8,107	8,107
4.6 Private Sector Competitiveness	-	-	4,302	4,302
5 Humanitarian Assistance	**1,350**	**1,100**	**1,000**	**-100**
Assistance for Europe, Eurasia and Central Asia	**1,350**	**1,100**	**-**	**-1,100**
5.1 Protection, Assistance and Solutions	1,350	1,100	-	-1,100
Economic Support Fund	**-**	**-**	**1,000**	**1,000**
5.1 Protection, Assistance and Solutions	-	-	1,000	1,000

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Kyrgyz Republic	**41,364**	**47,050**	**46,725**	**-325**
1 Peace and Security	**5,759**	**6,281**	**9,156**	**2,875**
1.1 Counter-Terrorism	650	450	450	-
1.2 Combating Weapons of Mass Destruction (WMD)	1,000	900	900	-
1.3 Stabilization Operations and Security Sector Reform	3,309	4,066	6,676	2,610
1.4 Counter-Narcotics	600	540	780	240
1.5 Transnational Crime	200	325	350	25
2 Governing Justly and Democratically	**8,920**	**9,742**	**10,900**	**1,158**
2.1 Rule of Law and Human Rights	2,263	2,431	3,400	969
2.2 Good Governance	1,848	2,088	2,000	-88
2.3 Political Competition and Consensus-Building	1,891	1,162	1,000	-162
2.4 Civil Society	2,918	4,061	4,500	439
3 Investing in People	**4,642**	**9,800**	**7,500**	**-2,300**
3.1 Health	3,171	4,300	4,000	-300
3.2 Education	1,471	5,500	3,500	-2,000
4 Economic Growth	**20,693**	**20,127**	**18,169**	**-1,958**
4.1 Macroeconomic Foundation for Growth	901	1,051	1,100	49
4.2 Trade and Investment	1,127	1,240	1,300	60

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.3 Financial Sector	-	1,137	1,060	-77
4.4 Infrastructure	387	2,169	2,300	131
4.5 Agriculture	10,607	8,000	8,107	107
4.6 Private Sector Competitiveness	7,671	6,530	4,302	-2,228
5 Humanitarian Assistance	**1,350**	**1,100**	**1,000**	**-100**
5.1 Protection, Assistance and Solutions	1,350	1,100	1,000	-100
of which: Objective 6	**4,451**	**4,656**	**5,694**	**1,038**
6.1 Program Design and Learning	407	301	1,012	711
6.2 Administration and Oversight	4,044	4,355	4,682	327

Peace and Security

In FY 2013, The United States will expand its cooperation in the security sphere to help the new Kyrgyz Government (GOKG) undertake a well-planned overhaul of its security services, with a focus on rooting out corruption and improving professionalism and overall capacity. This effort will include assistance to police, border guards, the State Drug Control Service, as well as assistance to improve the government's forensics capabilities, and to maintain a professional military.

Economic Support Fund (ESF): The U.S. Agency for International Development (USAID) will work with government and non-governmental groups to combat human trafficking through prevention and protection activities. In addition, a State Department-managed program will engage former weapons scientists and researchers in civilian research through support for the Joint United States-Kyrgyz Republic Geographic Information System Center.

Foreign Military Financing (FMF): Funds will be used to provide equipment and training to Kyrgyz Security Forces in order to enhance the ability of the Kyrgyz Republic to improve border security and address transnational threats such as terrorism.

International Military Education and Training (IMET): These funds will be used to provide professional military education, English language training, and other courses that will increase the military's professionalism and exposure to U.S. military practices and values.

International Narcotics Control and Law Enforcement (INCLE): The Department of State will support the GOKG's efforts to reform the country's security structure. This will include efforts to reduce corruption, sharpen investigation skills, enhance forensic capabilities, and improve hiring and promotion practices of Kyrgyz law enforcement agencies. Projects will also seek to improve the government's ability to secure its borders and combat the trafficking of narcotics and persons. Funds will also continue to support the full-time, in-country presence of a Senior Law Enforcement Advisor to consult with the GOKG on a wide range of law enforcement issues and to manage various capacity-building projects.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): The United States will assist the Kyrgyz Republic to combat transnational threats such as international terrorism and the proliferation of weapons of mass destruction-related commodities and technology through cooperative activities and by the provision of necessary equipment. Department of State-administered Antiterrorism Assistance (ATA) training will improve the operational and tactical capabilities of Kyrgyz security services to detect and deter terrorist threats; and establish effective and self-sustaining border security capacity to prevent terrorists

from entering or transiting the country. The Department of State Export Control and Related Border Security (EXBS) program will continue its support for the Kyrgyz Republic's efforts to address difficult enforcement challenges on its borders through the provision of infrastructure enhancements, equipment and training. EXBS will continue to work towards full institutionalization of the program's enforcement training into the Kyrgyz Customs training academy. EXBS will also tailor the provision of specialized enforcement training towards developing cross-border patrol and interdiction capacity with neighboring countries Tajikistan and Kazakhstan.

Governing Justly and Democratically

A more representative government that provides improved access to justice and better citizen services is an important goal in itself, but it is also critical to achieving goals in other U.S. assistance sectors. In FY 2013, the United States will assist the Kyrgyz Parliament, key ministries and institutions, including the judiciary, civil society and activists, and the media, to develop a government that is more representative, transparent and responsive to citizens' needs.

Economic Support Fund (ESF): USAID will provide expert advice and capacity building to the new Parliament, and increase its outreach to civil society to increase its input into national-level decision-making. USAID will also support development of a deeper collaborative relationship between government and civil society, including broadening civil society's role in policy analysis, service delivery, and government oversight. Funds will also be used to engage the GOKG and civil society in addressing tensions between various ethnic groups.

Efforts to improve the capacity of local human-rights groups through training and grants will continue in FY 2013 as USAID and the Department of State work to improve the organization and skills of defense lawyers. USAID and the Department of State will support the increased independence, effectiveness, and integrity of the judicial system as well as reforms of the defense bar. Funds will be used to support the government's efforts to combat corruption. The Department of State will work to strengthen the professional skills of prosecutors and, along with USAID, will work with the media and a broad spectrum of civil-society organizations to promote increased citizen and youth engagement with the government; greater access to information and civic education; and participation opportunities. The United States will also provide increased access to objective news and information through support for a regional satellite television feed and internet journalism.

In addition, USAID will work with the GOKG to further improve the country's electoral system, with an emphasis on addressing the shortcomings identified during the 2011 presidential election, particularly the problems with voter lists and ongoing training of local election officials.

International Narcotics Control and Law Enforcement (INCLE): The Department of State will support rule-of-law reforms that will improve the efficiency and effectiveness of the criminal and civil justice systems, provide the framework for private-sector development, and maintain engagement with marginalized communities. A U.S.-funded Resident Legal Advisor (RLA) will continue to assist in implementing key rule-of-law priorities. The RLA will provide advice and training in support of strengthening the capacity of Kyrgyz prosecutors, combating transnational crime, promoting criminal procedure reform, and reducing public corruption. Specific emphasis will continue to be placed on building Kyrgyz law enforcement agencies' capacity to more effectively investigate and prosecute money laundering and terrorist financing cases; on assisting with the development of new legislation that brings the Kyrgyz Criminal Procedure Code (CPC) into compliance with the International Covenant on Civil and Political Rights, and on fully harmonizing the enacted Law on Jury Trials, expected to enter into force in 2015, with the CPC. In addition, efforts will focus on improving prosecutorial trial and advocacy skills; building law enforcement agencies' ability to proactively investigate and successfully prosecute complex,

transnational crimes, with a particular emphasis on counternarcotics and human trafficking; and combating corruption by enhancing both prevention and enforcement mechanisms in a manner consistent with the Kyrgyz Republic's obligations as a party to the United Nations Convention Against Corruption.

Investing in People

U.S. Government assistance will focus on enhancing the GOKG's capacity to prevent and control infectious diseases and make ongoing improvements to the education system. Interventions will also address cross-cutting concerns of corruption and governmental transparency. Activities under this objective directly support the U.S. Government's health-sector goals in the Kyrgyz Republic and are closely coordinated with projects undertaken by other bilateral and multilateral donors.

Economic Support Fund (ESF):

Basic Education: USAID assistance will enable the GOKG to improve literacy skills among early primary-school students, a critical foundation for continued learning. Interventions will strengthen teaching methodologies and instructional systems; improve access to reading materials; increase government, school and community support for reading; and help build the policies, systems and financial resources needed to improve primary-school student reading outcomes.

Higher Education: USAID will work to improve the quality and effectiveness of, and access to, higher education, particularly through support to the American University in Central Asia (AUCA).

Global Health Programs (GHP): Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership. The Kyrgyz Republic will benefit from Central Asia Regional programs that support the GOKG's national HIV/AIDS strategy and the goals of the President's Emergency Plan for AIDS Relief (PEPFAR). Funds from the Central Asia Regional PEPFAR program will build on work supported through the Global Fund to Fight AIDS, Tuberculosis and Malaria to reinforce the GOKG's efforts to strengthen HIV/AIDS prevention services and care and treatment programs as well as enhance the government's capacity to plan, manage and monitor Global Fund resources for improved results.

Tuberculosis (TB): FY 2013 funding will assist the Kyrgyz Republic to continue to improve systems for the identification, diagnosis and management of TB and multiple-drug resistant TB, to strengthen infection control systems within health facilities, and to expand prevention programs and outreach to vulnerable groups.

Economic Growth

While the Kyrgyz Republic continues to consolidate the democratic gains made since the upheaval of government in 2010, the country's continued stability is dependent on addressing the many economic challenges it faces, ranging from limited economic opportunities to threats of energy insecurity. Programs will support GOKG and private-sector initiatives to establish an economic environment more conducive to business, help create jobs, and strengthen the country's food production. FY 2013 funds will continue to expand agricultural competitiveness and local economic development projects aimed at increasing food security through improved production and reform of the agricultural system, as well as developing other economic sectors to provide more opportunities for jobs and investment.

Economic Support Fund (ESF): In FY 2013, USAID will build on the successes of the comprehensive Local Economic Development program that have strengthened the agricultural sector and other sectors of the economy, as well as improved the capacity of local government to provide necessary services and attract

investment. Work in the agriculture sector will support the President's Feed the Future Initiative (FTF) by ensuring improved productivity and meeting the Kyrgyz Republic's core agricultural needs, including improved land usage, access to inputs, irrigation, and technologies, as well as agribusiness and downstream value-chain development. The rural development portfolio will also address related economic sectors such as workforce education and access to finance for micro, small, and medium-sized enterprises, farmers and agribusinesses.

The United States will also continue to support economic policy reforms that promote trade, improve the business environment, attract investment, and create jobs. As part of this broader support, USAID will continue to help the Kyrgyz Republic develop a more transparent and flexible economic framework that will promote global competitiveness, foster regional cooperation in trade policy to lower trade barriers, reduce trade-associated costs, and increase the gains from international trade. USAID will also work to expand economic opportunities and access to financing and business services to enable broader participation in local and international trade, especially outside of the capital, Bishkek. USAID programs will continue to work closely with the government to promote policy and institutional reforms, as well as strategic planning needed to improve energy sector performance, plan for and manage electricity supply and consumption, and enable the Kyrgyz Republic's participation in external energy markets, while still ensuring adequate domestic energy supplies.

Humanitarian Assistance

Due to a lack of funding, most Kyrgyz health and social welfare agencies are unable to meet the needs of the country's most vulnerable populations. Programs under this objective are designed to alleviate the suffering of citizens living in remote areas of the country and provide an initial layer of disaster preparedness.

Economic Support Fund (ESF): Humanitarian assistance provided by the Department of State will help to meet some of the basic needs of orphans, the elderly, and other institutionalized populations. In addition, humanitarian assistance will include disaster preparedness activities to improve the GOKG's emergency response capabilities.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In the last two years, USAID has conducted a number of studies and assessments on programs in the Kyrgyz Republic that will inform program management in FY 2013.

In FY 2011, USAID conducted the following assessments:

- Democracy programs assessment which is being used to redirect program components under the Governing Justly and Democratically objective, and more specifically to reorient the programs towards a stronger inclusion of civil society.
- Job Opportunities in the Business Sector (JOBS) Assessment, which examined the political economy of job creation. The findings of this assessment will be used by the *REFORMA* project to support legislative reforms to help establish a more favorable business environment for investors to create additional jobs, and improve public-private partnerships.

The Education portfolio undertook a number of recent assessments as well in preparation for the design of new programs. The formative assessment of the existing Quality Learning Project (QLP) looked at how its interventions, through a programmatic approach of building capacity at the central level of government,

impacted the larger context of the educational system in the Kyrgyz Republic. The Early Grade Reading Assessment (EGRA), a quantitative assessment of early grade reading skills of 2,321 students in grades two to four, was conducted in the fall 2011 and will impact the design of new basic education programming. USAID also undertook a qualitative review of current pedagogical practices and materials related to early grade reading, and the positive and negative factors affecting early grade reading in the Kyrgyz Republic.

In FY 2012 USAID will conduct a Fiscal Policy Assessment which will outline/detail the activities of the *REFORMA* project and serve as the analytical basis for the Kyrgyz Republic's participation in the in Domestic Finance for Development (DF4D) Initiative. Also in 2012, the Office of the Inspector General will conduct performance audits of the Local Development Program and the Regional Energy, Security, Efficiency and Trade (RESET) project.

In FY 2013, USAID will conduct a Financial Sector/Access to Finance assessment to detail USAID's future involvement in this area. Additionally, the following programs are scheduled to be evaluated in FY 2013:

- Parliamentary Assistance Program
- The Electoral Processes and Political Party Strengthening Program will have an on-going assessment component
- Judicial Strengthening Program

Department of State staff monitor the use of funds for law-enforcement facility renovations and training programs, as well as collecting performance data as it becomes available from the host government. Assistance-implementing organizations, such as the U.S. Department of Justice, provided reports to the State Department on a biweekly basis. Throughout the year, State Department personnel also performed periodic end-use monitoring of all equipment provided to ensure its use in accordance with bilateral agreements. Department of State staff inspected 75 percent of issued equipment either personally or by secondary means.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The variety of assessments conducted in FY 2011 and FY 2012 will inform the programming of funds in FY 2013. In line with USAID's new evaluation policy, USAID/Kyrgyz Republic is developing internal guidance on evaluations, which will result in even more robust program management. USAID will work with the newly formed government to define its development priorities for FY 2013 and transition from the strategy outlined in the aftermath of the events of 2010.

Relating Past Performance to FY 2013 Plans: Significant programmatic impacts as a result of FY 2013 funding are expected in several areas. In economic growth, support will result in improved productivity and efficiency in the agricultural sector resulting in increasing food security, and a more attractive investment and trade environment. In democracy and governance, a consolidation of democratic processes, as demonstrated by an increasingly responsive and responsible Parliament and an increasingly better organized and more professional civil society is expected. In the area of health, FY 2013 funds will affect the reduction of the prevalence of multi-drug-resistant TB in the Kyrgyz Republic by improving access to universal treatment and adherence to treatment and strengthening the health system.

Maldives

Foreign Assistance Program Overview

The United States seeks to ensure that the Maldives, a small, pro-American, majority-Muslim island nation, addresses its social and environmental problems and maintains its pro-Western, moderate orientation. In FY 2013, U.S. foreign assistance resources will continue to promote and enhance maritime security, counterterrorism, law enforcement, and counternarcotics cooperation with Maldivian forces. In addition, U.S. assistance will help the country's adaptive capacity and resilience to the negative effects of global climate change.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**3,179**	**2,590**	**3,026**	**436**
Development Assistance	3,000	2,000	2,000	-
Foreign Military Financing	-	400	400	-
International Military Education and Training	179	190	176	-14
Nonproliferation, Antiterrorism, Demining and Related Programs	-	-	450	450

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Maldives	**3,179**	**2,590**	**3,026**	**436**
1 Peace and Security	**179**	**590**	**1,026**	**436**
Foreign Military Financing	**-**	**400**	**400**	**-**
1.3 Stabilization Operations and Security Sector Reform	-	400	400	-
International Military Education and Training	**179**	**190**	**176**	**-14**
1.3 Stabilization Operations and Security Sector Reform	179	190	176	-14
Nonproliferation, Antiterrorism, Demining and Related Programs	**-**	**-**	**450**	**450**
1.1 Counter-Terrorism	-	-	450	450
4 Economic Growth	**3,000**	**2,000**	**2,000**	**-**
Development Assistance	**3,000**	**2,000**	**2,000**	**-**
4.8 Environment	3,000	2,000	2,000	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Maldives	**3,179**	**2,590**	**3,026**	**436**
1 Peace and Security	**179**	**590**	**1,026**	**436**
1.1 Counter-Terrorism	-	-	450	450
1.3 Stabilization Operations and Security Sector Reform	179	590	576	-14
4 Economic Growth	**3,000**	**2,000**	**2,000**	**-**
4.8 Environment	3,000	2,000	2,000	-
of which: Objective 6	**300**	**-**	**200**	**200**
6.1 Program Design and Learning	90	-	60	60
6.2 Administration and Oversight	210	-	140	140

Peace and Security

The United States' strong and emerging security relationship with the Maldives must be built through training and personal interaction. Maldivian defense officials have consistently welcomed cooperation with U.S. military counterparts. Assistance resources will build on the strong relationship between the U.S. and Maldivian militaries so that the Maldives can be a regional partner in combating terrorism, narcotics trafficking, and piracy. The United States has emphasized participation by Maldivian security services in multilateral conferences and training exercises in order to professionalize these forces, reinforce their Western orientation, and ensure their readiness, if needed, to combat extremism, an increasingly important concern for the Government of Maldives. As a sparsely populated nation whose 1,190 islands are largely uninhabited, the Maldives is extremely vulnerable to both narcotics trafficking and piracy. The United States will provide assistance to strengthen maritime and port-of-entry security, assist in the development of the Maldives Marine Corps and Coast Guard, and support counterterrorism training.

Foreign Military Financing (FMF): FMF resources will be used to build the capacity of the Maldives National Defense Force (MNDF) Special Forces and increase the military's maritime domain awareness, sustaining efforts initiated through Section 1206 programs.

International Military Education and Training (IMET): In FY 2013, IMET programs will foster the MNDF's understanding of professional military standards, rules of warfare, and civilian authority. IMET funds will also support training in maritime security, counterterrorism, and leadership skills to ensure that the MNDF has the capability to maintain and use its assets to contribute to regional security.

Nonproliferation, Antiterrorism, Demining and Related Programs (NADR): In FY 2013, the Department of State-managed Anti-Terrorism Assistance (ATA) program will provide capacity building training to Maldivian law enforcement officials. The program will focus on building law enforcement officials' counterterrorism-related leadership and management skills, as well as their capacities to protect soft targets and critical infrastructure. This training will build upon the promising initial results of ATA's Maldives program in 2011, and will also promote the ability of Maldivian law enforcement agencies to participate in regional counterterrorism cooperation efforts. The ATA program will strengthen the ability of the Maldives to address and counter any nascent terrorist operations, as well as improve the capability of the police to reduce common crime and thereby improve governance.

Economic Growth

The Maldives is the lowest lying country in the world with a maximum natural elevation of only 2.3 meters and an average elevation of only 1.5 meters above sea level. More than 80 percent of the land is less than one meter above the average high tide. Hence, the possibility of the country being subsumed by water is high and its vulnerability to devastating natural disasters will increase should sea levels continue to rise. In response to this threat, a new program was launched in FY 2011 under the President's Global Climate Change Initiative (GCCI).

Development Assistance (DA): The U.S.-supported Program to Enhance Climate Resiliency and Water Security will demonstrate the process and outcomes needed for island communities to overcome or ameliorate the impacts of global climate change. The program will provide assistance to the national government, to island and atoll councils, to the private sector (primarily through provincial utilities), and to residents of two selected islands in the northern part of the country, Hinnavaru and Dhidhdoo, that are targeted as model "climate-resilient" islands. The program will also design and implement water, sanitation, and solid waste services and infrastructure. U.S. assistance will develop the knowledge, skills, and attitudes of island residents to become better stewards of their island environment and to make rational and informed decisions on key climate change-adaptation issues, thus reducing risk and vulnerability over the long-term. Funding for this program area supports the President's GCCI.

The program aims at reducing Maldives' vulnerability to the negative effects of climate change by improving its adaptive capacity to handle climate change impacts. The goal of the program is to demonstrate the process and outcomes needed to achieve climate resilient islands. This will be accomplished through six main objectives:

- Analysis of projected climate change and the analysis of vulnerability to anticipated changes;
- Improved decision-making based on sound science, analysis, and information;
- Facilitation of stakeholder driven decision-making on island practices, including key service delivery and infrastructure options;
- Provision of selected water, sanitation, and solid waste service delivery infrastructure, supplies, spare parts, and training;
- Development of community knowledge, skills, and attitudes needed to implement and maintain adaptive management practices; and
- Enhancement of both private and public sector capacity to support and sustain service delivery and needed extension services in the islands.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: USAID conducts biannual portfolio implementation reviews to assess program status, review past progress, and plan future actions, in addition to site visits and assessments. A Gender Assessment, Social and Community Development Assessment, Climate Vulnerability Assessment, Utility Service Delivery Assessment, and Environmental Assessment will be undertaken in FY 2012 as part of the Program to Enhance Climate Resiliency and Water Security.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: USAID was able to draw important conclusions and take targeted actions based on the evaluation efforts noted above. The findings of the Gender Assessment will be used to make programmatic changes to include gender considerations in development of climate change adaptation and water resources management strategies, and in capacity building and other project activities.

The findings of the Climate Vulnerability Assessment will be of use in planning adaptive strategies to deal with climate change impacts on island resources and livelihoods, and planning for utility service delivery and enhanced water security.

Relating Past Performance to FY 2013 Plans: In FY 2013, USAID will continue supporting the climate change adaptation program initiated in FY 2011. With FY 2013 funding, the program will significantly expand capacity-building and support for the provincial utilities, as well as institutional support and capacity-building at the national level needed to achieve effective regulatory oversight of the utilities.

Nepal

Foreign Assistance Program Overview

Nepal's leading political parties recently achieved a breakthrough in progress toward the implementation of the Comprehensive Peace Accord, which formally ended the decade-long Maoist insurgency in 2006. Signed on November 1, 2011, the Seven-Point Agreement to implement the accord marks a critical step forward in completing the peace process by committing Nepal's political leadership to the reintegration and rehabilitation of ex-combatants, completing the constitutional drafting process, and initiating state restructuring. However, Nepal still faces several medium- and long-term development challenges, including strained capacity in government, civil society, and the private sector to drive the development agenda, high vulnerability to climate change, and a massive youth bulge. With a gross domestic product per capita of $470, Nepal is the 13th poorest country in the world and the poorest in the South and Central Asia region. Compounding these challenges, Nepal is a highly disaster-prone country with a multitude of natural hazards including annual floods, landslides, fires, and avalanches; periodic droughts and epidemics; and the infrequent, but possibly highly destructive, earthquakes. In FY 2013, U.S. assistance will cement gains in peace and security, further the democratic transition, support the continued delivery of essential social services, scale up proven effective health interventions, and address the challenges of food insecurity and climate change. Continuing programs under the three Presidential Initiatives – the Global Health Initiative (GHI), Feed the Future (FTF), and the Global Climate Change Initiative (GCCI) – will focus on improving nutrition, enhancing agricultural productivity and trade, and mitigating the impacts of climate change, respectively. Each program area will include a special emphasis on supporting Nepal's youth and traditionally socially-disadvantaged groups, addressing gender concerns, and incorporating disaster risk reduction measures to build resilient communities. In addition, USAID is beginning to budget and plan transparently for transitions from humanitarian supported disaster risk reduction to activities in support of this objective funded by the mission. Nepal is one of the countries where this transition was initiated in FY 2012 and will continue in FY 2013. It is anticipated that humanitarian assistance funds will continue to support regional and innovative activities as part of its core mandate.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**88,964**	**84,833**	**75,100**	**-9,733**
Development Assistance	19,000	14,600	14,000	-600
Economic Support Fund	16,979	26,979	17,000	-9,979
Food for Peace Title II	13,832	-	-	-
Foreign Military Financing	898	940	845	-95
Global Health Programs - USAID	32,645	36,650	38,200	1,550
International Military Education and Training	1,010	950	900	-50
International Narcotics Control and Law Enforcement	3,700	3,700	3,330	-370
Nonproliferation, Antiterrorism, Demining and Related Programs	900	1,014	825	-189

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Nepal	**88,964**	**84,833**	**75,100**	**-9,733**
1 Peace and Security	**11,413**	**9,799**	**8,710**	**-1,089**
Economic Support Fund	**6,000**	**4,295**	**3,800**	**-495**
1.5 Transnational Crime	1,000	1,695	2,000	305
1.6 Conflict Mitigation and Reconciliation	5,000	2,600	1,800	-800
Foreign Military Financing	**898**	**940**	**845**	**-95**
1.3 Stabilization Operations and Security Sector Reform	898	940	845	-95
International Military Education and Training	**1,010**	**950**	**900**	**-50**
1.3 Stabilization Operations and Security Sector Reform	1,010	950	900	-50
International Narcotics Control and Law Enforcement	**2,605**	**2,600**	**2,340**	**-260**
1.3 Stabilization Operations and Security Sector Reform	2,605	2,600	2,340	-260
Nonproliferation, Antiterrorism, Demining and Related Programs	**900**	**1,014**	**825**	**-189**
1.1 Counter-Terrorism	900	400	540	140
1.2 Combating Weapons of Mass Destruction (WMD)	-	614	285	-329
2 Governing Justly and Democratically	**7,095**	**8,620**	**11,530**	**2,910**
Economic Support Fund	**6,000**	**7,520**	**10,540**	**3,020**
2.2 Good Governance	2,000	1,840	3,940	2,100
2.3 Political Competition and Consensus-Building	4,000	5,680	3,600	-2,080
2.4 Civil Society	-	-	3,000	3,000
International Narcotics Control and Law Enforcement	**1,095**	**1,100**	**990**	**-110**
2.1 Rule of Law and Human Rights	1,095	1,100	990	-110
3 Investing in People	**34,645**	**43,750**	**38,200**	**-5,550**
Development Assistance	**-**	**7,100**	**-**	**-7,100**
3.1 Health	-	2,100	-	-2,100
3.2 Education	-	5,000	-	-5,000
Economic Support Fund	**2,000**	**-**	**-**	**-**
3.2 Education	2,000	-	-	-
Global Health Programs - USAID	**32,645**	**36,650**	**38,200**	**1,550**
3.1 Health	32,645	36,650	38,200	1,550
4 Economic Growth	**21,979**	**22,664**	**16,660**	**-6,004**
Development Assistance	**19,000**	**7,500**	**14,000**	**6,500**
4.5 Agriculture	10,000	-	10,000	10,000
4.6 Private Sector Competitiveness	-	1,500	-	-1,500
4.8 Environment	9,000	6,000	4,000	-2,000
Economic Support Fund	**2,979**	**15,164**	**2,660**	**-12,504**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.1 Macroeconomic Foundation for Growth	440	405	390	-15
4.2 Trade and Investment	439	404	395	-9
4.5 Agriculture	-	10,000	-	-10,000
4.6 Private Sector Competitiveness	2,100	855	1,875	1,020
4.8 Environment	-	3,500	-	-3,500
5 Humanitarian Assistance	**13,832**	**-**	**-**	**-**
Food for Peace Title II	**13,832**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	13,832	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Nepal	**88,964**	**84,833**	**75,100**	**-9,733**
1 Peace and Security	**11,413**	**9,799**	**8,710**	**-1,089**
1.1 Counter-Terrorism	900	400	540	140
1.2 Combating Weapons of Mass Destruction (WMD)	-	614	285	-329
1.3 Stabilization Operations and Security Sector Reform	4,513	4,490	4,085	-405
1.5 Transnational Crime	1,000	1,695	2,000	305
1.6 Conflict Mitigation and Reconciliation	5,000	2,600	1,800	-800
2 Governing Justly and Democratically	**7,095**	**8,620**	**11,530**	**2,910**
2.1 Rule of Law and Human Rights	1,095	1,100	990	-110
2.2 Good Governance	2,000	1,840	3,940	2,100
2.3 Political Competition and Consensus-Building	4,000	5,680	3,600	-2,080
2.4 Civil Society	-	-	3,000	3,000
3 Investing in People	**34,645**	**43,750**	**38,200**	**-5,550**
3.1 Health	32,645	38,750	38,200	-550
3.2 Education	2,000	5,000	-	-5,000
4 Economic Growth	**21,979**	**22,664**	**16,660**	**-6,004**
4.1 Macroeconomic Foundation for Growth	440	405	390	-15
4.2 Trade and Investment	439	404	395	-9
4.5 Agriculture	10,000	10,000	10,000	-
4.6 Private Sector Competitiveness	2,100	2,355	1,875	-480
4.8 Environment	9,000	9,500	4,000	-5,500
5 Humanitarian Assistance	**13,832**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	13,832	-	-	-
of which: Objective 6	**6,637**	**8,178**	**7,670**	**-508**
6.1 Program Design and Learning	995	2,512	2,077	-435

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
6.2 Administration and Oversight	5,642	5,666	5,593	-73

Peace and Security

In order to help consolidate the country's transition to a peaceful democracy, U.S. assistance will augment equipment and training for Nepal's police and related security forces under the Home Ministry of the Government of Nepal (GON). U.S. resources will develop professional military skills, including the promotion of human rights, which support the growing role of the Nepal Army and Police Force as a provider of peacekeeping forces to the United Nations and as an emergency responder to recurring domestic national disasters. In addition, U.S. assistance will address the underlying causes of conflict by promoting political and economic development at the local level including through youth employment, service delivery, rehabilitation of small-scale infrastructure, and community-level reconciliation.

Economic Support Fund (ESF): In FY 2013, USAID will support the peace process through targeted technical assistance for community organizations, the GON, and civil society groups to address issues such as community-based conflict, poor governance, and limited government service delivery. Programs that target transnational crime will strengthen GON and civil society efforts to combat trafficking in persons, concentrating in particular on prosecution, prevention, and protection efforts. These activities will focus on border, source, and destination areas in Nepal. In particular, USAID will assist the Ministry of Women, Children, and Social Welfare to continue strengthening mechanisms to prevent trafficking in persons including the implementation of the national minimum standards on victim care and protection and standard operating procedures for rehabilitation homes and witness protection. Additional assistance will complement on-going anti-trafficking in persons efforts implemented by the GON.

Foreign Military Financing (FMF): FMF funding in FY 2013 will support the Nepal Army in its role as one of the principal organizations in the country responsible for domestic disaster response. Assistance will augment the Nepal Army's response capacity by purchasing equipment for floods, earthquakes, pandemics, and other disasters that are likely to occur in Nepal.

International Military Education and Training (IMET): In FY 2013, IMET funds will enhance professionalization and respect for human rights and civilian control within the Nepal Army through courses for enlisted soldiers, the non-commissioned officer corps, and officers.

International Narcotics Control and Law Enforcement (INCLE): INCLE resources will be used to assist law enforcement officials such as the national police, the attorney general's office, the courts, and the Ministry of Home Affairs in adopting and implementing law enforcement standards and training programs that include, but are not limited to management leadership, organizational development, election security support, criminal investigations, forensics, and counterterrorism. By providing equipment, training, and infrastructure development to law enforcement officials, the program will seek to improve the capacity of law enforcement services. The program also will support community security initiatives and promote the expansion of law enforcement services throughout Nepal.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): Antiterrorism Assistance (ATA) programs will continue to focus on enhancing the counterterrorism capabilities of Nepal's law enforcement entities in an effort to help achieve and sustain a peaceful and secure environment in which terrorists cannot establish a presence. Resources will be used to conduct a series of training courses that focus on leadership and management skills, investigative techniques, crisis response, protection of national leadership, domestic and transnational terrorism, infrastructure security, and security at airports and other points of entry such as border crossings. ATA training will also institutionalize increased professionalism within Nepalese law enforcement through the promotion of human rights awareness, including training in

modern, humane counterterrorism techniques. These training initiatives will provide law enforcement personnel with the knowledge to deter, detect, and respond to terrorist activity. Instruction in these areas will complement other training courses conducted for stabilization and security sector reform.

Governing Justly and Democratically

Support to the governance sector will be even more important in FY 2013 following the recent breakthrough in the peace process. U.S. assistance will continue to focus on consolidating democratic processes by supporting Nepal's executive, legislative, and judicial institutions as they prepare for and implement a new constitution. In line with the implementation of an anticipated new federal structure of government, U.S. programs will provide technical assistance and training to strengthen sub-national government functions and enhance government service delivery at the local level. National and sub-national elections are planned following the promulgation of a constitution. The U.S. Government will provide technical assistance and training to the Election Commission, attorney general's office and prosecutors, the district and Supreme Courts, political parties, and civil society organizations to help Nepal conduct credible and legitimate national elections expected to take place in FY 2013 as well as to support the development of democratic political parties committed to transparent, peaceful, and competitive political processes.

Economic Support Fund (ESF): In FY 2013, USAID will support activities to develop good governance, strengthen civil society, and increase political competition and consensus building in Nepal.

- Good Governance: FY 2013 resources will support activities to improve the quality and effectiveness of the legislative process and increase the legislature's capacity to be transparent and responsive to the people it serves. U.S. assistance will support Nepal's federal system and decentralization efforts as defined under the country's new constitution to improve the effectiveness of new regional and local government bodies. Activities to promote good governance will support local government and organizations to improve governance and anticorruption efforts to ensure basic service delivery at the local level, especially in conflict-prone areas with weak governance structures. Concurrently, resources will be used to support local civil society organizations to help communities more effectively communicate concerns to elected officials.

  USAID will also substantially invest in building the capacity of those Nepali governmental institutions that will receive U.S. assistance. Institutional capacity building is of particular importance in Nepal given the post-conflict climate and lack of a stable government for some time. Nepali governmental institutions lack the capacity to provide adequate services in health and education and in business and economic regulation. Further, given the country's particular vulnerability to disaster, whether through flooding, landslides or earthquake, Nepali governmental institutions and organizations require capacity building in disaster risk reduction, all of which will be addressed with FY 2013 resources.

- Political Competition and Consensus-Building: In FY 2013, USAID will implement programs to assist political parties with internal democratization, transparency, representation of constituent needs, and inclusion of historically disadvantaged groups. This funding will assist the Election Commission of Nepal as it continues voter registration, updates the legal framework governing elections, undertakes the anticipated FY 2013 national elections, and prepares for future sub-national elections.

- Civil Society: FY 2013 resources will also contribute to institutional capacity building. Nepali non-governmental organizations require substantial capacity building to contribute to the development of the country, to manage U.S. Government or other donor programs and to improve

governmental accountability. Particular attention will be given to improve the ability of the non-government sector to contribute to the nation's disaster risk reduction efforts.

International Narcotics Control and Law Enforcement (INCLE): The Department of State will continue to assist the GON in improving the professional skills of judicial personnel, and promoting rule of law principles and respect for human rights. Activities will build the capacity of police and prosecutors to jointly strengthen national security, justice, and the rule of law. Programs will assist law reform efforts by providing technical assistance to criminal justice sector authorities to increase the efficiency and transparency of the judicial process.

Investing in People

Nepal is making significant progress towards improving the health of its citizens and is on track to achieve Millennium Development Goals (MDGs) Four and Five to reduce child mortality and improve maternal health. However, mortality and morbidity rates among women and children remain high due to the high prevalence of pregnancy-related complications, acute preventable childhood diseases, under-nutrition, and endemic diseases. Pervasive poverty, low education and literacy rates, food insecurity, low levels of hygiene and sanitation, poor access to safe drinking water, formidable terrain, and geographic isolation exacerbate these conditions. In addition, constraints in governance and institutional capacity, inefficient allocation and use of resources, and shortages of adequately trained personnel hamper the delivery of health and other social services. Lastly, high vulnerability to natural disasters, especially earthquakes, threatens the gains in health and education made through U.S. foreign assistance and other development investments.

Global Health Program (GHP): Assistance provided through the GHP accounts will continue to support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership. Chosen as a GHI "plus" country with a strategy approved in 2010, Nepal will benefit from a comprehensive, whole-of-government response led by USAID to improve the health of women, newborns, and children by combating infectious disease, integrating food security and nutrition, delivering clean water, and strengthening the health system. Working with the GON, USAID and other U.S. Government agencies will commission key program evaluation and research studies that can contribute new knowledge towards the formulation of policies in Nepal as well as to the global body of evidence in public health and development.

USAID's GHP programs will help to improve the survival rate and quality of life of all Nepalese by assisting the GON to establish an equitable and well-governed health system in Nepal. Resources will support the GON in providing sustainable, accessible, and quality basic health services and strengthening its delivery systems in order to achieve its MDGs by 2015. Health programs will accelerate Nepal's remarkable progress in reducing under-five and maternal mortality and increasing access to voluntary family planning and HIV/AIDS services. Programs will target disadvantaged groups including women, migrants, and traditionally excluded castes and ethnic and religious minorities. With U.S. foreign assistance, Nepal will continue to lead the developing world as an innovator in public health.

- HIV/AIDS: Nepal will receive funding to support the national HIV/AIDS strategy and the goals of the President's Emergency Plan for AIDS Relief (PEPFAR). USAID's HIV/AIDS program will continue to reduce transmission through prevention services and will provide testing, counseling, care, and treatment services to vulnerable populations and to people living with HIV/AIDS. Additionally, the program will integrate family planning and HIV/AIDS programs, making voluntary family planning services more available to vulnerable groups.

- Maternal and Child Health (MCH): Funding will support the MCH components of Nepal's national health sector plan, consistent with the goals and principles of the GHI. USAID's MCH program will continue to reduce maternal and under-five mortality by supporting the GON-led scale-up of

intervention packages for birth preparedness, newborn care, integrated management of childhood illnesses, and immunizations. USAID will continue to recruit and train the GON's community health workers and volunteers to deliver high-quality services. Furthermore, USAID will support the GON to decentralize health planning as well as financial and program management functions to sub-national levels.

- Family Planning and Reproductive Health (FP/RH): FY 2013 resources will support the FP/RH components of the national health sector plan, consistent with the goals and principles of the GHI. USAID's FP/RH program will continue to expand access to high-quality voluntary family planning services and information and reproductive health care through sustainable approaches in the public and private sectors. Interventions in the public sector focus on service delivery to enhance the ability of couples to decide the number and spacing of births. Interventions in the private sector will focus on the promotion of products and services through social marketing techniques. USAID's investments will make substantial contributions to improve the health of mothers, newborns, and children, and mitigate adverse effects of population dynamics on natural resources, economic growth, and state stability.

- Nutrition: Funding will be used to support Nepal's national multi-sectoral nutrition plan, consistent with the goals and principles of the GHI and Feed the Future initiative. USAID's nutrition program, integrated with related activities in health and agriculture, aims to reduce under-nutrition among women and children under two, especially in food-insecure areas. The program will support the GON-led scale-up of nutrition education and service delivery as well as household food production.

Economic Growth

Although nearly 80 percent of the population of Nepal works in the agriculture sector, recent declines in agricultural production have depressed rural economies and increased widespread hunger and urban migration. Increasing degradation of fragile ecosystems and climate change cause higher disaster vulnerabilities and threaten the natural resource-dependent livelihoods of communities throughout Nepal. Resources under this objective will support programs that increase food security and livelihood opportunities for the rural poor; strengthen the foundation for rapid, sustained, and inclusive economic growth; and conserve biodiversity and mitigate the impacts of climate change in Nepal.

Development Assistance (DA): In FY 2013, DA funds will support the GCCI through programs aimed at reducing threats to biodiversity and vulnerabilities to climate change through a set of interventions for biodiversity conservation, sustainable landscape management, emissions reduction from deforestation and forest degradation, and readiness and adaptation to the adverse impacts of climate change. USAID will continue to work in close coordination and collaboration with the GON, non-governmental and civil society organizations, and other donors in Nepal (e.g., World Bank, Asian Development Bank, and the United Kingdom's Department for International Development) to achieve greater impact.

As part of the President's Global Hunger and Food Security Initiative, Feed the Future (FTF), USAID will support the efforts of the GON to refine and implement a country-led comprehensive food security strategy to reduce hunger and increase economic growth through market-led agricultural development. USAID's program will enhance production and productivity of high-value vegetables, lentils, major cereal crops, and livestock and increase participation of vulnerable groups in agricultural production. Lessons learned from previous U.S. programs will be used to scale up integrated activities in which agriculture components complement nutrition activities. U.S. assistance will also continue to support the Ministry of Agriculture and Cooperatives' food security program.

Economic Support Fund (ESF): FY 2013 funding will support USAID's efforts to improve trade and fiscal policies and practices, improve the business environment, and increase the competitiveness and exports of goods and services. Programs will include literacy and life skills training, vocational education, agricultural productivity and enterprise training, and scholarships.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In addition to the regular performance monitoring and evaluation activities such as biannual portfolio reviews, quarterly pipeline analyses, regular meetings with implementing partners to assess progress on work plans, and field-level monitoring visits, USAID conducted mid-term and final evaluations of its projects in FY 2011. The U.S. Embassy also conducts bimonthly meetings to review overall progress towards the goals outlined in the Mission's annual Strategic Resource Plan.

USAID also regularly conducts evaluations to measure program effectiveness and to inform future programming. The final evaluation of a five-year Health and Family Planning Project was completed in FY 2011. The evaluation was instrumental in assessing progress, identifying challenges, and making recommendations for changes needed during the final year of program implementation. The findings of this evaluation greatly informed the design of the new Health for Life Project, which will start in FY 2012.

USAID also conducted a mid-term evaluation of the Nepal Flood Recovery Project. The evaluation's findings and recommendations were helpful in revising project approaches for the remaining period of the project as well as supporting the extension to a new geographic location.

USAID also conducted an evaluation of local peace-building approaches adopted by recently completed projects, namely the Nepal Government Citizen Partnership Project and the Nepal Transition Initiatives Project. The objective of this evaluation was to evaluate the strengths and weaknesses of peace building approaches in terms of supporting sustainable peace by specifically addressing key drivers of conflict and to inform peace-building and local governance programs. This evaluation has provided broader lessons learned for future work in Nepal and other transitional environments.

In FY 2011, USAID supported the Nepal Demographic Health Survey, an extensive nationwide survey in coordination and collaboration with the GON and the Ministry of Health and Population. The results of the survey, expected in the spring of 2013, will provide a basis of measuring achievements on indicators related to health, nutrition, and food security projects, as well as an overall direction for ongoing and future projects in these areas.

In FY 2012, USAID will conduct final evaluations of the Education for Income Generation Project and Nepal Flood Recovery Project. USAID will also conduct a mid-term evaluation of its Combating Trafficking in Person Project in FY 2012. The evaluation of this project is expected to highlight issues that can be helpful to the GON in its effort to improve Nepal's Tier Two ranking in the State Department's Global Trafficking in Persons Report. This evaluation will also provide better insights into the emerging issues related to trafficking in persons and thus help more effectively orient project efforts.

Under FTF, USAID will undertake a comprehensive baseline study in FY 2012. This study will be part of the project's overall impact evaluation. The baseline study will be conducted in coordination with the USAID's Integrated Nutrition Project so as to capture the cross-cutting nature of these projects.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The new projects under FTF, GCCI, and in the areas of democracy and governance, economic growth, and environment are built on the successes and lessons learned in past and ongoing projects.

Based on the evaluation recommendations from the Nepal Family Health Project, the new Health for Life Project will focus substantively on strengthening health systems by setting up a comprehensive national quality improvement system. Following its mid-term evaluation, the Nepal Flood Recovery Project was revised to engage more with sectoral government agencies at the district level, such as the District Agriculture Office, District Development Committee, and District Irrigation Office, as well as the private sector, including wholesale market dealers, seed entrepreneurs, and civil society groups. The findings from these various evaluations will be important in the preparation of USAID's Country Development Cooperation Strategy during FY 2012.

In order to strengthen the performance monitoring and evaluation functions in the Mission, USAID/Nepal established a new policy based on the new USAID Evaluation policy. The policy specifies the procedures for planning, managing, and conducting high-quality evaluations and stresses the need to develop local capacities for monitoring and evaluation.

Past successes and lessons learned, together with the emerging needs of the country, will guide the allocation of resources and choice of programming. USAID has used successes of recent activities and applied the results of numerous assessments to design new programs in local governance, trafficking in persons, natural resource management and climate change, HIV/AIDS, nutrition, agriculture, and economic growth.

Nepal's progress in meeting MDG Five (reduction of maternal mortality), improving contraceptive prevalence rates, providing better services for safe motherhood, and implementing effective responses to HIV/AIDS has allowed better and more sophisticated program efforts in the health sector. Additionally, USAID is using proven successes of earlier agriculture programs to improve household food security in 20 of the poorest districts of Nepal.

Relating Past Performance to FY 2013 Plans: New programs will build on the successes of past assistance efforts to strengthen the gains achieved toward peace, stability, and democratization of the country. The new programs in local governance will empower citizens to make decisions regarding their own development and to take an active part in the governance of the country. FTF efforts, based on the successes and lessons learned from previous agriculture and economic growth programs will reduce hunger and poverty and improve the nutritional status of women and children from food-deficit regions of the country. With robust performance monitoring and evaluation systems under design for these projects, the Mission will learn valuable lessons during the course of implementation. The new programs will work closely with one another in an integrated manner to achieve the overall goals of U.S assistance in the country.

Through these lessons learned, U.S. assistance will better address concerns in the areas of health, food insecurity, democratic governance, vocational education, and economic growth in Nepal. U.S. assistance in the health sector will build on past successes and introduce new innovations that will support the GON in reducing maternal and child mortality and provide key health services to its citizens. The new programs under the Economic Growth objective will utilize approaches demonstrated to develop stronger foundations for inclusive, private sector-led economic growth to help Nepal reduce poverty. Lastly, U.S. assistance will also scale up proven approaches to help Nepal achieve immediate and long-term food security goals while mitigating the effects of climate change.

Pakistan

Foreign Assistance Program Overview

The United States seeks to foster economic and political stability in Pakistan through sustained assistance, which directly supports the core U.S. national security objective to disrupt, dismantle, and defeat al-Qaida, as well as to deny safe haven to it and its affiliates in the region. Despite recent challenges in the relationship, the United States and Pakistan must continue to identify shared interests and cooperate on joint actions that will help achieve these objectives. Maintaining robust civilian assistance to a democratic Pakistan and its population will contribute to a more stable, tolerant, and prosperous Pakistan, which over the long-term will make both the United States and the region safer. Security assistance will continue to build the counterinsurgency and counterterrorism capabilities of Pakistan's security forces, and remains critical to enabling security in the tribal areas and achieving progress on mutual security objectives. Security assistance is closely calibrated and evaluated to ensure it is in line with shared objectives and based upon Pakistan's cooperation.

Through civilian assistance, the United States will cooperate with Pakistan to strengthen the capacity of the democratic government to serve its citizens, including by rehabilitating critical infrastructure, stabilizing key areas contested by militants, and fostering private sector-led economic growth. The U.S. civilian assistance program focuses on five priority areas: increasing the capacity and efficiency of the power sector to help Pakistan address the energy gap that undermines its stability and growth; fostering private sector growth that will provide economic opportunities to Pakistan's growing population; supporting stabilization efforts across sectors and in regions susceptible to activity by violent extremists; and facilitating greater access to and increasing the quality of education and health care. Improving governance, transparency, and gender equality remain themes that cut across all sectors.

Civilian assistance is coordinated closely with Pakistan and implemented through Pakistani institutions, when appropriate, to maximize sustainability and impact. At the same time, rigorous accountability mechanisms have been put in place to ensure the funds are used for the purposes intended. The U.S. Government works closely with Pakistan's Ministry of Finance, which is the locus of assistance coordination for the Government of Pakistan (GOP). GOP interlocutors still express the need for U.S. and other donor assistance, including in support of Pakistan's nationally-endorsed growth strategy. The United States also remains focused on increasing trade, investment, and market access for Pakistan regionally and internationally, with the long-term mutual goal of helping Pakistan move beyond international assistance.

The primary focus of security assistance is building the counterinsurgency and counterterrorism capabilities of Pakistan's security forces, as well as strengthening military-to-military cooperation and addressing the long-term military modernization needs of the Pakistan military. The majority of security assistance to Pakistan is funded in the Department of State's Overseas Contingency Operations (OCO) budget through the Pakistan Counterinsurgency Capability Fund (PCCF), which is detailed in the OCO section of the Congressional Budget Justification. Complementary civilian assistance supports Pakistan's efforts to counter violent extremism. This is heavily, but not exclusively focused in the Federally Administered Tribal Areas (FATA) and Khyber Pakhtunkhwa (KP) province on the border with Afghanistan. This assistance is used to work with Pakistan to improve civilian governance, provide civilian law enforcement, and build the infrastructure and economic opportunity to drive the transformation of the region.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**1,798,201**	**2,101,908**	**2,227,596**	**125,688**
Overseas Contingency Operations	**297,220**	**1,998,108**	**800,000**	**-1,198,108**
Economic Support Fund	-	864,700	-	-864,700
Foreign Military Financing	-	197,408	-	-197,408
International Narcotics Control and Law Enforcement	-	116,000	-	-116,000
Nonproliferation, Antiterrorism, Demining and Related Programs	-	20,000	-	-20,000
Pakistan Counterinsurgency Capability Fund	297,220	800,000	800,000	-
Enduring/Core Programs	**1,500,981**	**103,800**	**1,427,596**	**1,323,796**
Economic Support Fund	918,904	-	928,250	928,250
Food for Peace Title II	115,073	-	-	-
Foreign Military Financing	295,408	98,000	350,000	252,000
Global Health Programs - USAID	28,443	-	-	-
International Military Education and Training	4,055	5,000	6,000	1,000
International Narcotics Control and Law Enforcement	114,298	-	124,000	124,000
Nonproliferation, Antiterrorism, Demining and Related Programs	24,800	800	19,346	18,546

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Pakistan	**1,798,201**	**2,101,908**	**2,227,596**	**125,688**
1 Peace and Security	**728,681**	**1,226,208**	**1,290,986**	**64,778**
Foreign Military Financing	**295,408**	**295,408**	**350,000**	**54,592**
1.3 Stabilization Operations and Security Sector Reform	295,408	295,408	350,000	54,592
International Military Education and Training	**4,055**	**5,000**	**6,000**	**1,000**
1.3 Stabilization Operations and Security Sector Reform	4,055	5,000	6,000	1,000
International Narcotics Control and Law Enforcement	**107,198**	**105,000**	**115,640**	**10,640**
1.3 Stabilization Operations and Security Sector Reform	94,848	94,050	103,500	9,450
1.4 Counter-Narcotics	12,350	10,950	12,140	1,190
Nonproliferation, Antiterrorism, Demining and Related Programs	**24,800**	**20,800**	**19,346**	**-1,454**
1.1 Counter-Terrorism	3,850	20,000	18,246	-1,754
1.2 Combating Weapons of Mass Destruction (WMD)	950	800	1,100	300
1.3 Stabilization Operations and Security Sector Reform	20,000	-	-	-
Pakistan Counterinsurgency Capability Fund	**297,220**	**800,000**	**800,000**	**-**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.3 Stabilization Operations and Security Sector Reform	297,220	800,000	800,000	-
2 Governing Justly and Democratically	**129,129**	**131,000**	**132,360**	**1,360**
Economic Support Fund	**122,029**	**120,000**	**124,000**	**4,000**
2.1 Rule of Law and Human Rights	-	10,000	-	-10,000
2.2 Good Governance	66,349	80,300	71,000	-9,300
2.3 Political Competition and Consensus-Building	3,422	1,000	3,000	2,000
2.4 Civil Society	52,258	28,700	50,000	21,300
International Narcotics Control and Law Enforcement	**7,100**	**11,000**	**8,360**	**-2,640**
2.1 Rule of Law and Human Rights	7,100	11,000	8,360	-2,640
3 Investing in People	**231,793**	**213,800**	**150,000**	**-63,800**
Economic Support Fund	**203,350**	**213,800**	**150,000**	**-63,800**
3.1 Health	67,139	86,550	70,000	-16,550
3.2 Education	136,211	127,250	80,000	-47,250
Global Health Programs - USAID	**28,443**	**-**	**-**	**-**
3.1 Health	28,443	-	-	-
4 Economic Growth	**583,525**	**525,000**	**649,250**	**124,250**
Economic Support Fund	**583,525**	**525,000**	**649,250**	**124,250**
4.1 Macroeconomic Foundation for Growth	5,000	-	-	-
4.2 Trade and Investment	5,000	7,200	22,000	14,800
4.4 Infrastructure	393,894	337,100	422,250	85,150
4.5 Agriculture	109,897	99,700	110,000	10,300
4.6 Private Sector Competitiveness	69,734	71,400	75,000	3,600
4.7 Economic Opportunity	-	9,600	20,000	10,400
5 Humanitarian Assistance	**125,073**	**5,900**	**5,000**	**-900**
Economic Support Fund	**10,000**	**5,900**	**5,000**	**-900**
5.1 Protection, Assistance and Solutions	10,000	5,900	5,000	-900
Food for Peace Title II	**115,073**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	115,073	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Pakistan	**1,798,201**	**2,101,908**	**2,227,596**	**125,688**
1 Peace and Security	**728,681**	**1,226,208**	**1,290,986**	**64,778**
1.1 Counter-Terrorism	3,850	20,000	18,246	-1,754
1.2 Combating Weapons of Mass Destruction (WMD)	950	800	1,100	300
1.3 Stabilization Operations and Security Sector Reform	711,531	1,194,458	1,259,500	65,042

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.4 Counter-Narcotics	12,350	10,950	12,140	1,190
2 Governing Justly and Democratically	**129,129**	**131,000**	**132,360**	**1,360**
2.1 Rule of Law and Human Rights	7,100	21,000	8,360	-12,640
2.2 Good Governance	66,349	80,300	71,000	-9,300
2.3 Political Competition and Consensus-Building	3,422	1,000	3,000	2,000
2.4 Civil Society	52,258	28,700	50,000	21,300
3 Investing in People	**231,793**	**213,800**	**150,000**	**-63,800**
3.1 Health	95,582	86,550	70,000	-16,550
3.2 Education	136,211	127,250	80,000	-47,250
4 Economic Growth	**583,525**	**525,000**	**649,250**	**124,250**
4.1 Macroeconomic Foundation for Growth	5,000	-	-	-
4.2 Trade and Investment	5,000	7,200	22,000	14,800
4.4 Infrastructure	393,894	337,100	422,250	85,150
4.5 Agriculture	109,897	99,700	110,000	10,300
4.6 Private Sector Competitiveness	69,734	71,400	75,000	3,600
4.7 Economic Opportunity	-	9,600	20,000	10,400
5 Humanitarian Assistance	**125,073**	**5,900**	**5,000**	**-900**
5.1 Protection, Assistance and Solutions	125,073	5,900	5,000	-900
of which: Objective 6	**96,498**	**97,340**	**105,400**	**8,060**
6.1 Program Design and Learning	32,393	33,500	34,000	500
6.2 Administration and Oversight	64,105	63,840	71,400	7,560

Peace and Security

Pakistan is essential to U.S. efforts to defeat militants that threaten both the United States and the region. U.S. assistance will continue to build the capacity of Pakistan's security forces to maintain security and provide an underpinning for civilian-led economic and political stability. U.S. funds under this objective will directly support efforts to bolster the counterinsurgency capabilities of Pakistan's security forces and encourage continued U.S.-Pakistan military-to-military engagement. U.S. assistance will strengthen the capabilities of the Pakistani military, border security, and civilian law enforcement – particularly in FATA and KP – which are critical to the long-term success of U.S. efforts to disrupt, dismantle, and destroy al-Qaida. The significant security assistance requested under this objective in the core budget, in addition to that requested in the PCCF account in the OCO budget, demonstrates the U.S. commitment to support Pakistan's counterinsurgency, counterterrorism, and legitimate defense needs and to remain engaged with Pakistan over the long-term. This assistance, implemented by the U.S. Departments of Defense and State, will be subject to the Leahy Law and the State Department's Leahy vetting process.

Foreign Military Financing (FMF): FMF is designed to promote U.S. core national security objectives and foster a closer military-to-military relationship. In Pakistan, FMF supports U.S. efforts to ensure Pakistan's security forces are trained and equipped to perform activities that contribute to shared national and regional security goals. Continuing prior year efforts, FMF will be used to complement activities funded through the PCCF account, to help Pakistan strengthen its counterinsurgency capacity and ensure it can be successful in its long-term efforts to combat militants in its western border region. FMF will also be

used to help Pakistan's military become more interoperable with U.S. and coalition forces and meet its legitimate defense needs.

Specifically, FY 2013 FMF will provide support to Pakistan's participation in international maritime security and counter-piracy operations and its counterinsurgency and counterterrorism efforts. Naval aircraft and surface vessels will improve Pakistan's ability to interdict illicit trafficking in drugs, persons, and weapons. Additionally, U.S. assistance will enhance Pakistan's ground mobility capacity, necessary to the success of its counterinsurgency operations in the western border regions, through the refurbishment and upgrade of armored personnel carriers.

International Military Education and Training (IMET): IMET promotes regional stability and enhances Pakistan's defense capabilities through professional military training and education. Through IMET, members of Pakistan's military build professional and personal ties with their U.S. counterparts that underpin and strengthen the U.S.-Pakistan military-to-military relationship. The majority of courses are conducted at military schools in the United States, where future military leaders from Pakistan receive valuable training, education, and exposure. In particular, IMET exposes these future leaders to U.S. military practices and values, including respect for the rule of law, human rights, and civilian control of the military.

In FY 2013, Pakistan's IMET program will focus on developing Pakistan's defense capabilities through training in resource management, defense acquisition, and logistics. The bulk of funding will support senior-level professional military education courses at U.S. command, staff, and war colleges, as well as mid-level professional military education courses, such as the Captains Career Courses, in a variety of fields. Additionally, FY 2013 IMET will continue to support a wide variety of technical courses (e.g. medical, aviation, etc.) to develop the Pakistan military's ability to operate and maintain U.S.-origin equipment.

International Narcotics Control and Law Enforcement (INCLE): U.S. assistance will build the capacity of Pakistan's law enforcement agencies to fight crime, including terrorism, meet basic community policing needs, expand access to justice, and maintain law and order, while extending the writ of the state into under-governed areas. The United States will also support Pakistan's efforts to build the capacity of its border security agencies by providing them with training and equipment, upgraded infrastructure, and enhanced air mobility. Lastly, the United States will consolidate the success of decades-long efforts to eliminate opium poppy cultivation, while increasing capacity to interdict the flow of narcotics from Afghanistan and address rising drug abuse rates within Pakistan. These efforts, combined with U.S. programs in the justice and corrections sectors, will enhance security in Pakistan, which will in turn facilitate the economic development necessary for long-term stability.

- Border Security: FY 2013 funds will sustain the operations of the Ministry of Interior's 50th Squadron Air Wing consisting of 14 helicopters and three fixed wing aircraft. The 50th Aviation Squadron based in Quetta, Balochistan, provides operational support – such as surveillance and reconnaissance, transport, and medevac missions – to agencies fighting militancy and crime in the challenging terrain bordering Afghanistan, as well as in the interior of the country. The United States will continue to provide infrastructure support (outposts and border security roads) and equipment to civilian law enforcement agencies. This support extends the GOP's reach into remote frontier areas. Beneficiaries include the Ministry of Interior, Anti-Narcotics Force, Frontier Corps - Balochistan and KP, Pakistan Coast Guards, and Home Departments. Funds will also be used to help combat the flow of improvised explosive devices within and across Pakistan's borders. The Department's Bureau of International Narcotics and Law Enforcement Affairs (INL) will continue to coordinate its assistance with the Department of Defense and other U.S. government entities.

- Law Enforcement Reform: FY 2013 funds will sustain ongoing U.S. technical assistance, training, equipment, and infrastructure assistance to Pakistani civilian law enforcement agencies, including provincial and Islamabad Capital Territory police and other law enforcement entities, including the FATA and Balochistan Levies. Assistance will help bolster civilian law enforcement institutions, strengthen the capacity of the police to hold areas cleared of militants, and meet basic policing needs in order to maintain law and order throughout Pakistan while expanding civilian access to justice. These activities will contribute to improved relations between police and the communities they serve. U.S. assistance is also designed to improve the survivability, mobility, and communications capacity of law enforcement agencies. These funds will also continue support to the Female Police Development program, which provides training and equipment to female police across Pakistan, as well as infrastructure support to women's police stations.

  Funding will also provide support for police advisors and trainers for program development, oversight, and training. For example, training, technical assistance, and equipment will expand investigative skills, build accountability and internal control structures, enhance police training institutions, improve managerial and leadership expertise, and continue successful initiatives that respond to a constantly changing but imminent security threat. Funding will also assist with the development of forensic capability and promote better cooperation between police and other pillars of the criminal justice sector, including prosecutors and prison officials.

- Counternarcotics: FY 2013 funds will continue to support Pakistan's efforts to decrease the cultivation, trafficking, and abuse of narcotics through ongoing crop control, interdiction, and demand reduction programs. Building off past gains, FY 2013 funds will continue to encourage the cultivation of high-value, legitimate crops and support the construction of roads and bridges, accompanied by small water and electrical schemes. Expanding counternarcotics infrastructure enables more effective interdiction and enforcement while providing a better platform for developing and supporting cultivation of legitimate crops. On the enforcement side, the United States will continue to encourage interagency cooperation among relevant Pakistani government agencies, which has led to increased seizures, and will provide commodity, training, and operational support to counternarcotics law enforcement agencies. INL will continue assistance to reputable Pakistani non-governmental organizations (NGOs) that carry out drug awareness, treatment, and rehabilitative activities for addicts in order to reduce addiction and the demand for drugs.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): NADR initiatives are an important element in U.S. efforts to strengthen Pakistan's civilian capacity to counter extremists and stem illicit trafficking.

- Counterterrorism: NADR Antiterrorism Assistance (ATA) builds the capacity of Pakistan's civilian law enforcement to deter, detect, and respond to terrorist attacks. ATA strategic objectives for Pakistan also focus on building effective, self-sustaining land border security and investigative capacities. As such, FY 2013 funds will support training in border security skills and procedures to safeguard against terrorist activity, as well as training to build law enforcement's capacity to collect investigative information and use it successfully to identify, arrest, and – by working effectively with other elements of Pakistan's justice system – effectively prosecute terrorist organizations operating throughout Pakistan. This includes helping the Pakistanis to assess the scenes of terrorist attacks and effectively gather and use information to assist in prosecutions, and fostering increased capacity to counter transit of terrorist and terrorist-related materials. ATA training will be leveraged by instructor development courses to ensure that law enforcement agencies use the U.S. training and assistance to inform their in-service training programs. ATA programs will also work toward advancing regional security cooperation through offering joint border security training to Afghan and Pakistani police officials.

The FY 2013 NADR request will also help the United States work with Pakistan to develop an anti-money laundering and counterterrorism finance (AML/CTF) regime that is operationally effective and meets international standards. This will include training, mentoring, and professional exchanges that will help Pakistan strengthen its legal framework and financial regulatory system, develop a viable financial investigative unit, and improve oversight of potential terrorist financing activities, including those via the charitable and informal financial sectors. A significant portion of these funds is intended to support a Resident Legal Advisor (RLA) in Islamabad. RLAs, who are U.S. prosecutors specializing in countering terrorist financing, promote AML/CTF legislation that meets international standards, train local prosecutors, and encourage the development of joint law enforcement/prosecutorial task forces. In the event that circumstances prevent the deployment of an RLA, training may be provided in a third party location.

- Combating Weapons of Mass Destruction (WMD): The NADR Export Controls and Related Border Security (EXBS) Program helps Pakistan stem the proliferation of WMD and their delivery systems, as well as prevent irresponsible transfers of conventional weapons. Specifically, the program assists Pakistan in building the capacity and capability to deter, detect, and interdict illicit trafficking in such items and to prevent the transfer of such items to end-users of proliferation concern. FY 2013 resources will assist Pakistan in developing its customs apparatus, legal-regulatory infrastructure, and outreach to industry through training in law enforcement and judicial applications in the strategic trade control arena, sponsoring fellowships covering a wide variety of non-proliferation topics for Pakistani officials, and facilitating industry workshops and seminars.

Governing Justly and Democratically

The United States remains steadfast in supporting civilian-led democratic governance in Pakistan. U.S. assistance will continue to support civil society and government partnerships, with a strong focus on gender equity and reducing gender-based violence (GBV), as well as assisting political parties to develop platforms and promote reforms. These programs will help foster partnership between citizens and local governments. U.S. democracy and governance assistance will support stabilization activities, a key assistance priority that cuts across multiple objectives, to strengthen civilian governance and counter violent extremism in conflict and post-conflict areas of the FATA and KP on the border with Afghanistan, as well as other vulnerable regions. In FY 2013, the United States will continue to strengthen the capacity of Pakistan's civilian-led government to be responsive to citizens, deliver services, and manage and monitor development assistance and other resources, thereby increasing its legitimacy and weakening the insurgency's appeal.

In addition to specific democracy and governance programs, a focus of U.S. assistance continues to be improving governance, transparency and accountability, religious freedom and tolerance, and gender equity across programming in all sectors. This includes helping the GOP at the federal, provincial, and local levels to improve its public administration, legislative, financial management, revenue generation, and accountability practices across all sectors that the U.S. government supports. This integrated approach will help the GOP to address endemic corruption, bureaucratic inefficiencies, and economic mismanagement, which undermine civilian governance in Pakistan.

U.S. assistance in this sector will be implemented by USAID and the U.S. Department of State.

<u>Economic Support Fund (ESF):</u>

- Good Governance: FY 2013 resources will continue to support and improve the provision of essential municipal services (including water, sanitation, and roads), strengthen the ability of provincial, district, and sub-district officials to deliver services, and promote citizen participation in local government decision-making.

Since 2007, the U.S. Government has been assisting the GOP to implement its FATA Sustainable Development Plan, which seeks to increase the writ of the government in the FATA and to improve government services to FATA citizens. FY 2013 assistance will continue to help local government institutions in the FATA and KP to develop the management capacity required to improve basic service delivery in an inclusive and democratic manner. Public service campaigns, peace jirgas, and citizen oversight will complement community infrastructure and cash for work programs to build legitimacy, promote tolerance, and tip public opinion scales away from extremists and toward GOP institutions. This initiative may expand its programming to targeted areas of Sindh and Punjab in FY 2013.

- Political Competition and Consensus Building: FY 2013 assistance will help political parties to become more responsive to constituents, promote women and minority groups in leadership roles, and undertake internal reforms.

- Civil Society: Assistance in FY 2013 will continue the five-year U.S. Gender Equity Program in Pakistan, which provides small grants to Pakistani NGOs and government agencies to strengthen the role of Pakistani women and girls by promoting gender equity in the civil, political, economic, and social realms, promoting women's rights, and working to end GBV. Assistance also will support a five -year small grants program enabling civil society to advocate for policy reform and monitor government performance, increasing the transparency of the public sector. The U.S. Government will continue to implement the five-year Ambassador's Fund and three other small grants programs, which provide grants to support high-impact citizen-led community improvement initiatives across Pakistan. Activities in this sector will help strengthen human rights and accountable and transparent government. In FY 2013, civil society funding, implemented by the Department of State, will support U.S.-based capacity building programs that build U.S.-Pakistan ties and strengthen democracy and civil society.

International Narcotics Control and Law Enforcement (INCLE): The United States will support Pakistan's efforts to build the capacity of its criminal justice sector by providing training and upgraded infrastructure. The United States will also promote the rule of law through training for prosecutors, judges, and corrections officials. Specifically, FY 2013 funds will support continued training, technical assistance, and professional skills programs for Pakistani prosecutors, judges, police and other members of the criminal justice community in Pakistan. Training will cover topics such as trial advocacy skills, advanced counterterrorism prosecutions, professional ethics, case load management, financial crimes, and criminal justice sector coordination. INL programs will also provide modest material support and renovations to selected prosecutorial and judicial offices, as well as programs to support improved legal education. Funds will also support in-country training for corrections officials, as well as infrastructure and minor renovations to existing facilities. In FY 2013, programming will continue to target improving conditions for vulnerable groups in prisons, including females, juveniles, and the mentally ill. Programs are implemented through the Department of Justice's Office of Overseas Prosecutorial Development, Assistance, and Training (OPDAT) Program and are supported by a full-time corrections advisor.

Investing in People

Over the long-term, Pakistan's ability to educate its children and provide essential health services to its growing population, including women and girls, will be critical to its future stability and economic growth. In 2011, new constitutional reforms were signed into law that devolve responsibility for social service delivery to the provincial governments and challenge their capacities. U.S. assistance in both health and education will focus on increasing access to and the quality of education and health services, as well as establishing the most efficient and effective ways of managing these services over the long-term. Programs will focus not only on assisting provincial governments, but also on expanding private provision of quality services.

Pakistan is the sixth most populous country in the world. With the highest population growth rate in the region, its current population of 180 million is on a trajectory to double by 2050. The addition of approximately three million people per year has overburdened an underfunded and dysfunctional health care system and overwhelmed basic social services across the board. Lack of access to contraceptives for healthy timing and spacing of pregnancy is one of the major contributors to the high fertility rate and high maternal, newborn, infant and child mortality and morbidity rates. Additionally, Pakistan remains one of four countries in the world (the others being Afghanistan, India, and Nigeria) where wild polio virus continues to circulate. The U.S. Government will support an integrated approach to strengthening the health sector already under stress due to devolution. U.S. assistance will help provincial governments to integrate and consolidate critical maternal and child health programs, creating a basic package of essential health services (in particular healthy timing and spacing of pregnancy, improved maternal and newborn health, and immunization) and strengthening the health systems essential to the sustained provision of quality care. Both public and private mechanisms will be utilized to improve service coverage in remote regions and among marginalized populations.

Pakistan's education system is in a protracted crisis beset by chronic under-financing, poor quality, and corruption that results in some of the worst and most inequitable education statistics in South Asia. Though the gap is narrowing, Pakistan continues to have large gender disparities in education: young girls are far less likely to enter school and more likely to drop out. Historically, low levels of investment in higher education have resulted in limited access to universities, crumbling infrastructure, graduates who are unprepared to meet the needs of a global economy, and research that does not meet international standards. University enrollment rates in Pakistan are low in comparison to other countries in the region, with only 4.2 percent of 18 to 23 year olds enrolled in university, compared to nearly 10 percent in India and 12 percent in Malaysia. Universities in Pakistan are largely ill-equipped to provide leadership in finding solutions to technological and social problems challenging Pakistan, such as food insecurity, insufficient energy reforms or infrastructure, and depleted water resources. U.S. assistance will support improvements in both basic and higher education in Pakistan. In basic education, programs will continue to strengthen provincial governments' ability to expand access and efficiently deliver an improved quality of education, even as Pakistan copes with devolution. In instances where working with the provincial government is not possible, programs will assist low-cost private school networks to deliver education services. Programs will strengthen the quality of teaching, particularly reading instruction, strengthen governance and management of education, support community involvement for school accountability, prepare out-of-school youth to attend school, and increase access to education, particularly for girls. In higher education, the United States will continue to work with Pakistani universities to make their graduates more competitive and research more relevant by continuing to support centers for advanced studies in agriculture, water, and energy. The United States will continue to support the Pakistan Fulbright program and other programs to foster linkages between American and Pakistani universities and promote Pakistan's access to global education, including for women. The United States will also support research to bolster mutual U.S. and Pakistani cooperation in science and technology.

U.S. assistance will be implemented by USAID and the U.S. Department of State.

<u>Economic Support Fund (ESF):</u>

Health:

- Public Health Threats: U.S. assistance will bolster Pakistan's disease surveillance and health information management systems to improve planning, budget allocation, and supervision; improve human resource capacity and development; and strengthen supply chain management and drug logistics systems for basic medical supplies. The United States will help provincial governments

increase their ability to manage, implement, and monitor immunization as part of an integrated health services delivery system.

- Maternal and Child Health: U.S. funds will support the improvement of maternal and child health services through a mixed public-private-NGO approach throughout the country, including in the FATA and KP. Outreach will be targeted at the community level, reinforce service delivery, and push to transform the social norms around current unhealthy behaviors and practices. Focused technical assistance in health systems strengthening will assist federal, provincial, and district managers to define planning, budgeting, monitoring, and technical roles under devolution, build the systems and tools to ensure service integration and more cost-effective approaches, and promote provincial leadership.

- Family Planning and Reproductive Health: U.S. assistance will support the scale up of evidence-based approaches to increase access and ensure the quality of reproductive health and family planning products and services. U.S. government funds will ensure the procurement and distribution of critical health commodities while simultaneously assisting the public sector to strengthen logistics and health information management systems.

Education:

- Basic Education: U.S. assistance in FY 2013 will continue programs to help provincial governments and low-cost private school networks improve the quality of education, while expanding enrollment in and completion of primary and secondary school. The United States will continue to work with the Government of Sindh, as well as KP, Balochistan, and other provinces to improve teaching, particularly reading instruction and assessment, mobilize communities for greater school accountability, and improve education management through technical assistance. The United States, working with provincial governments, as well as the business community, will also continue to improve school infrastructure and better equip schools. In partnership with the World Bank, the United Kingdom's Department for International Development (DfID) and other donors, the U.S. Government will work directly with the provincial governments to continue education reforms that will lead to more effective and efficient school systems. FY 2013 funds may continue to support children's educational television programming, aimed at increasing literacy and numeracy skills and problem solving abilities, while encouraging tolerance among young children and their caregivers.

- Higher Education: U.S. assistance will continue to support in-country scholarships to talented, but often poor, Pakistanis to attend top-tier Pakistani universities. The United States will continue partnerships between American and Pakistan teacher training colleges that improve college and university curriculum and pedagogy, better preparing future teachers. American-Pakistani university partnerships to conduct research for science and technology innovation of interest to both countries will also continue to be funded. The FY 2013 request will support academic programs, including the world's largest Fulbright program, which fund Pakistani students and professionals in various stages of their education and/or career, to visit the United States, participate in university courses with U.S. students, and complete short-term internships in their fields of study. Finally, FY 2013 resources will help solidify gains made in prior years in the promotion of Centers for Advanced Studies in energy, water, and agriculture. The Centers will continue to provide graduate scholarships, as well as grants for applied and policy research.

Economic Growth

Pakistan's economic challenges have grown more daunting over the past year. Economic growth for 2011 is estimated by the International Monetary Fund to have been around 2.6 percent, far short of the level required to increase employment for the rapidly expanding labor force. Meanwhile, inflation – currently at

approximately 10 percent – is predicted to reach roughly 12 percent. This slow growth and high inflation has led to a "stagflation" environment that may be hard for Pakistan to escape. A major contributor to the dire economic situation is the steadily worsening energy situation, which has caused many businesses to curtail activity and lay off employees. Throughout the country, protests over power outages have turned violent. In Pakistan's industrial base, insufficient power has shut down textile factories, putting thousands out of work. Sixty-four percent of public schools have no electricity, and domestic natural gas supply is rationed with no import capability in place. The problems with energy and domestic economic conditions, along with the worldwide economic slowdown, have been very detrimental to the export sector. The trade deficit increased 38 percent from a year earlier. The decline in exports, along with a more general economic malaise, has resulted in the declining value of the rupee, a decline in foreign exchange reserves, and the growing possibility of a balance-of-payments crisis during 2012.

The goal of U.S. assistance is to foster stability and self-sufficiency by helping Pakistan meet its energy needs and generate employment and incomes through broad-based, inclusive growth, which will provide the population with economic opportunity as an alternative to extremism. To promote economic growth in Pakistan, U.S. assistance will support energy production and efficiency, strengthen private sector growth through innovative financing, focus on small and medium enterprises (SMEs), increase agricultural and non-agricultural productivity, and improve irrigation and water management. The United States will complement assistance with efforts to foster increased trade and investment in Pakistan, both in the region and internationally, with the long-term mutual goal of helping Pakistan move beyond international assistance.

The energy sector, crucial to sustained economic growth, is the first priority of U.S. assistance to Pakistan. To address Pakistan's energy challenges and priorities, the United States is investing in energy generation, energy efficiency, and supporting policy and management improvements in the power sector. The United States aims to support the GOP and Pakistan's private sector in improving the quality and reliability of energy services for 60 percent of the population in five years, and also in making longer-term progress toward solving its energy crisis, thus contributing to economic growth and reducing the instability and social unrest caused by energy shortfalls. This will be achieved by improving the quality and quantity of energy supplied to customers (including increasing energy supplies and reducing load shedding). By early 2013, U.S. assistance will already have added 900 megawatts Pakistan's electric grid, a significant percentage of Pakistan's electricity shortfall and almost half the installed capacity of the Hoover Dam.

Agriculture, which accounts for 21 percent of Pakistan's gross domestic product and directly employs more than 45 percent of the population, is another priority area for U.S. assistance. Over 50 percent of industrial production comes from agribusinesses, and agriculture earns over 70 percent of export revenues. Nearly 62 percent of the country's population resides in rural areas and are linked with agriculture for their livelihood. However, the agricultural sector is characterized by inadequate access to high quality inputs, limited added value, poor storage and transport, and weak marketing links. Agricultural programs will support improved technologies, including improved irrigation systems to conserve water, and enhance productivity in the most profitable value chains. Private sector programs will complement the agriculture programs by facilitating greater access to innovative financing mechanisms, improving the marketability of Pakistani goods, and enable women-run businesses to enter the broader market.

In FY 2013, the U.S. assistance will have a particular focus on critical economic growth and agriculture needs in the FATA and KP regions, complementing significant ongoing U.S. infrastructure investments such as road construction. U.S. programs will work in partnership with local authorities in the FATA and KP to improve livelihood opportunities in the vulnerable areas, while strengthening the institutional capacity of local authorities to plan, manage, and monitor development programs in their respective areas.

U.S. assistance represents a whole-of-government approach in this sector, and will be implemented through the coordinated efforts of USAID and other U.S. agencies such as the Departments of Agriculture, Commerce, and State, as well as the Overseas Private Investment Corporation and the U.S. Trade and Development Agency.

Economic Support Fund (ESF):

- Trade and Investment: U.S. assistance will help Pakistan strengthen its economic ties with neighboring countries and capitalize on trade agreements to promote integrated and harmonized intra- and trans-regional trade. These efforts will advance the New Silk Road initiative to foster growth through expanded economic linkages throughout the region. Assistance will be expanded to provincial governments, sector management companies, chambers of commerce and industry, and other key stakeholders. The United States will support public and private sector efforts to promote sound policy and decision making through the exchange of reliable trade data. Assistance will strengthen public and private sector capacity to analyze the impact of various bilateral agreements in order to take full advantage of trade liberalization to generate economic growth. In order to better focus these efforts, the United States will prioritize assistance towards sectors driven by local and international demand where Pakistan has a competitive and comparative advantage.

- Infrastructure: As part of Phase III of the U.S. Signature Energy Program that began with FY 2009 funds, the FY 2013 budget will continue to support large-scale infrastructure projects to increase Pakistan's power supply in the long-term, as well as smaller projects to immediately increase available power. Complementing construction programs, U.S. efforts will also help Pakistani institutions build the capacity needed to manage the power sector effectively and implement policy reforms that will greatly increase access to power in the long term. Infrastructure funds will also support construction of roads, bridges, irrigation systems, and other facilities, all development activities that increase economic growth opportunities and support the U.S. strategy for countering violent extremism in Pakistan. The United States will work in partnership local authorities in the FATA and KP.

- Agriculture: U.S. assistance will continue to address critical constraints in the public and private sector. The U.S. Department of Agriculture-implemented program will focus on agricultural research, animal and plant health, water management, and agricultural extension. The USAID program will continue to focus on improving the competitiveness of livestock, dairy, and horticulture value chains in Pakistan by increasing productivity, strengthening market linkages and value chains, policy reform, and increasing trade. The outcomes of these efforts will include improved efficiency in agricultural production, processing and marketing, increased employment opportunities for rural and urban residents, and expanded private investment in agriculture and agribusiness activities. Assistance will focus on irrigation source development and farm irrigation system development. In Pakistan, water is the cornerstone for both agriculture and power, but demand for water will soon outstrip supply, reducing food and regional security. Over 90 percent of all water in Pakistan is used for agriculture, and over 50 percent of farmers keep a portion of their land fallow because of insufficient water storage and shortages. U.S. assistance will improve water management on farms and improve water retention and delivery, providing long-term economic benefit to impoverished areas. FY 2013 funds will also be used to increase private sector-led credit services to farmers and to develop a land records management system, particularly in the FATA and KP regions. The United States also will fund programming that will strengthen Pakistan's agriculture extension network, which can boost productivity by improving the delivery of services to agricultural producers and their access to modern agricultural inputs and technologies. Strengthening the extension network will also increase information available to farmers on alternatives to calcium ammonium nitrate, a fertilizer that is a common input for improvised explosive devices (IEDs) in the region.

- Private-Sector Competitiveness: Pakistan's ranking as 118 out of 142 on the World Economic Forum Global Competitiveness Index illustrates the challenges to private sector-led development in Pakistan. By working at the policy, sector, and particularly at the enterprise level, FY 2013 assistance will continue to strengthen and reduce constraints to a dynamic, internationally-competitive private sector in Pakistan. Assistance may include improving workforce development systems and increasing access to finance for small- and medium-sized enterprises, and funding the adoption of new technologies and management practices. Programs will target women-run microenterprises, helping build financial literacy and forging stronger links to profitable markets.

  Access to finance is one of the greatest challenges facing small businesses in Pakistan, and private equity is one important source of growth capital for entrepreneurial, growing companies. Private equity investment as an industry in Pakistan is still in its infancy relative to many other developed and developing countries. In FY 2013, the United States will continue to promote private-sector growth in Pakistan through an investment fund established to provide badly needed investment finance for high-growth small and medium enterprises along with management direction and skills, improved operations and corporate governance practices. The U.S. Government is pursuing an approach to address this objective, but continues to believe that a traditional Enterprise Fund, as authorized in Eastern Europe and the Middle East, could be a more effective program model to drive investment in the private sector; as such, the budget request continues to seek Congressional authorization for an Enterprise Fund in Pakistan in FY 2013.

  U.S. assistance will encourage public-private partnerships enhancing the private sector's involvement in economic activity in areas prone to violent extremism with the objective of generating employment for the most marginalized communities. Using FY 2013 funds, the United States will promote innovation and technology upgrades in non-farming sectors, support workforce development to ensure that a skilled labor force is available, and improve economic governance through policy reforms and private/public sector capacity building in the FATA and KP.

- Economic Opportunity: In FY 2013, the United States will further expand its efforts to support the poor, especially women-headed households, as they are often the most disadvantaged, and connect them to improved economic opportunities. This will include efforts to enhance the current income-earning prospects of women-headed poor households by developing and strengthening the microenterprises that they engage in, helping link them to business support service providers, and opening up new distribution channels so they can realize their potential and lift their families and communities out of poverty. U.S. assistance will work to remove barriers that inhibit growth and affect operations of micro and small enterprises. At the enterprise level, the U.S. government will implement integrated interventions to provide technical advice and training leading to productivity and quality enhancements that would enable them to take advantage of and meet the requirements of high-value end markets domestically, regionally, and internationally, thereby increasing their income-earning potential. The United States will also invest in market infrastructure, allowing new channels of commercial and private finance to open up for micro and small enterprises. The envisioned investments are expected to deliver high dividends in terms of economic and social development particularly in peri-urban and rural areas of Pakistan.

Humanitarian Assistance

Natural disasters and on-going military operations have exacted a terrible price on the people of Pakistan. The United States is committed to working with the GOP and the international humanitarian community to implement programs in such a way as to help communities and national authorities manage crisis and reduce vulnerabilities.

Economic Support Fund (ESF): U.S. assistance will continue to support the provision of food and non-food relief in the wake of natural disasters or damage caused by military operations. FY 2013 funds are expected to include medical supplies, psycho-social counseling, and livelihood assistance. In addition, disaster risk reduction will become a lens through which all programs are viewed, working with USAID's Office of Foreign Disaster Assistance (OFDA) communities and local authorities to strengthen planning and response mechanisms.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The United States has a national security interest in ensuring that Pakistan is stable, secure, and prosperous, and enjoys a democratic civilian government. USAID's approach to stabilization and development in Pakistan is to support locally-led efforts that address the root causes of extremism: poverty, lack of social and economic opportunities, weak and unresponsive governance, and dysfunctional public services. To ensure greater Pakistani responsiveness and increase the sustainability of the civilian assistance programs, USAID has moved to implement more programs directly through national and provincial governments, Pakistani contractors, grantees and other local institutions. Various factors, including security challenges, frequent natural disasters, the GOP's budget shortfall, and the devolution of authorities to the provinces, complicated the implementation and monitoring of international assistance programs over the last year. These challenges underscored the importance of designing programs that foster community and third-party oversight, in addition to traditional monitoring activities. These additions to USAID monitoring efforts have helped track expenditures and results.

In August 2011, USAID put a five-year, $71 million monitoring and evaluation contract in place that underscores the U.S. commitment to effective performance management. The monitoring and evaluation contract provides independent third-party monitoring and evaluation services across all USAID projects. Additional performance management tools that are used include USAID staff site visits, program audits, pre-award assessments, post-award audits, financial reviews, and annual portfolio reviews. USAID also led annual portfolio reviews on the government-to-government projects in spring 2011 and non-government-to-government projects in summer 2011.

Program impact evaluations were conducted by USAID to validate economic impact as input as part of the decision making process on the future of certain projects. The Balochistan Agriculture Project, which aims to increase incomes of poor rural men and women in the five districts in the border areas of the least developed province in Pakistan, was continued based on recommendations of a thorough evaluation. The project was rated five on a scale of one to six, signifying only minor shortcomings in design or implementation, while recognizing the difficulty of the operating environment and the security situation.

Case studies were conducted by USAID to evaluate the extent to which programs are having the impact they were designed to achieve. The Pakistan Transition Initiative promotes conditions of stability in FATA and neighboring KP. Data from a case study clearly indicates that confidence in the government has increased in the communities where Pakistan Transition Initiative projects have been implemented and that this increase is the direct result of those interventions.

During FY 2011, the USAID Inspector General (IG) supported agency efforts to ensure program performance and accountability through the use of periodic audits in areas such as program implementation and project management. The State Department and USAID IGs also produce a quarterly report on Pakistan civilian assistance. Notably, the USAID IG's audit of the pre-award assessment process found that it did provide a reasonable basis for identifying significant financial management vulnerabilities though management of the process still contained weaknesses. Other audits, such as on Road

Rehabilitation and Reconstruction Activities in South Waziristan, found the project was on track despite some delays caused by security issues. However, some audits found much more serious concerns that USAID is currently working to correct.

In the Department of State, INL continually looks for opportunities to improve upon its ability to track commodity and infrastructure assistance, which requires on-site inspections, quarterly reporting by the GOP, and day-to-day contact with Pakistani counterparts. Through end-use monitoring by locally employed staff, INL is able to determine where assistance is best received and utilized, as well as where shortcomings exist. This level of scrutiny influences future programmatic and budgetary choices.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: USAID based its budget and programmatic choices on the results of performance and financial assessments. Through monitoring and evaluation and audits, USAID uses this information along with considering other factors to determine where, and on what, programs funds will be spent, and who will implement the programs. An example of these efforts can be seen in the Balochistan Agriculture Project, a project designed to increase the incomes of poor rural men and women in the five districts in the border areas of the least developed province in Pakistan. A recently completed independent project impact evaluation documented project successes, such as generation of over 100,000 person-days per year of employment and increasing incomes of the 10,000 beneficiary households. Based on recommendations from the evaluation USAID is extending the project life by another year, expanding the project area to include additional districts, and emphasizing lessons learned toward increasing women's empowerment and developing a more inclusive approach to community mobilization.

Through USAID's Independent Monitoring and Evaluation contract, an evaluation was conducted to help the Mission plan effective health programs for the future within the context of U.S. foreign policy objectives for Pakistan. The health program began in 2003 and includes activities to promote family planning, improve maternal and newborn health services, and prevent major infectious diseases. The program is nationally-focused, working in underserved rural and urban districts in Sindh, Balochistan, Punjab, and KP.

The USAID IG has indicated in its FY 2012 plan its intention to audit the independent monitoring and evaluation contract to insure that USAID/Pakistan is complying with its own internal guidelines to effectively managing public resources to promote sustainable development, and promoting learning as a way to improve project effectiveness and impact. Going forward, the IG will continue to work in collaboration with USAID to ensure that the Mission's overall performance management plan meets Agency standards and supports managing for results.

Relating Past Performance to FY 2013 Plans: With FY 2013 assistance, the U.S. Government intends to draw on insights gained by monitoring and evaluation and performance reviews to guide project choices and budgetary decisions. USAID will continue to work closely with Department of State and USAID IGs, the U.S. Government Accountability Office, the Pakistan Auditor General, and Pakistani accounting firms to conduct audits, as appropriate. Performance monitoring indications of how activities are effectively contributing to assistance goals will continue to impact budgetary decisions.

USAID is currently setting up a web-based system called PakInfo that will track project and mission progress against specific goals for each sector, indicators to demonstrate progress against the goals, as well as project specific indicators to monitor individual project progress. PakInfo will also contain project contextual information such as project narratives, financials, and official documentation such as evaluations. It will also be capable of logging onsite monitoring of projects. This effort will improve transparency, accountability, and efficiency of performance monitoring.

Sri Lanka

Foreign Assistance Program Overview

Sri Lanka continues to recover from nearly three decades of conflict. Although the war ended in 2009, expected peace dividends have been slow to follow. People in the conflict-affected areas of the north and east continue to struggle to meet their basic human security needs. These minority-dominated areas, and the Sinhalese in neighboring provinces, remain poor and marginalized, and lack access to services. In FY 2013, U.S. assistance will focus on facilitating reconciliation, continuing demining efforts, strengthening indigenous civil society organizations, and developing local economies. Nationally, U.S. assistance will support efforts to modernize the legal system, strengthen border control, and develop future military leaders in Sri Lanka with training and exposure to human rights issues.

In addition, USAID is beginning to budget and plan transparently for transitions from humanitarian supported disaster risk reduction to activities in support of this objective funded by the mission. Sri Lanka is one of the countries where this transition was initiated in FY 2012 and will continue in FY 2013. It is anticipated that humanitarian assistance funds will continue to support regional and innovative activities as part of its core mandate.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**27,837**	**14,055**	**16,520**	**2,465**
Development Assistance	14,741	8,000	10,900	2,900
Food for Peace Title II	10,696	-	-	-
Foreign Military Financing	998	500	450	-50
International Military Education and Training	952	665	626	-39
International Narcotics Control and Law Enforcement	-	1,440	1,440	-
Nonproliferation, Antiterrorism, Demining and Related Programs	450	3,450	3,104	-346

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Sri Lanka	**27,837**	**14,055**	**16,520**	**2,465**
1 Peace and Security	**5,840**	**6,935**	**6,040**	**-895**
Development Assistance	**3,440**	**1,600**	**1,140**	**-460**
1.3 Stabilization Operations and Security Sector Reform	1,640	600	200	-400
1.6 Conflict Mitigation and Reconciliation	1,800	1,000	940	-60
Foreign Military Financing	**998**	**500**	**450**	**-50**
1.3 Stabilization Operations and Security Sector Reform	998	500	450	-50
International Military Education and Training	**952**	**665**	**626**	**-39**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.3 Stabilization Operations and Security Sector Reform	952	665	626	-39
International Narcotics Control and Law Enforcement	**-**	**720**	**720**	**-**
1.3 Stabilization Operations and Security Sector Reform	-	720	720	-
Nonproliferation, Antiterrorism, Demining and Related Programs	**450**	**3,450**	**3,104**	**-346**
1.2 Combating Weapons of Mass Destruction (WMD)	450	450	404	-46
1.3 Stabilization Operations and Security Sector Reform	-	3,000	2,700	-300
2 Governing Justly and Democratically	**3,783**	**3,420**	**4,337**	**917**
Development Assistance	**3,783**	**2,700**	**3,617**	**917**
2.1 Rule of Law and Human Rights	1,874	1,200	1,445	245
2.2 Good Governance	883	-	1,288	1,288
2.4 Civil Society	1,026	1,500	884	-616
International Narcotics Control and Law Enforcement	**-**	**720**	**720**	**-**
2.1 Rule of Law and Human Rights	-	720	720	-
4 Economic Growth	**7,518**	**3,700**	**6,143**	**2,443**
Development Assistance	**7,518**	**3,700**	**6,143**	**2,443**
4.5 Agriculture	912	-	-	-
4.6 Private Sector Competitiveness	5,106	2,200	5,059	2,859
4.7 Economic Opportunity	1,500	1,500	1,084	-416
5 Humanitarian Assistance	**10,696**	**-**	**-**	**-**
Food for Peace Title II	**10,696**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	10,696	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Sri Lanka	**27,837**	**14,055**	**16,520**	**2,465**
1 Peace and Security	**5,840**	**6,935**	**6,040**	**-895**
1.2 Combating Weapons of Mass Destruction (WMD)	450	450	404	-46
1.3 Stabilization Operations and Security Sector Reform	3,590	5,485	4,696	-789
1.6 Conflict Mitigation and Reconciliation	1,800	1,000	940	-60
2 Governing Justly and Democratically	**3,783**	**3,420**	**4,337**	**917**
2.1 Rule of Law and Human Rights	1,874	1,920	2,165	245
2.2 Good Governance	883	-	1,288	1,288
2.4 Civil Society	1,026	1,500	884	-616
4 Economic Growth	**7,518**	**3,700**	**6,143**	**2,443**
4.5 Agriculture	912	-	-	-

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.6 Private Sector Competitiveness	5,106	2,200	5,059	2,859
4.7 Economic Opportunity	1,500	1,500	1,084	-416
5 Humanitarian Assistance	**10,696**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	10,696	-	-	-
of which: Objective 6	**1,473**	**700**	**1,090**	**390**
6.1 Program Design and Learning	441	334	327	-7
6.2 Administration and Oversight	1,032	366	763	397

Peace and Security

Although the 26-year civil war has ended, the underlying drivers of the conflict in Sri Lanka continue to divide communities, civil society, and political parties throughout the country. U.S. assistance seeks to support civil society organizations engaging in network- and consensus-building activities; promote citizen participation in decentralized government; uphold military and police professionalism and respect for human rights; and strengthen the Government of Sri Lanka's (GSL) port and border security, civilian authority, and demining capabilities.

Development Assistance (DA): Stabilization operations and security sector reform programs will complement demining activities undertaken with Nonproliferation, Antiterrorism, Demining, and Related (NADR) funding. The U.S. Government will collaborate with the GSL under its National Mine Action Strategy to build indigenous capacity in support of demining and mine action-related initiatives. Additionally, USAID will provide mine risk education for returning internally displaced persons (IDPs). Activities will seek to reduce the risk of injury from landmines and explosive remnants of war through awareness, education, and training.

Conflict mitigation and reconciliation programs will provide technical assistance, training, and program support to civil society groups, with a focus on minority- and women-led organizations across the country. In addition to supporting their base in advocating for community priorities, these organizations will contribute to network- and consensus-building with other communities around key issues. By supporting these organizations and promoting citizen participation in decentralized government, U.S. assistance will promote positive inter-ethnic relations and encourage groups to work together in partnership with government entities to address common issues.

Foreign Military Financing (FMF): FMF resources will build on previous U.S.-funded training and equipment assistance to the Sri Lankan Army Humanitarian Demining Unit to increase its humanitarian demining capacity and strengthen its partnership with international non-governmental demining units. In the longer term, the United States seeks a successful continuation of military transition from combat operations and internal security to eventual increased participation in peacekeeping operations and regional security.

International Military Education and Training (IMET): In FY 2013, IMET resources will be used to train the next generation of leaders in the Sri Lankan armed forces. Courses will expose Sri Lankan officers to U.S. military norms and values, including human rights and humanitarian law, and address critical post-conflict topics, including security sector reform and civil-military relations.

International Narcotics Control and Law Enforcement (INCLE): U.S. assistance in this area will support stabilization and security sector reform, and the establishment of a professional police force capable of significantly supporting political reconciliation and re-establishing normalcy. Assistance will focus on

building the capacity of the police forces, including police prosecutors. New programs will address identified gaps in the law enforcement sector, such as technical competence, professionalism, governance, community policing, capacity building, and managing organizational change in order to meet international standards.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): Programming in FY 2013 will include support for Sri Lanka's trade and border control systems as well as strategic, humanitarian demining efforts in the country.

Working through the Department of State's Export Control and Related Border Security (EXBS) program, U.S. assistance will support the GSL's efforts to combat weapons of mass destruction (WMD) and promote international non-proliferation. Since Sri Lanka is a transit country for these materials, the EXBS program will focus on improving the capabilities of Sri Lanka's new Coast Guard with respect to maritime law enforcement, port security, and boarding and search operations. In addition, the EXBS program also aims to help the GSL establish and enhance strategic trade control systems, including border control capabilities, in order to prevent the spread of WMD and the illicit transfer of advanced conventional weapons. U.S. assistance will also support activities involving the development of regulations and procedures to implement comprehensive export control legislation and the expansion of governmental capacity to control dual-use exports to include the development of domestic control lists.

Stabilization operations and security sector reform programming will include support for demining work. Since January 2009, approximately 555 square kilometres of land have been demined through survey and clearance, and the total known and estimated extent of remaining contamination in the Northern and Eastern Provinces is approximately 133 square kilometres. Mine clearance is a major obstacle to the resettlement of IDPs, reconstruction, and recovery. In addition, it is a prerequisite for both economic development and lasting peace and security. U.S. assistance will assist Sri Lanka with its National Mine Action Program, initiated in 2002, to create a mine- and explosive remnants of war-free environment in support of resettlement and development programs. In the upcoming year, U.S. assistance will support the National Mine Action Center as well as demining NGOs.

Governing Justly and Democratically

In FY 2013, U.S. assistance will implement a civil society-led strategy in order to engage with vital institutions to revive Sri Lanka's democratic culture and ensure a plurality of voices are included in resolving key post-conflict issues that continue to face the country. This assistance will support citizen groups to establish peaceful ways for minorities to address interests and grievances, support the institutions of local and regional government, and strengthen efforts to improve the responsiveness of the legal system. U.S. assistance will target civil society groups able to engage with both the populace and governmental entities. The United States will also seek to work with national and regional government institutions where a window of opportunity for reform exists. The geographic focus of U.S. assistance will continue to be primarily the Northern and Eastern Provinces; however, it will also include other lagging provinces in order to build a larger constituency around common concerns.

Development Assistance (DA): In FY 2013, rule of law and human rights programs will build the capacity of the Sri Lanka Judges Training Institute by developing legal and management education programs for judges and non-judicial officials in partnership with a foreign judicial college; provide language, management, and information technology training for non-judicial officials; support civil society organizations (CSOs) to advocate for legal and policy reform to promote gender equality; and support the implementation of the policy framework for human rights by training government officials, court administrators, and CSOs. In FY 2013, the United States will continue to support documentation and legal

aid programs and assistance for returnees in the north and east, including the replacement of identification cards, which are critical for exercising citizenship, preserving safety, and protecting individual rights.

Good governance programs will strengthen the capacity of regional and local government institutions to increase transparency and quality of service delivery to their constituents and establish linkages between civil society groups and regional and local government bodies. These programs will support more effective engagement of public resources by establishing a framework for citizen participation in the planning and budgeting of government services. U.S. assistance will also continue to support the training of information technology and language teachers in targeted regions to improve the management of local government services, promote the use of English as a common language between communities, and make government officials more accessible to the private sector.

In FY 2013, U.S. civil society programming will provide core support for targeted national and regional CSOs that campaign for democratic standards; and develop the capacity of an indigenous intermediate support organization that will be able to assist CSOs to build capacity, expertise, and management abilities. The intermediate support organization will be the lead agency and coordinator of a national initiative to assist interested CSOs, including smaller, community-based organizations, in developing codes of ethics, responsible management structures, and financial management systems as well as in meeting proposed GSL regulations. These programs complement conflict mitigation and reconciliation activities by supporting organizations at the community level to build consensus around core issues. This strategy enables the United States to promote inter-ethnic relations by networking these organizations with partners across the country. Finally, the strategy links democracy and governance with the economic growth programs through support for CSOs that play an important role in promoting economic security in the region.

International Narcotics Control and Law Enforcement (INCLE): The Sri Lankan judicial system needs assistance. Many suspects are held for years awaiting trial, the conviction rate is only six percent, and punishment for convicted criminals is inconsistent. U.S. assistance in FY 2013 will support judicial sector reform and the development of rule of law principles. Areas of focus include. but are not limited to improving judicial standards, building judicial sector capacity, and increasing public confidence in the judicial sector. FY 2013 resources will substantially improve the functioning of the judicial system, thereby addressing a key issue in post-conflict Sri Lanka.

Economic Growth

The end of armed conflict provides an opportunity for Sri Lanka to embark on reforms and work with the private sector to establish a more dynamic and vibrant economy. However, Sri Lanka's economic gains are still marked by sharp regional imbalances. Without addressing these regional imbalances, Sri Lanka's overall economic advancement will be limited. Furthermore, regional income imbalances have been a major source of grievance since the beginning of the civil war, exacerbated by decades of conflict.

Development Assistance (DA): In FY 2013, economic growth programs will aim to contribute to the foundation for lasting peace through equitable distribution of economic growth benefits across the lines of geography, ethnicity, and gender. U.S assistance will focus on the north and east and the adjacent conflict-affected areas, and programming will specifically target the most vulnerable populations. Programs will provide the stimulus for economic growth through public-private alliances (PPAs) to create new jobs, upgrade workforce skills, and expand market access, particularly for disadvantaged groups such as ethnic minorities, women, female-headed households, and ex-combatants. Programs will place a special emphasis on increasing human security for the most vulnerable populations, strengthening their ability to provide for themselves economically. These programs will also increase long-term private investment and enhance productivity in the target regions.

Private sector competitiveness programs will seek to accelerate long-term, private sector investment in the conflict-affected provinces. These programs will improve management practices, introduce new products, innovations, and technologies, as well as improve access to markets for communities that were previously isolated by the conflict. U.S. assistance will focus on increasing the competitiveness of businesses in the Eastern and Northern Provinces, primarily through PPAs with Sri Lankan firms. The alliances will provide incentives for private sector investment and expansion in the north and east, and will create job opportunities for people affected by the conflict. In addition, U.S. assistance will target newly-established or existing enterprises that are ethnic minority- or women-owned. U.S.-supported programs will also assist the workforce to acquire knowledge and skills to better respond to labor market demand. Finally, the United States will extend technical assistance to the GSL to build the capacity of both provincial and central government officers to make the business environment more conducive to business operations in the north and east.

Economic opportunity programs will help microenterprises link to the local and regional economies, and connect to domestic and export markets by linking them to larger firms. Programs will provide the microenterprises with technical support and improved access to information. Linkages with larger firms will significantly increase the incomes of the microenterprises by helping them increase their productivity, improve their market access, and reduce their exposure to seasonal price fluctuations.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Grantees and contractors use performance management plans to determine performance indicators, set baselines and targets, collect data, monitor progress, and report results towards achieving program goals. USAID conducts biannual portfolio implementation reviews to assess program status, review past progress, and plan future actions. The Mission examines results indicators, scrutinizes financial management pipelines to pinpoint shortfalls, and identifies challenges requiring remedial action. The Mission also monitors the procurement plans on a quarterly basis to inform the planning of new programs or to realign budget items.
The Mission conducts evaluations and assessments on an as-needed basis to assess program impact, effectiveness, and sustainability to inform decision-making and improve performance. In FY 2012, the Mission will conduct assessments in Sri Lanka on democracy and governance and human security, as well as a gender analysis. These assessments and analysis will help inform the strategic direction of U.S. assistance moving forward. To assess programs already underway, USAID conducted a mid-term evaluation of the Apparel Sector Training Partnership with Brandix Lanka Ltd., and made decisions regarding future program direction based on the findings from this evaluation. USAID is also conducting additional mid-term evaluations of other PPAs, as well as a final evaluation of the Connecting Regional Economies Project. Finally, USAID teams regularly conduct project site visits to monitor program activities.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: One of the key findings from the mid-term evaluation of the Apparel Sector Training Partnership with Brandix Lanka Ltd. was that members of different communities (who may have been on different sides during the conflict) can work successfully side-by-side toward a common goal. Based on these findings, and the broader Mission experience with the PPAs, the United States will continue to support additional PPAs in FY 2013. USAID will pursue conflict-sensitive economic growth programs with a focus on the objective of reconciliation.

Relating Past Performance to FY 2013 Plans: Through its provision of grants and technical assistance to enterprises with economically-viable investment plans, U.S.assisted PPAs and programs will continue to increase investment, improve the productivity of enterprises, create jobs, and enhance the incomes of vulnerable populations, thereby promoting economic growth in the target regions.

Tajikistan

Foreign Assistance Program Overview

Stability and economic growth in Tajikistan are critical to achieving overall regional stability and to strengthen regional economic integration. Tajikistan faces many challenges on this path, including a long border with Afghanistan that is difficult to manage, widespread corruption, inadequate health and education systems, and food and energy shortages. U.S. efforts to improve counternarcotics efforts and border security and enhance law enforcement agencies' performance, strengthen local government, improve health services, reform the education system, and increase food security are key to improving Tajikistan's ability to deter regional threats such as extremism, radicalization, terrorism and drugs. Tajikistan is one of the world's poorest countries, and its economy depends on remittances and commodity exports which make it vulnerable to global market fluctuations. The FY 2013 request includes significant resources for economic growth programs to help address chronic food shortages and widespread poverty which threaten to destabilize Tajikistan.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**44,482**	**45,021**	**37,405**	**-7,616**
Assistance for Europe, Eurasia and Central Asia	40,290	38,751	-	-38,751
Economic Support Fund	-	-	19,125	19,125
Foreign Military Financing	750	800	1,500	700
Global Health Programs - USAID	1,248	3,250	7,500	4,250
International Military Education and Training	469	570	540	-30
International Narcotics Control and Law Enforcement	-	-	7,255	7,255
Nonproliferation, Antiterrorism, Demining and Related Programs	1,725	1,650	1,485	-165

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Tajikistan	**44,482**	**45,021**	**37,405**	**-7,616**
1 Peace and Security	**11,858**	**11,705**	**9,780**	**-1,925**
Assistance for Europe, Eurasia and Central Asia	**8,914**	**8,685**	**-**	**-8,685**
1.3 Stabilization Operations and Security Sector Reform	6,731	6,985	-	-6,985
1.4 Counter-Narcotics	1,325	1,060	-	-1,060
1.5 Transnational Crime	858	640	-	-640
Foreign Military Financing	**750**	**800**	**1,500**	**700**
1.3 Stabilization Operations and Security Sector Reform	750	800	1,500	700
International Military Education and Training	**469**	**570**	**540**	**-30**
1.3 Stabilization Operations and Security Sector Reform	469	570	540	-30

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
International Narcotics Control and Law Enforcement	**-**	**-**	**6,255**	**6,255**
1.3 Stabilization Operations and Security Sector Reform	-	-	5,200	5,200
1.4 Counter-Narcotics	-	-	820	820
1.5 Transnational Crime	-	-	235	235
Nonproliferation, Antiterrorism, Demining and Related Programs	**1,725**	**1,650**	**1,485**	**-165**
1.1 Counter-Terrorism	750	750	675	-75
1.2 Combating Weapons of Mass Destruction (WMD)	975	900	810	-90
2 Governing Justly and Democratically	**5,655**	**5,686**	**4,745**	**-941**
Assistance for Europe, Eurasia and Central Asia	**5,655**	**5,686**	**-**	**-5,686**
2.1 Rule of Law and Human Rights	750	939	-	-939
2.2 Good Governance	2,289	2,383	-	-2,383
2.4 Civil Society	2,616	2,364	-	-2,364
Economic Support Fund	**-**	**-**	**3,745**	**3,745**
2.2 Good Governance	-	-	2,000	2,000
2.4 Civil Society	-	-	1,745	1,745
International Narcotics Control and Law Enforcement	**-**	**-**	**1,000**	**1,000**
2.1 Rule of Law and Human Rights	-	-	1,000	1,000
3 Investing in People	**11,349**	**15,184**	**11,480**	**-3,704**
Assistance for Europe, Eurasia and Central Asia	**10,101**	**11,934**	**-**	**-11,934**
3.1 Health	7,543	6,754	-	-6,754
3.2 Education	2,558	5,180	-	-5,180
Economic Support Fund	**-**	**-**	**3,980**	**3,980**
3.2 Education	-	-	3,980	3,980
Global Health Programs - USAID	**1,248**	**3,250**	**7,500**	**4,250**
3.1 Health	1,248	3,250	7,500	4,250
4 Economic Growth	**14,320**	**11,146**	**10,200**	**-946**
Assistance for Europe, Eurasia and Central Asia	**14,320**	**11,146**	**-**	**-11,146**
4.2 Trade and Investment	180	200	-	-200
4.4 Infrastructure	779	255	-	-255
4.5 Agriculture	13,361	10,000	-	-10,000
4.6 Private Sector Competitiveness	-	691	-	-691
Economic Support Fund	**-**	**-**	**10,200**	**10,200**
4.2 Trade and Investment	-	-	100	100
4.5 Agriculture	-	-	10,000	10,000
4.6 Private Sector Competitiveness	-	-	100	100
5 Humanitarian Assistance	**1,300**	**1,300**	**1,200**	**-100**
Assistance for Europe, Eurasia and Central Asia	**1,300**	**1,300**	**-**	**-1,300**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
5.1 Protection, Assistance and Solutions	1,300	1,300	-	-1,300
Economic Support Fund	**-**	**-**	**1,200**	**1,200**
5.1 Protection, Assistance and Solutions	-	-	1,200	1,200

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Tajikistan	**44,482**	**45,021**	**37,405**	**-7,616**
1 Peace and Security	**11,858**	**11,705**	**9,780**	**-1,925**
1.1 Counter-Terrorism	750	750	675	-75
1.2 Combating Weapons of Mass Destruction (WMD)	975	900	810	-90
1.3 Stabilization Operations and Security Sector Reform	7,950	8,355	7,240	-1,115
1.4 Counter-Narcotics	1,325	1,060	820	-240
1.5 Transnational Crime	858	640	235	-405
2 Governing Justly and Democratically	**5,655**	**5,686**	**4,745**	**-941**
2.1 Rule of Law and Human Rights	750	939	1,000	61
2.2 Good Governance	2,289	2,383	2,000	-383
2.4 Civil Society	2,616	2,364	1,745	-619
3 Investing in People	**11,349**	**15,184**	**11,480**	**-3,704**
3.1 Health	8,791	10,004	7,500	-2,504
3.2 Education	2,558	5,180	3,980	-1,200
4 Economic Growth	**14,320**	**11,146**	**10,200**	**-946**
4.2 Trade and Investment	180	200	100	-100
4.4 Infrastructure	779	255	-	-255
4.5 Agriculture	13,361	10,000	10,000	-
4.6 Private Sector Competitiveness	-	691	100	-591
5 Humanitarian Assistance	**1,300**	**1,300**	**1,200**	**-100**
5.1 Protection, Assistance and Solutions	1,300	1,300	1,200	-100
of which: Objective 6	**5,358**	**5,910**	**1,745**	**-4,165**
6.1 Program Design and Learning	749	858	-	-858
6.2 Administration and Oversight	4,609	5,052	1,745	-3,307

Peace and Security

Border control remains a major challenge due to the security situation in northern Afghanistan, poor Tajik interagency cooperation, inadequate technical capacity of border guards, and the harsh terrain. With FY 2013 resources, the United States will help the Government of Tajikistan (GOTI) maintain peace and security by focusing resources on counterterrorism, counternarcotics, border management, security sector reform, and combating the proliferation of weapons of mass destruction (WMD).

Foreign Military Financing (FMF): FMF will support the Tajik Armed Forces' efforts to improve English language capacity, counter transnational threats, secure its borders, participate in peacekeeping and other multilateral operations, and conduct humanitarian demining. Such assistance will contribute to regional security and U.S.-Tajik military cooperation.

International Military Education and Training (IMET): Funds will provide professional military education, English language training and other courses that will increase the military's professionalism and exposure to U.S. military practices and values.

International Narcotics Control and Law Enforcement (INCLE): Assistance programs implemented by the Department of State strengthen security, border control, rule of law, and counternarcotics efforts through police reform, community policing, specialized training, and infrastructure renovation projects. Specific State Department projects will help Tajikistan implement its National Border Management Strategy and train the Border Guard Service to promote legal trade while denying entrance to militants, traffickers, and narcotics smugglers. Funding for drug interdiction will help support and train members of the Drug Control Agency (DCA) to increase drug seizures and arrests of traffickers. To reduce the movement of illicit goods, joint training with counterparts from Afghanistan will occur where possible. Law enforcement funding for FY 2013 will support continued professionalization of the police force through training, curriculum development, and community policing partnership teams, thereby strengthening law enforcement's ability to combat and prevent crime in a human rights compliant manner. Funds under this account will also support efforts to reduce trafficking in persons in Tajikistan through work with law enforcement to increase the capacity to investigate and prosecute human traffickers and protect victims.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): Funding will help border guard, customs, and other security agencies prevent illicit trafficking in narcotics and WMD technology and the movement of terrorists across Tajikistan's borders. Fiscal Year 2013 funding for the Department of State's Export Control and Related Border Security (EXBS) Program will improve Tajikistan's capability to control strategic trade, import, and export laws, successfully interdict and investigate illicit shipments of WMD and strategic goods, and prosecute violators, making Tajikistan less susceptible to illegal movements of WMD and strategic goods.

Governing Justly and Democratically

Tajikistan's institutions are weak and citizens lack access to information, judicial fairness, government accountability, and civil liberties.

Economic Support Fund (ESF): Programs funded by the Department of State and USAID will improve the legal and regulatory framework for non-governmental organizations (NGOs) and media operations and promote a wider range of mechanisms for citizens to express their views. USAID programs will increase the ability of local governments to provide services that respond to the needs of their citizens. To protect civil liberties, the United States will provide access to legal information and advice, especially for emerging NGOs and independent media. USAID programs will strengthen the capacity of NGOs, foster youth leadership and civic volunteerism, and encourage democratic activism to increase national and local government accountability. Through advocacy and public outreach, the United States will promote the rule of law, with a focus on improving the criminal justice system and reaching out to marginalized communities. The United States will also provide increased access to objective news and information through new media technologies and legal assistance to defend independent journalists. The Department of State will support democratic development by funding small grants focused on building and strengthening civil society.

International Narcotics Control and Law Enforcement (INCLE): State Department programs will support administration of law and access to justice by improving and expanding legal education in schools and universities, establishing a system of quality legal defense for the poor, and monitoring enforcement of national and international law.

Investing in People

Tajikistan's health and education systems are poor and deteriorating; without improvement, they threaten to jeopardize progress in other priority objectives. Projects under this objective are closely coordinated with projects undertaken by other bilateral and multilateral donors.

Economic Support Fund (ESF): In FY 2013, U.S. assistance will focus on improving both basic and higher education in Tajikistan.

Basic Education: The U.S. Government will enable the GOTI to improve literacy skills among early primary school students, a critical foundation for continued learning. Interventions will strengthen teaching methodologies and instructional systems; improve access to reading materials; increase government, school and community support for reading; and help build the policies, systems and financial resources needed to improve primary-school student reading outcomes.

Higher Education: The U.S. Government will work to improve access to higher education by funding scholarships to the American University in Central Asia (AUCA).

Global Health Programs (GHP): Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership. Tajikistan will benefit from Central Asia Regional programs that support the GOTI's national HIV/AIDS strategy and the goals of the President's Emergency Plan for AIDS Relief (PEPFAR). Funds from the Central Asia Regional PEPFAR program will reinforce GOTI efforts to provide integrated prevention, care and treatment programs throughout the country and support orphans and vulnerable children. Building on progress made in promoting health sector reform and increasing GOTI financing of basic health services, U.S. assistance will continue to strengthen the delivery of services to intensify their impact on health.

Tuberculosis: FY 2013 resources will assist the GOTI to improve systems to address tuberculosis (TB) and multiple-drug-resistant TB and to enhance outreach to vulnerable groups.

Maternal and Child Health: FY 2013-funded interventions will further develop the GOTI's capacity to advance maternal and child health by strengthening service quality and effectiveness, improving health knowledge and healthy behaviors, and expanding community engagement in health. To further maximize maternal and child health and nutrition outcomes, USAID will promote the strategic leveraging of targeted health and food security interventions.

Family Planning and Reproductive Health: U.S. assistance will expand access to high-quality voluntary family planning services and information and reproductive health care on a sustainable basis.

Economic Growth

Tajikistan is one of the world's poorest countries, and its economy depends on remittances and commodity exports, making it vulnerable to global market fluctuations. Chronic food and electricity shortages threaten to destabilize Tajikistan and hamper growth. As part of the President's Global Hunger and Food Security Initiative (GHFSI), Feed the Future, the United States will support the GOTI in implementing a country-led comprehensive food security strategy to reduce hunger and increase economic growth through market-led agricultural development.

Economic Support Fund (ESF): The slow pace of agricultural reform, hostile investment climate, and low public spending on agriculture are the main factors contributing to low agricultural productivity, high poverty, and under-nutrition rates in Tajikistan's rural population. USAID assistance under Feed the Future (FTF) will improve food security by increasing the incomes of rural households through gains in agricultural productivity, better market linkages, and other value-chain improvements. It will also promote behavior change to adopt good nutrition practices at the household level. Agricultural advisory services will be developed and delivered through public agencies as well as private input and marketing firms to raise productivity and facilitate access to markets. USAID will provide technical assistance for implementation of land-reform policy. The requested level of funding will allow the United States to reach 33,000 households that rely on income from agricultural production but face shortages in water, seeds, fertilizer, and livestock supplies. In addition, assistance will be provided to the GOTI to improve its policy-making and monitoring capacity. These interventions will be focused on a single province to maximize the impact on a highly food-insecure part of the country. These concentrated results will demonstrate the effectiveness of the country's overall agrarian reform approach and investment plan for agricultural development, helping attract resources for nationwide implementation.

Humanitarian Assistance

Located in one of the world's most active seismic zones, Tajikistan has a very high probability of earthquakes. In addition to the need to plan and respond to earthquakes, Tajikistan faces an average of 500 other natural disasters per year, including mudslides, rockslides, floods, and avalanches.

Economic Support Funds (ESF): Humanitarian aid will seek to relieve suffering by providing basic necessities quickly to those affected by natural disasters through the pre-positioning and transportation of disaster readiness supplies. Humanitarian assistance will consist of medicine and supplies for hospitals and health clinics, food for those affected by shortages, and basic necessities for vulnerable populations. Funds will also support small-scale reconstruction projects to restore shelter and basic services to the elderly, orphans, the disabled, and other institutionalized populations. The U.S. Government will allocate some funds to disaster preparedness to provide technical assistance in developing a major disaster response plan.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Through an interagency assistance strategy review process, with sessions in both Washington and out in the field, five priority objectives were identified to help focus assistance efforts and make budget choices. In addition to regular portfolio reviews, the U.S. Government conducted program evaluations and assessments to evaluate programmatic and financial performance of its programs in Tajikistan in FY 2011. USAID analyzed its productive agriculture program just before it reached a mid-point, in order to document which interventions were most effective and build on them. USAID also analyzed Tajikistan's areas of peak food insecurity in order to select target regions and interventions that will maximize the impact of the FTF initiative in-country. USAID's maternal and child health project also conducted its mid-term evaluation and discovered great successes in the community-based education models that it and other projects are using.

U.S. agencies implementing Peace and Security programs also performed end-use monitoring in cases where the United States has provided equipment and supplies. The U.S. Department of State conducts evaluations and regular reviews of project performance for its law enforcement, counternarcotics, border security, and rule of law projects, including training and capacity-building activities. Analysis includes comparing project outputs with indicators initially established in project activities.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Drawing from the food security and agriculture review, USAID prepared a new FTF strategy that, when approved, will redirect programming to highly targeted interventions in highly food-insecure areas. This program will work with the private sector and communities to ensure that results are sustainable and reach those who are the most food-insecure. Similarly, based on the conclusions of its democracy review, USAID plans to use FY 2013 funding to support decentralization of social, financial, and communal services to the local level. In response to the data collected on the use of U.S.-donated equipment at remote border posts, the U.S. Embassy in Dushanbe will focus on expanding the coverage of radio programs and determined that future projects will employ micro-hydro, solar, and other sustainable power sources rather than diesel-powered generators.

Relating Past Performance to FY 2013 Plans: Given the results of the food security and agriculture review illuminating further the country's chronic food shortages, the FY 2013 request will increase Tajikistan's food security by expanding farmers' access to inputs, credit, and processing facilities, and by teaching new agricultural techniques. These programs also will improve food utilization by expanding health promotion activities and access to safe drinking water.

Turkmenistan

Foreign Assistance Program Overview

Turkmenistan occupies a critical geographic juncture, sharing long borders with Afghanistan and Iran, and acts as a transportation, humanitarian, and economic link to Afghanistan and the South Asian subcontinent, advancing regional stability. Turkmenistan's energy resources hold the potential to alleviate regional energy bottlenecks, if developed with diverse export routes. However, Turkmenistan remains a closed society, progress toward reforms has been sporadic, and improvements will require significant time, effort and resources. Acute challenges continue to confront Turkmenistan, including border security issues, failed educational and healthcare systems, and a legacy of Soviet mismanagement. The United States plans to support programs that encourage democratic reforms, bolster regional stability, foster regional economic trade, and counter global threats. The United States will use assistance funds to help Turkmenistan move toward international human-rights standards, facilitate citizen involvement in governmental decision making, promote private-sector growth, economic diversification, and improve government delivery of social services. In addition, the United States will continue to support Turkmenistan's efforts to develop the oil and gas extraction industry and increase export options, including the export of electricity, to foster regional stability and increased prosperity.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**11,012**	**9,885**	**6,725**	**-3,160**
Assistance for Europe, Eurasia and Central Asia	8,500	8,000	-	-8,000
Economic Support Fund	-	-	4,640	4,640
Foreign Military Financing	750	685	685	-
Global Health Programs - USAID	399	-	-	-
International Military Education and Training	288	350	350	-
International Narcotics Control and Law Enforcement	-	-	550	550
Nonproliferation, Antiterrorism, Demining and Related Programs	1,075	850	500	-350

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Turkmenistan	**11,012**	**9,885**	**6,725**	**-3,160**
1 Peace and Security	**3,365**	**2,946**	**2,085**	**-861**
Assistance for Europe, Eurasia and Central Asia	**1,252**	**1,061**	**-**	**-1,061**
1.3 Stabilization Operations and Security Sector Reform	500	122	-	-122
1.4 Counter-Narcotics	450	243	-	-243
1.5 Transnational Crime	302	696	-	-696
Foreign Military Financing	**750**	**685**	**685**	**-**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.3 Stabilization Operations and Security Sector Reform	750	685	685	-
International Military Education and Training	**288**	**350**	**350**	**-**
1.3 Stabilization Operations and Security Sector Reform	288	350	350	-
International Narcotics Control and Law Enforcement	**-**	**-**	**550**	**550**
1.3 Stabilization Operations and Security Sector Reform	-	-	126	126
1.4 Counter-Narcotics	-	-	298	298
1.5 Transnational Crime	-	-	126	126
Nonproliferation, Antiterrorism, Demining and Related Programs	**1,075**	**850**	**500**	**-350**
1.1 Counter-Terrorism	250	250	-	-250
1.2 Combating Weapons of Mass Destruction (WMD)	825	600	500	-100
2 Governing Justly and Democratically	**1,913**	**2,337**	**1,850**	**-487**
Assistance for Europe, Eurasia and Central Asia	**1,913**	**2,337**	**-**	**-2,337**
2.1 Rule of Law and Human Rights	-	152	-	-152
2.2 Good Governance	667	732	-	-732
2.4 Civil Society	1,246	1,453	-	-1,453
Economic Support Fund	**-**	**-**	**1,850**	**1,850**
2.2 Good Governance	-	-	600	600
2.4 Civil Society	-	-	1,250	1,250
3 Investing in People	**2,767**	**1,750**	**937**	**-813**
Assistance for Europe, Eurasia and Central Asia	**2,368**	**1,750**	**-**	**-1,750**
3.1 Health	1,008	1,000	-	-1,000
3.2 Education	1,360	750	-	-750
Economic Support Fund	**-**	**-**	**937**	**937**
3.2 Education	-	-	937	937
Global Health Programs - USAID	**399**	**-**	**-**	**-**
3.1 Health	399	-	-	-
4 Economic Growth	**2,967**	**2,852**	**1,853**	**-999**
Assistance for Europe, Eurasia and Central Asia	**2,967**	**2,852**	**-**	**-2,852**
4.1 Macroeconomic Foundation for Growth	565	630	-	-630
4.2 Trade and Investment	200	100	-	-100
4.3 Financial Sector	400	446	-	-446
4.4 Infrastructure	739	-	-	-
4.5 Agriculture	900	-	-	-
4.6 Private Sector Competitiveness	163	1,676	-	-1,676
Economic Support Fund	**-**	**-**	**1,853**	**1,853**
4.1 Macroeconomic Foundation for Growth	-	-	400	400
4.2 Trade and Investment	-	-	100	100

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.3 Financial Sector	-	-	300	300
4.6 Private Sector Competitiveness	-	-	1,053	1,053

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Turkmenistan	**11,012**	**9,885**	**6,725**	**-3,160**
1 Peace and Security	**3,365**	**2,946**	**2,085**	**-861**
1.1 Counter-Terrorism	250	250	-	-250
1.2 Combating Weapons of Mass Destruction (WMD)	825	600	500	-100
1.3 Stabilization Operations and Security Sector Reform	1,538	1,157	1,161	4
1.4 Counter-Narcotics	450	243	298	55
1.5 Transnational Crime	302	696	126	-570
2 Governing Justly and Democratically	**1,913**	**2,337**	**1,850**	**-487**
2.1 Rule of Law and Human Rights	-	152	-	-152
2.2 Good Governance	667	732	600	-132
2.4 Civil Society	1,246	1,453	1,250	-203
3 Investing in People	**2,767**	**1,750**	**937**	**-813**
3.1 Health	1,407	1,000	-	-1,000
3.2 Education	1,360	750	937	187
4 Economic Growth	**2,967**	**2,852**	**1,853**	**-999**
4.1 Macroeconomic Foundation for Growth	565	630	400	-230
4.2 Trade and Investment	200	100	100	-
4.3 Financial Sector	400	446	300	-146
4.4 Infrastructure	739	-	-	-
4.5 Agriculture	900	-	-	-
4.6 Private Sector Competitiveness	163	1,676	1,053	-623
of which: Objective 6	**1,807**	**1,424**	**1,023**	**-401**
6.1 Program Design and Learning	504	249	180	-69
6.2 Administration and Oversight	1,303	1,175	843	-332

Peace and Security

Programs funded through the Department of State will improve Turkmenistan's control over its borders, prevent the transit of illicit narcotics, and provide equipment to interdict weapons of mass destruction (WMD). The Department of State and the United States Agency for International Development (USAID) will address human trafficking, through a mix of prevention and protection activities. Funding will continue and expand training programs that will improve the capacity of the Government of Turkmenistan (GOTX) to respond to emerging situations. In addition, assistance will facilitate participation in joint stabilization operations and encourage Turkmenistan to help support United States efforts to stabilize

Afghanistan. Increased funding also will provide equipment that will improve the ability of GOTX security forces to patrol their borders and combat the transit of narcotics across the territory of Turkmenistan.

Foreign Military Financing (FMF): In FY 2013, FMF funds will augment programs seeking to increase the English language capacity of the Turkmen military by creating a cadre of individuals who can interact and engage in international exchanges and educational events. These events will promote defense policy and strategy and enhance the understanding of contemporary security threats such as narco-trafficking and terrorism.

International Military Education and Training (IMET): Exchange programs funded by IMET will focus on English language and military technical training. English language training is designed to increase the capability of Turkmenistan's military professionals to participate in training, exchanges, and engagements with the United States. Training will increase the technical and functional capacity of the country's military forces while providing valuable exposure to U.S. values.

International Narcotics Control and Law Enforcement (INCLE): Strengthening border controls and law enforcement capabilities is a priority in Turkmenistan. In FY 2013, the Department of State will provide training, technical assistance, and equipment to counternarcotics units, improve interdiction and border patrol skills for officers stationed at border posts, and strengthen the skills of law enforcement professionals in routine policing and transnational crimes, such as human trafficking and money laundering. Funds will also be used to improve drug demand-reduction programs.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): The United States will provide technical assistance to Turkmenistan in combating transnational threats, such as international terrorism and the proliferation of WMD-related commodities and technology. The Export Control and Related Border Security (EXBS) program will support the continued institutionalization of specialized enforcement training techniques for the Turkmen Customs Academy. The program will continue to work with the GOTX in its efforts to create an effective strategic trade control framework, including licensing practices and procedures. The U.S. Department of State will continue work with the GOTX to strengthen border security enforcement capacities. Antiterrorism Assistance (ATA) programs will continue to offer training and equipment to deter terrorism and strengthen bilateral ties.

Governing Justly and Democratically

Despite initial hopes that President Berdimuhamedov would set Turkmenistan on a path to reform, Turkmenistan remains a mostly closed society, and progress toward reform has been sporadic. Assistance and cooperation from the United States will encourage democratic reforms, and United States assistance – even through small projects – remains the major means of engaging a broad range of GOTX officials and ordinary Turkmen citizens.

Economic Support Fund (ESF): U.S. assistance will focus on helping Turkmenistan move toward international standards and practices of democratic governance and respect for human rights. Programs will provide comparative legal information and help draft new legislation that supports a more open society. USAID and Department of State programs will seek to strengthen civil society, improve access to information, increase government accountability and transparency, enhance the rule of law, and increase respect for human rights at the local and national level. The concept of civic activism is still new in Turkmenistan, and will require continued U.S. investment in order to create space for citizen participation and civil society. The United States will not only expand the range of civil society organizations with which it works, but also expand training for executive and legislative branch personnel on the role and importance of civil society and transparency in government decision-making processes. The United States

also will support programs to improve governance and citizens' knowledge of their rights under the law. Access to information and the development of skills for citizen journalists are critical to an informed citizenry in any democracy. In FY 2013, programs will work to increase access to information by providing Internet access at regional centers and working with interested parties to share citizen journalism tools to link citizens with one another and outside sources of information. The goal of these programs is to create a more informed citizenry that can participate in political and social processes.

Investing in People

Life expectancy, health, and education statistics in Turkmenistan are among the worst in the former Soviet region. Despite clear indicators of the difficulties people face in Turkmenistan, and despite having vast government resources, the GOTX is not as engaged as it could be in international cooperation designed to build local capacity to meet the needs of its citizens, as well as international standards in the education and health sectors. Turkmenistan will benefit from Central Asia Regional programs that support the goals of the President's Emergency Plan for AIDS Relief (PEPFAR).

Economic Support Fund (ESF): Despite substantial GOTX investment in social infrastructure, pervasive corruption and out-of-date curriculum make the country's education system ill-equipped to prepare citizens to contribute to a 21st century workplace.

Higher Education: FY 2013 funding will support Department of State programs to help students pursue higher education opportunities abroad since demand for university slots exceeds supply in Turkmen state higher education institutions and there are no private higher education institutions in Turkmenistan. Funding will also support classes and resources to increase English language skills of students and professionals that will assist in their pursuit of education and private sector and civil service employment opportunities.

Economic Growth

The GOTX has begun to implement modest, but significant changes in economic and agricultural policies to broaden private-sector participation and increase foreign direct investment. The energy, agricultural, and financial sectors will be the main focus of U.S. assistance under this objective.

Economic Support Fund (ESF): USAID will provide technical assistance to the GOTX on improving the country's business environment, attracting foreign direct investment, and reforming the accounting and public finance systems. USAID also will support the GOTX's initiatives to diversify the economy by promoting the growth of small and medium-sized businesses. In FY 2013, USAID and the Department of State will continue efforts to enhance the opportunities for Turkmenistan to participate in efficient and transparent regional markets for cross-border electric power trade within Central Asia and between Central Asia and South Asia, including Afghanistan. A portion of assistance for this objective will explore the possibility of market diversification for Turkmenistan's immense natural resources, as well as legislative reform regulating the critically important energy sector. With a view to supporting the expansion of Turkmenistan's power exports to Afghanistan (and potentially beyond), USAID will continue to provide capacity-building for Turkmenistan ministry and energy-industry professionals on best-practice approaches to international-standard power-purchase contracting. In the agriculture sector, USAID and U.S. Department of Agriculture programming will help to expand government and private-sector services, and provide training in new agricultural techniques, marketing, and water usage.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Through an interagency process with sessions in Washington, D.C., and at the U.S. Embassy in Ashgabat, the Central Asia Assistance Review (CAAR) identified five priority objectives to help focus assistance efforts and make budget choices going forward. In addition, USAID conducted multiple portfolio reviews of its projects. All U.S. Embassy-managed programs are monitored regularly throughout the year.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The interagency CAAR remained instrumental in shaping programmatic choices for FY 2013. In addition, the conclusions of USAID's annual portfolio reviews will be used to evaluate the effectiveness of its governance and democracy, social, and economic programmatic initiatives in responding to local conditions. As a result of a recent Anti-Terrorism Assistance (ATA) assessment, funding was allocated for ATA training in the areas of emergency response management, special weapons and tactics, and cyber-forensics. Additionally, the U.S. Embassy's Public Affairs Section (PAS) has been regularly involved in the evaluation and monitoring of education programs, leading to a recent complete program review and redesign of the previously- funded Turkmen American Scholarship Program (TASP). This review led to the creation of a new program, the "Prep 4 Success" program that will shift the focus from selecting a few students for full scholarships to an American-style university to providing more than 100 students with Test of English as a Foreign Language, Scholastic Aptitude Test, and other university preparation skills. Through Embassy-based democracy small-grants programs, the PAS has used its regular monitoring to identify new fields and entities that are ripe for additional investment.

Relating Past Performance to FY 2013 Plans: The FY 2013 request for Turkmenistan is designed to implement programs that will advance U.S. foreign policy goals, including greater government transparency, increased citizen participation in public decisions, continued progress toward economic diversification, and improved security. Programmatic adjustments include a greater emphasis on government transparency, citizen participation in government decision-making processes, and a better understanding of the role civil society in government decision-making processes. Continued emphasis will be placed on private sector development and trade facilitation. On the security front, the FY 2013 request will build on past cooperation in countering threats to the United States and the international order. Efforts will continue to ensure that Turkmenistan acts as a transportation, humanitarian, and economic link to Afghanistan and the South Asian sub-continent, advancing regional stability.

Uzbekistan

Foreign Assistance Program Overview

Uzbekistan is a key partner supporting international efforts in Afghanistan. Expanded security assistance will help the Government of Uzbekistan (GOU) protect its borders and the Northern Distribution Network (NDN) transit lines that run through the country to provide non-lethal supplies to NATO troops in Afghanistan. Security assistance will support efforts to combat narcotics trafficking, improve Uzbekistan's ability to control its borders, and continue very successful efforts to combat trafficking in persons (TIP). U.S. assistance will continue to support Uzbekistan's efforts to draft legislation and promote democratic reforms through a process of public debate that allows civil society to participate in government decision-making. U.S. assistance will also continue to promote judicial reform, provide direct assistance to civil society organizations, and support implementation of the United Nations Convention against Corruption (UNCAC). Efforts will focus on improving the prevention and control of infectious diseases through interventions to strengthen the diagnosis and management of multi-drug-resistant (MDR) tuberculosis (TB). U.S. assistance will also focus on improving household incomes for Uzbekistan's farmers, strengthening the capacity of agricultural businesses to meet international standards and export, and improving the business climate for increased trade and investment.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**11,335**	**12,940**	**12,595**	**-345**
Assistance for Europe, Eurasia and Central Asia	8,250	7,540	-	-7,540
Economic Support Fund	-	-	5,512	5,512
Foreign Military Financing	-	1,500	1,500	-
Global Health Programs - USAID	2,196	3,000	4,000	1,000
International Military Education and Training	289	300	300	-
International Narcotics Control and Law Enforcement	-	-	743	743
Nonproliferation, Antiterrorism, Demining and Related Programs	600	600	540	-60

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Uzbekistan	**11,335**	**12,940**	**12,595**	**-345**
1 Peace and Security	**1,634**	**3,336**	**3,375**	**39**
Assistance for Europe, Eurasia and Central Asia	**745**	**936**	**-**	**-936**
1.2 Combating Weapons of Mass Destruction (WMD)	50	-	-	-
1.3 Stabilization Operations and Security Sector Reform	80	80	-	-80
1.4 Counter-Narcotics	57	33	-	-33
1.5 Transnational Crime	558	823	-	-823

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Economic Support Fund	**-**	**-**	**750**	**750**
1.5 Transnational Crime	-	-	750	750
Foreign Military Financing	**-**	**1,500**	**1,500**	**-**
1.3 Stabilization Operations and Security Sector Reform	-	1,500	1,500	-
International Military Education and Training	**289**	**300**	**300**	**-**
1.3 Stabilization Operations and Security Sector Reform	289	300	300	-
International Narcotics Control and Law Enforcement	**-**	**-**	**285**	**285**
1.3 Stabilization Operations and Security Sector Reform	-	-	129	129
1.4 Counter-Narcotics	-	-	156	156
Nonproliferation, Antiterrorism, Demining and Related Programs	**600**	**600**	**540**	**-60**
1.2 Combating Weapons of Mass Destruction (WMD)	600	600	540	-60
2 Governing Justly and Democratically	**3,252**	**2,015**	**2,220**	**205**
Assistance for Europe, Eurasia and Central Asia	**3,252**	**2,015**	**-**	**-2,015**
2.1 Rule of Law and Human Rights	691	357	-	-357
2.2 Good Governance	638	-	-	-
2.4 Civil Society	1,923	1,658	-	-1,658
Economic Support Fund	**-**	**-**	**1,762**	**1,762**
2.4 Civil Society	-	-	1,762	1,762
International Narcotics Control and Law Enforcement	**-**	**-**	**458**	**458**
2.1 Rule of Law and Human Rights	-	-	129	129
2.2 Good Governance	-	-	329	329
3 Investing in People	**3,036**	**3,000**	**4,000**	**1,000**
Assistance for Europe, Eurasia and Central Asia	**840**	**-**	**-**	**-**
3.1 Health	840	-	-	-
Global Health Programs - USAID	**2,196**	**3,000**	**4,000**	**1,000**
3.1 Health	2,196	3,000	4,000	1,000
4 Economic Growth	**3,413**	**4,289**	**3,000**	**-1,289**
Assistance for Europe, Eurasia and Central Asia	**3,413**	**4,289**	**-**	**-4,289**
4.2 Trade and Investment	161	47	-	-47
4.5 Agriculture	1,404	-	-	-
4.6 Private Sector Competitiveness	1,848	4,242	-	-4,242
Economic Support Fund	**-**	**-**	**3,000**	**3,000**
4.6 Private Sector Competitiveness	-	-	3,000	3,000
5 Humanitarian Assistance	**-**	**300**	**-**	**-300**
Assistance for Europe, Eurasia and Central Asia	**-**	**300**	**-**	**-300**
5.1 Protection, Assistance and Solutions	-	300	-	-300

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Uzbekistan	**11,335**	**12,940**	**12,595**	**-345**
1 Peace and Security	**1,634**	**3,336**	**3,375**	**39**
1.2 Combating Weapons of Mass Destruction (WMD)	650	600	540	-60
1.3 Stabilization Operations and Security Sector Reform	369	1,880	1,929	49
1.4 Counter-Narcotics	57	33	156	123
1.5 Transnational Crime	558	823	750	-73
2 Governing Justly and Democratically	**3,252**	**2,015**	**2,220**	**205**
2.1 Rule of Law and Human Rights	691	357	129	-228
2.2 Good Governance	638	-	329	329
2.4 Civil Society	1,923	1,658	1,762	104
3 Investing in People	**3,036**	**3,000**	**4,000**	**1,000**
3.1 Health	3,036	3,000	4,000	1,000
4 Economic Growth	**3,413**	**4,289**	**3,000**	**-1,289**
4.2 Trade and Investment	161	47	-	-47
4.5 Agriculture	1,404	-	-	-
4.6 Private Sector Competitiveness	1,848	4,242	3,000	-1,242
5 Humanitarian Assistance	**-**	**300**	**-**	**-300**
5.1 Protection, Assistance and Solutions	-	300	-	-300
of which: Objective 6	**1,709**	**1,290**	**1,614**	**324**
6.1 Program Design and Learning	385	125	383	258
6.2 Administration and Oversight	1,324	1,165	1,231	66

Peace and Security

In FY 2013, funding will be used to help facilitate the movement of material to Afghanistan, improve drug interdiction efforts and to modernize the Ministry of Health's forensics capabilities. Lastly, funds will continue to support Uzbekistan's efforts to stem the tide of TIP and preventing cross-border flows of weapons of mass destruction (WMDs).

Economic Support Fund (ESF): Funds under this account will support work with the GOU and non-governmental organizations (NGOs) to prevent TIP and improve protection of victims of trafficking.

Foreign Military Financing (FMF): Funds will support defense reform, non-lethal counterterrorism and border security training, and equipment. Such assistance will increase Uzbekistan's ability to combat transnational threats, thereby contributing to the security of the region and the NDN transit lines that run through the country.

International Military Education and Training (IMET): Funds will support English language training, defense reform, and other courses that expose Uzbek officers to U.S. military values and practices.

International Narcotics Control and Law Enforcement (INCLE): Funds will support continued improvement of the forensics capacities of the Ministry of Health through more advanced levels of training and strategic equipment donations in order to further increase the use of forensic evidence in criminal investigations and court cases. Funds will be used to further improve drug interdiction capacities through training of GOU drug control units. Funds will also support drug abuse prevention activities among youth.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): Funds will support Department of State programs to help the GOU counter transnational threats such as international terrorism and proliferation of WMD-related commodities and technology. In FY 2013, the Export Control and Related Border Security (EXBS) Program will strengthen Uzbekistan's capacity to control strategic trade, meet international nonproliferation obligations and improve border security capacities. Taking into account the evolving situation in Afghanistan, the United States will emphasize regional security in its interactions with the GOU. The EXBS program will work to improve Uzbekistan's strategic trade control legal/regulatory framework, institutionalize nonproliferation enforcement training content into Uzbekistan's Customs training academy, strengthen Uzbekistan's WMD interdiction training capacities, and increase cross-border training with neighboring states.

Governing Justly and Democratically

While significant challenges remain on human rights, democratic governance, and independent civil society and media, in November 2010, President Karimov delivered a speech in which he proposed adopting new laws on social partnerships, public control, and government transparency. With these draft laws, this public declaration of support for key governance institutions represents an opportunity for the U.S. Government to support an improved operating environment for civil society. In addition, the GOU has requested assistance implementing its *habeas corpus* law, drafting legislation to implement democratic reforms, and support for implementation of the UNCAC.

Economic Support Fund (ESF): The U.S. Agency for International Development (USAID) will continue to strengthen the advocacy capacity of civil society groups, including those involved with drafting the new legislation, to obtain key legal, regulatory and/or policy reforms. The U.S. Government will work to enhance the capacity of Uzbekistan's Parliament to conduct governmental oversight and to improve communication with constituents. USAID programs will also work to improve the legal environment for NGOs. Department of State programs will provide support to local NGOs and groups, human rights organizations, and independent media. The United States will also provide increased access to objective news and information through a regional satellite television feed and the Internet.

International Narcotics Control and Law Enforcement (INCLE): Department of State programs will assist the GOU in implementing *habeas corpus* reforms and monitor its implementation in court rooms. U.S. programs will help strengthen the defense bar through training, peer exchanges and internships. The United States will also help the GOU implement the UNCAC by supporting, through the United Nations Office on Drugs and Crime (UNODC), programs to promote transparency, ethics and good governance in order to reduce the levels of corruption; this assistance seeks to engage public officials, including judges and prosecutors, and civil society

Investing in People

Under this objective, U.S. assistance will strengthen the GOU's institutional capacity to prevent and contain increases in TB and MDR-TB.

Global Health Programs (GHP): Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership. Uzbekistan will benefit from Central Asia

Regional programs that support the GOU's national HIV/AIDS strategy and the goals of the President's Emergency Plan for AIDS Relief (PEPFAR). In particular, Uzbekistan will receive significant support to build partnerships to provide integrated prevention, care and treatment programs throughout the country. The United States will seek, as appropriate, to engage key Uzbek public and nongovernmental institutions in regional meetings and dialogue aimed at improving implementation of evidence-based HIV/AIDS-related services, systems and policies throughout the country.

Tuberculosis (TB): U.S. assistance will seek to build Uzbekistan's capacity to prevent TB transmission, particularly among vulnerable groups, to improve the quality of TB and MDR-TB case identification, diagnosis and treatment and to strengthen approaches to incorporate TB services into primary health care settings. FY 2013 support will also continue to strengthen systems and practices to improve infection prevention and control in health facilities. Close collaboration with projects funded by the Global Fund to Fight AIDS, TB and Malaria, to which the United States is one of the largest contributors, will maximize the impact of U.S. infectious diseases resources.

Economic Growth

U.S. assistance will focus on improving household incomes for Uzbekistan's farmers, strengthening agricultural businesses, increasing agricultural productivity and improving the business climate through private-sector competitiveness programs.

Economic Support Fund (ESF): USAID will expand support for agricultural competitiveness through support to farmers, water users associations, local research institutes and agribusinesses to improve production, processing, marketing, and distribution domestically and internationally. USAID will strengthen the agriculture value chain from farm to export or by working with processors. Programs to strengthen small and medium enterprises will enable increased local procurement of goods to support the international effort in Afghanistan and promote regional economic integration. Funds will be used to promote public-private dialogue to address key constraints in Uzbekistan's business climate that hinder increased growth, trade, competitiveness and investment. Funds will also be used to continue successful U.S. Department of Agriculture exchange programs and to help the U.S. Department of Commerce seek avenues for expanded trade between companies in Uzbekistan and the United States.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Through an interagency assistance strategy review process, with sessions in both Washington, D.C. and at post, a set of focused objectives were identified to help focus assistance efforts and make budget choices. In addition to whole-of-government assistance planning, agencies implementing assistance programs also regularly monitor their performance. For example, U.S. agencies implementing Peace and Security programs perform end-use monitoring where the United States has provided equipment and supplies; those agencies also follow up on training programs to see if training is being applied. The State Department conducts regular internal reviews of project performance for its law enforcement, counternarcotics, border security, and rule-of-law projects. Similarly, USAID regularly reviews progress of its projects through field monitoring and evaluation field visits.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Based on the assistance review described above and positive results from previous investments in the agricultural sector, USAID will better target support for activities that increase agricultural incomes, yields and on-farm water efficiency through private-sector competitiveness programs. It will also seek to strengthen the capacity of key actors along the entire agricultural value chain to expand agricultural trade in both domestic and

international markets. USAID has been successful in achieving results in this area in the past, and the GOU remains an interested partner. Under peace and security programs, the United States uses the information obtained from end-use monitoring of donated equipment and training to inform program choices going forward.

Relating Past Performance to FY 2013 Plans: As a result of program success in the area of forensic development, particularly the introduction of landmark forensic science legislation into the Majlis in FY 2010 and data-sharing improvements in the Ministry of Health, the FY 2013 budget request reflects further development of forensics programs. The FY 2013 request will address possible implementation of new legislation and improving data sharing between regional forensic labs.

State South and Central Asia Regional (SCA)

Foreign Assistance Program Overview

South and Central Asia (SCA) remains one of the least economically integrated regions in the world. Following the planned 2014 international force reduction and security transition in Afghanistan, increased trade and investment will be necessary to ensure stability, foster development, and tangibly improve the lives of its people, as well as those throughout the region. Department of State and USAID regional programs will work together in FY 2013 to operationalize the Administration's New Silk Road vision by fostering regional economic cooperation, regional security and people-to-people networks that will improve linkages within South and Central Asia, with Afghanistan at the center. The State Department and USAID are also working with Afghanistan, its neighbors, and other international partners to support this vision through international gatherings such as the Istanbul and Bonn Conferences on Afghanistan, and the Regional Economic Cooperation Conference on Afghanistan (RECCA), as well as increased focus on the work of regional organizations including the South Asian Association for Regional Cooperation (SAARC) and the Central Asian Regional Economic Cooperation framework (CAREC).

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**9,245**	**13,024**	**20,650**	**7,626**
Economic Support Fund	3,535	5,024	11,200	6,176
International Narcotics Control and Law Enforcement	4,210	7,000	9,000	2,000
Nonproliferation, Antiterrorism, Demining and Related Programs	1,500	1,000	450	-550

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
State South and Central Asia Regional (SCA)	**9,245**	**13,024**	**20,650**	**7,626**
1 Peace and Security	**5,710**	**8,000**	**9,450**	**1,450**
International Narcotics Control and Law Enforcement	**4,210**	**7,000**	**9,000**	**2,000**
1.4 Counter-Narcotics	4,210	7,000	9,000	2,000
Nonproliferation, Antiterrorism, Demining and Related Programs	**1,500**	**1,000**	**450**	**-550**
1.1 Counter-Terrorism	1,000	500	-	-500
1.2 Combating Weapons of Mass Destruction (WMD)	500	500	450	-50
3 Investing in People	**500**	**1,000**	**1,000**	**-**
Economic Support Fund	**500**	**1,000**	**1,000**	**-**
3.2 Education	500	1,000	1,000	-
4 Economic Growth	**3,035**	**4,024**	**10,200**	**6,176**
Economic Support Fund	**3,035**	**4,024**	**10,200**	**6,176**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.2 Trade and Investment	1,500	1,724	6,200	4,476
4.4 Infrastructure	500	1,500	2,000	500
4.6 Private Sector Competitiveness	700	500	1,000	500
4.8 Environment	335	300	1,000	700

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
State South and Central Asia Regional (SCA)	**9,245**	**13,024**	**20,650**	**7,626**
1 Peace and Security	**5,710**	**8,000**	**9,450**	**1,450**
1.1 Counter-Terrorism	1,000	500	-	-500
1.2 Combating Weapons of Mass Destruction (WMD)	500	500	450	-50
1.4 Counter-Narcotics	4,210	7,000	9,000	2,000
3 Investing in People	**500**	**1,000**	**1,000**	**-**
3.2 Education	500	1,000	1,000	-
4 Economic Growth	**3,035**	**4,024**	**10,200**	**6,176**
4.2 Trade and Investment	1,500	1,724	6,200	4,476
4.4 Infrastructure	500	1,500	2,000	500
4.6 Private Sector Competitiveness	700	500	1,000	500
4.8 Environment	335	300	1,000	700
of which: Objective 6	**100**	**294**	**-**	**-294**
6.2 Administration and Oversight	100	294	-	-294

Peace and Security

The security situation in many parts of the South and Central Asian region remains a challenge, reinforcing the need for targeted U.S. capacity building and information-sharing programs. Existing problems related to terrorism and drug trafficking will likely become more prevalent as the security transition approaches in 2014. The United States has long supported host governments in securing borders, interdicting traffickers, tackling internal corruption, and prosecuting criminals and their organizations. In Central Asia, U.S. security efforts complement the ongoing focus on the New Silk Road, helping ensure the free, secure flow of supplies along the Northern Distribution Network, while preventing and interdicting trafficking in narcotics and weapons. The United States is working to increase counterterrorism cooperation with key stakeholders, including appropriate law enforcement, non-governmental, and multilateral partners, throughout the region. In FY 2013, cooperative efforts will emphasize improved cross-border information sharing, capacity building, and increased joint training efforts.

International Narcotics Control and Law Enforcement (INCLE): In FY 2013, regional programs in SCA will support the Central Asia Counternarcotics Initiative (CACI), which promotes a new approach to countering the flow of narcotics stemming from Afghanistan an into Central Asia. Leveraging successful strategies from Latin America and Afghanistan, CACI's main goal is to stand up vetted units and task forces within the Central Asian drug services and law enforcement bodies. Vetting and properly equipping units

will give the Drug Enforcement Agency (DEA) more latitude for joint operations and allow for more confidence in information-sharing. Another parallel component of CACI is support for additional analysis and information-sharing capacity at the United Nations (UN) Office of Drugs and Crime's Central Asia Regional Information Coordination Center (CARICC) in Almaty. With U.S. support, CARICC will be equipped to expand its operational capacity and serve as a hub for information sharing within the region.

Non-Proliferation, Anti-Terrorism, Demining and Related Programs (NADR): FY 2013 funding will respond to a dire need for capacity building and professionalization of the border security agencies in Afghanistan and its neighbors, Tajikistan, Uzbekistan, and Turkmenistan. With FY 2013 resources, the United States will support the standardization and harmonization of border security practices, training in the use of inspection equipment, and the sustainability of that training through service academies. Strong communication and cooperation between border services leads to more efficient and technically sound inspections, which both assists the New Silk Road vision and helps provide logistical support to remaining coalition forces in Afghanistan.

Governing Justly and Democratically

The Central Asian republics consistently rank at the bottom of multiple indices that measure freedom of the press and access to objective information. In FY 2013, U.S. programs will continue to improve the media environment and foster new regionally-relevant independent television programming in Central Asia that provides citizens with additional viewpoints on important issues.

Economic Support Funds (ESF): Key objectives of U.S. assistance include increased access to objective news and information through a regional satellite television feed and increased local production of quality independent programming that addresses issues of interest to citizens of Central Asia. Strengthening civil society is also important to helping governments meet the needs of their citizens. FY 2013 funding will support sustainable regional networks for ongoing cooperation and collaboration among civil society organizations. Best practices will be shared regarding civil society-government cooperation through regional seminars, conferences, and peer-to-peer capacity building.

Investing in People

Fostering people-to-people ties across the SCA region is a critical component of realizing the New Silk Road vision. Foreign assistance programs under this objective address common needs in the development of the region's social safety net, particularly in the areas of education and health. SCA is a region of young people. More than half the population in most countries is under the age of 26. While living standards and economic growth are on an upward trajectory in South Asia, current low levels of education, particularly for girls, inhibit this growth and contribute to regional instability. In Central Asia, the combination of low levels of education and low economic growth rates contribute to overall poverty and instability. While education systems vary greatly across the region, several common challenges exist that remain unaddressed by local government initiatives or development agencies. These challenges include creating and maintaining a literate population and aligning vocational and technical education systems with the needs of local business and industry. With respect to health, significant resources under this objective will focus on addressing the HIV/AIDS epidemic in Central Asia, working with partner countries to build a sustainable response by investing in health systems and promoting host country ownership.

Economic Support Funds (ESF):

- Higher Education: FY 2013 programs, implemented by the State Department, will focus on the education priority areas listed above. U.S. assistance will expand efforts to develop the broader "infrastructure" required for literacy by creating a culture of reading through teacher training, the development of high quality children's books, and by training local authors and illustrators. Programs to keep girls in secondary school will also be expanded and support existing cohorts

through their graduation. Aligning the needs of the region's growing private sector and vocational/technical education institutions will remain a priority in FY 2013, as the United States continues support for these institutions as they modernize curricula to meet the region's demand for skilled workers. U.S. assistance will also support the American University in Central Asia (AUCA) in the Kyrgyz Republic, leveraging an offer of matching funds from the Open Society Institute (OSI). Funding will support the development of a Central Asian Studies master's degree program, help improve faculty training, fund scholarships, and upgrade information technology at AUCA.

Global Health Programs (GHP): Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership.

- HIV/AIDS – Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR): GHP-State and GHP-USAID: FY 2013 resources will provide significant support to Central Asia countries, building partnerships to provide integrated prevention, care, and treatment programs.

Economic Growth

Expanding economic linkages, both within the SCA region and beyond, is vital to increasing the region's stability and prosperity, and is a cornerstone of the New Silk Road vision. While we have seen successes in the establishment of export partnership groups in Central Asia and Afghanistan, progress towards Indo-Bangladesh energy trade, and the establishment of forums for discussion of natural resource management, SCA remains one of the least economically integrated regions in the world. The FY 2013 request will expand economic linkages in sectors that have the greatest economic growth capacity and focus on trade and energy to provide the greatest benefits to the region.

Development Assistance (DA): Programming will focus on encouraging regional energy cooperation that ensures greater energy security in eight South Asian countries to sustain their economic growth, while mitigating climate change by promoting low carbon development strategies. Under USAID's South Asia Regional Initiative for Energy (SARI/Energy), U.S. assistance will be provided to address the political, policy, and regulatory barriers to increase regional cross-border energy trade to advance energy security, mitigate climate change, and sustain economic growth. Major regional projects that will continue to progress with modest FY 2013 support include: (1) the 150 megawatt (MW) India-Nepal interconnection; (2) the 500 MW India-Sri Lanka undersea interconnection; (3) the 500 MW India-Bangladesh link; (4) the Pakistan component of the Central Asia-South Asia 1300 MW transmission project; and (5) the Maldives Islands transmission interconnections. A key outcome of these efforts will be the establishment of regional power trading institutions and systems that would permit regional energy integration through innovative market mechanisms.

Economic Support Funds (ESF): FY 2013 funds will be used to expand regional economic cooperation programs throughout the region with Afghanistan at the center as a part of the New Silk Road vision. Focus areas will include trade and energy, as well as supporting work in entrepreneurship and trans-boundary water cooperation. Women's empowerment and science and technology are cross-cutting components of many of the programs envisioned.

Trade facilitation programs will address many barriers to regional trade within Central and South Asia. Efforts will focus on transforming transportation corridors into true trade corridors by working with countries to harmonize border controls, among other things. Customs and regulatory reform and harmonization have all advanced in recent years, but more remains to be done if the promise of the New Silk Road is to be fully realized. FY 2013 funds will support programs that provide technical assistance to enable, for example, World Trade Organization accession, and that bring government officials together with business advocacy groups.

An important component of trade facilitation is support to the entrepreneurs who will participate in cross-border trade activities. While entrepreneurship now thrives in India, for example, systems to support new and small-scale entrepreneurs remain limited across the rest of the region. FY 2013 programs will expand existing efforts to generate entrepreneurs in science and technology through innovation and competition, as well as establish networks of women's business associations able to build enterprise capacity and advocate for regulatory, tax, and trade reforms. These efforts follow on the successful Women's Entrepreneurship Summit held in Bishkek, Kyrgyz Republic in July 2011 with participation from then-President Roza Otunbayeva and 124 representatives from across Central Asia and Afghanistan.

Appropriate, well-maintained energy infrastructure supports economic growth by facilitating intraregional trade, creating jobs, and providing citizens with necessary services. It also advances U.S. security goals by helping governments respond to the needs of their citizens. FY 2013 funds will focus on moving forward a mix of large, multi-donor, cross-border projects which will eventually bring a steady supply of energy from Central Asia (hydropower and hydrocarbon) to millions of consumers in South Asia, as well as smaller projects that will bring Afghan villages online with hydropower from Tajikistan.

Lastly, development of hydropower will remain limited in the region without underlying agreements on the sharing of water resources. Glacier melt in the Himalayas and Central Asia is also predicted to stress this already limited resource. Prior U.S. assistance has successfully established regional programs for scientists to come together to discuss the impacts of glacier melt and, in cooperation with the UN, established a forum for political level discussions in Central Asia on this contentious topic. FY 2013 funds will deepen U.S. engagement with the countries of the region on this issue and facilitate new ways to foster cooperation.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Several monitoring and evaluation efforts were undertaken during FY 2011.

The SARI/Energy program is closely monitored through frequent site visits by USAID officials. The program conducted a final evaluation of its Phase III during the first quarter of FY 2011 to determine its overall impact. The evaluation findings confirmed that the program supported the establishment of at least five sub-regional energy grids. To promote clean energy, evaluation findings confirmed the program completed important wind and solar mapping exercises in seven countries and established two centers of excellence in the region. The most significant impact was the development of networks among technical personnel working in the energy sectors in South Asia. These individuals now know one another and this network extends across borders.

SCA and the Office of Acquisition Management at the Department of State conducted a joint site visit at the headquarters of the Room to Read (RtR) program, which implements basic education programs in Sri Lanka, Nepal, Bangladesh, India, and the Maldives. The team met with RtR Chief Financial Officer, Chief of International Operations, Senior Finance Associate, and Manager of External Relations to performed due diligence on the organizations financial controls and program implementation plans. RtR briefed on their five-year strategic plan (the program is currently in its third year.), their research, monitoring, and impact evaluation methodologies, and the long-term vision to create replicable literacy pilots. In addition, RtR received $2.3 million from the Gates Foundation to conduct a country study of Nepal, RtR's first country. This study affirmed the sound controls RtR utilizes in their financial and performance management. The results of the in-depth Nepal study will steer future U.S. engagement (e.g., local language children's books, teacher training, school library construction) in that country and across South Asia.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The SARI/Energy Phase III evaluation recommended that the overarching goal for SARI/Energy Phase IV should promote energy security. From October to December 2011, a political economy analysis of the SARI/Energy Program was undertaken to recommend strategies for the program in the future. As a result of this analysis, the SARI/Energy Program will work with the South Asian Association for Regional Cooperation (SAARC) and help establish three core working groups on policy/regulations, energy trading and markets, and power transmission infrastructure. Their focus is to work towards harmonization of policies and regulations, and introduce commercial practices in regional power trading.

Relating Past Performance to FY 2013 Plans: With FY 2013 funding, the SARI/Energy Program will advance energy security through regional energy integration by implementing cross-border energy trade through harmonized energy trade policies and regulations, as well as the establishment of energy exchange platforms.

Western Hemisphere Regional Overview

Foreign Assistance Program Overview

United States policy for the Western Hemisphere promotes four interconnected goals broadly shared among our partners in the hemisphere: citizen safety for all peoples, effective democratic governance and institutions, expanded economic and social opportunity, and a clean energy future for the hemisphere. The United States will advance these goals through direct engagement, robust bilateral and multilateral dialogue, and continued pursuit of increased engagement with civil society and the private sector. U.S. assistance for the region will leverage emerging economic opportunities and regional strengths to counter threats to citizen safety that directly impact U.S. national security and jeopardize the hemisphere's democratic gains of the past decade.

U.S. efforts in the Western Hemisphere are vital to addressing national security concerns shared by the United States and its neighbors. U.S. assistance will support partnership and accountability. It will engage countries and newly emerging regional leaders to exchange lessons learned and best practices in order to foster economic growth for all. In April 2012, President Obama and the 33 other democratically elected leaders of the hemisphere will gather at the Sixth Summit of the Americas in Colombia. The United States will partner directly with national governments and the Organization of American States to meet the hemisphere's challenges and to create expanded political and economic opportunities for all citizens.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**1,856,199**	**1,811,464**	**1,651,770**	**-159,694**
Development Assistance	361,463	330,285	348,928	18,643
Economic Support Fund	435,130	466,541	434,200	-32,341
Food for Peace Title II	94,951	48,000	40,000	-8,000
Foreign Military Financing	84,477	67,284	62,381	-4,903
Global Health Programs - State	203,323	189,363	175,219	-14,144
Global Health Programs - USAID	130,977	105,491	86,816	-18,675
International Military Education and Training	14,458	15,700	14,446	-1,254
International Narcotics Control and Law Enforcement	506,220	568,270	476,450	-91,820
Nonproliferation, Antiterrorism, Demining and Related Programs	25,200	20,530	13,330	-7,200

Request by Program by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Western Hemisphere Regional Overview	**1,856,199**	**1,811,464**	**1,651,770**	**-159,694**
Caribbean Basin Security Initiative (CBSI)	**77,367**	**64,000**	**59,000**	**-5,000**
Economic Support Fund	17,000	17,000	26,200	9,200
Foreign Military Financing	16,467	15,000	10,000	-5,000

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
International Narcotics Control and Law Enforcement	37,500	30,000	21,000	-9,000
Nonproliferation, Antiterrorism, Demining and Related Programs	6,400	2,000	1,800	-200
Central America Regional Security Initiative (CARSI)	**101,508**	**117,000**	**107,500**	**-9,500**
Development Assistance	-	12,000	-	-12,000
Economic Support Fund	30,000	45,000	47,500	2,500
International Narcotics Control and Law Enforcement	71,508	60,000	60,000	-
Economic Policy	**26,500**	**16,000**	**9,500**	**-6,500**
Economic Support Fund	26,500	16,000	9,500	-6,500
Summit of Americas Commitments	**3,204**	**1,000**	**2,000**	**1,000**
Economic Support Fund	3,204	1,000	2,000	1,000
Other Programs	**5,000**	**4,850**	**2,885**	**-1,965**
Nonproliferation, Antiterrorism, Demining and Related Programs	5,000	4,850	2,885	-1,965
Other	**1,642,620**	**1,608,614**	**1,470,885**	**-137,729**
Development Assistance	361,463	318,285	348,928	30,643
Economic Support Fund	358,426	387,541	349,000	-38,541
Food for Peace Title II	94,951	48,000	40,000	-8,000
Foreign Military Financing	68,010	52,284	52,381	97
Global Health Programs - State	203,323	189,363	175,219	-14,144
Global Health Programs - USAID	130,977	105,491	86,816	-18,675
International Military Education and Training	14,458	15,700	14,446	-1,254
International Narcotics Control and Law Enforcement	397,212	478,270	395,450	-82,820
Nonproliferation, Antiterrorism, Demining and Related Programs	13,800	13,680	8,645	-5,035

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Western Hemisphere Regional Overview	**1,856,199**	**1,811,464**	**1,651,770**	**-159,694**
1 Peace and Security	**645,902**	**575,729**	**512,718**	**-63,011**
Development Assistance	**31,366**	**21,400**	**31,138**	**9,738**
1.3 Stabilization Operations and Security Sector Reform	1,112	-	1,000	1,000
1.4 Counter-Narcotics	29,754	21,400	29,438	8,038
1.5 Transnational Crime	500	-	700	700
Economic Support Fund	**120,072**	**105,020**	**98,738**	**-6,282**
1.3 Stabilization Operations and Security Sector Reform	16,515	13,624	14,105	481
1.4 Counter-Narcotics	102,661	90,500	84,633	-5,867
1.5 Transnational Crime	896	896	-	-896

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Foreign Military Financing	**84,477**	**67,284**	**62,381**	**-4,903**
1.3 Stabilization Operations and Security Sector Reform	84,053	66,894	60,660	-6,234
1.4 Counter-Narcotics	399	365	1,615	1,250
1.5 Transnational Crime	25	25	106	81
International Military Education and Training	**14,458**	**15,700**	**14,446**	**-1,254**
1.3 Stabilization Operations and Security Sector Reform	14,458	15,700	14,446	-1,254
International Narcotics Control and Law Enforcement	**370,329**	**345,795**	**292,685**	**-53,110**
1.3 Stabilization Operations and Security Sector Reform	42,465	46,900	38,673	-8,227
1.4 Counter-Narcotics	294,764	270,920	229,627	-41,293
1.5 Transnational Crime	33,100	27,975	24,385	-3,590
Nonproliferation, Antiterrorism, Demining and Related Programs	**25,200**	**20,530**	**13,330**	**-7,200**
1.1 Counter-Terrorism	12,750	12,280	7,685	-4,595
1.2 Combating Weapons of Mass Destruction (WMD)	7,800	3,100	2,760	-340
1.3 Stabilization Operations and Security Sector Reform	4,500	5,000	2,750	-2,250
1.5 Transnational Crime	150	150	135	-15
2 Governing Justly and Democratically	**310,121**	**427,260**	**406,721**	**-20,539**
Development Assistance	**53,757**	**39,617**	**72,037**	**32,420**
2.1 Rule of Law and Human Rights	10,063	10,195	21,845	11,650
2.2 Good Governance	26,840	21,608	35,881	14,273
2.3 Political Competition and Consensus-Building	8,500	1,950	6,000	4,050
2.4 Civil Society	8,354	5,864	8,311	2,447
Economic Support Fund	**120,473**	**163,668**	**149,899**	**-13,769**
2.1 Rule of Law and Human Rights	43,568	72,570	64,634	-7,936
2.2 Good Governance	45,597	48,606	64,912	16,306
2.3 Political Competition and Consensus-Building	8,588	14,622	4,946	-9,676
2.4 Civil Society	22,720	27,870	15,407	-12,463
Food for Peace Title II	**-**	**1,500**	**1,020**	**-480**
2.2 Good Governance	-	1,500	1,020	-480
International Narcotics Control and Law Enforcement	**135,891**	**222,475**	**183,765**	**-38,710**
2.1 Rule of Law and Human Rights	135,891	209,475	162,765	-46,710
2.2 Good Governance	-	13,000	21,000	8,000
3 Investing in People	**480,088**	**456,062**	**384,256**	**-71,806**
Development Assistance	**54,834**	**83,114**	**50,388**	**-32,726**
3.1 Health	-	2,000	-	-2,000
3.2 Education	54,834	81,114	50,388	-30,726
Economic Support Fund	**48,988**	**52,604**	**44,453**	**-8,151**
3.2 Education	13,784	15,228	15,810	582

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
3.3 Social and Economic Services and Protection for Vulnerable Populations	35,204	37,376	28,643	-8,733
Food for Peace Title II	**41,966**	**25,490**	**27,380**	**1,890**
3.1 Health	36,207	25,490	23,200	-2,290
3.2 Education	3,055	-	2,220	2,220
3.3 Social and Economic Services and Protection for Vulnerable Populations	2,704	-	1,960	1,960
Global Health Programs - State	**203,323**	**189,363**	**175,219**	**-14,144**
3.1 Health	203,323	189,363	175,219	-14,144
Global Health Programs - USAID	**130,977**	**105,491**	**86,816**	**-18,675**
3.1 Health	130,977	105,491	86,816	-18,675
4 Economic Growth	**381,476**	**342,381**	**346,195**	**3,814**
Development Assistance	**221,506**	**186,154**	**195,365**	**9,211**
4.1 Macroeconomic Foundation for Growth	7,450	1,540	10,205	8,665
4.2 Trade and Investment	13,820	16,058	12,823	-3,235
4.3 Financial Sector	825	-	-	-
4.4 Infrastructure	2,500	-	-	-
4.5 Agriculture	42,160	36,500	36,400	-100
4.6 Private Sector Competitiveness	37,786	23,161	46,279	23,118
4.7 Economic Opportunity	1,515	740	1,500	760
4.8 Environment	115,450	108,155	88,158	-19,997
Economic Support Fund	**144,447**	**135,426**	**139,610**	**4,184**
4.1 Macroeconomic Foundation for Growth	9,266	9,016	530	-8,486
4.2 Trade and Investment	12,500	12,400	4,500	-7,900
4.3 Financial Sector	2,687	2,687	8,470	5,783
4.4 Infrastructure	32,823	26,737	42,300	15,563
4.5 Agriculture	35,700	35,700	30,000	-5,700
4.6 Private Sector Competitiveness	11,798	12,040	18,870	6,830
4.7 Economic Opportunity	7,246	4,746	3,940	-806
4.8 Environment	32,427	32,100	31,000	-1,100
Food for Peace Title II	**15,523**	**20,801**	**11,220**	**-9,581**
4.5 Agriculture	15,523	20,801	11,220	-9,581
5 Humanitarian Assistance	**38,612**	**10,032**	**1,880**	**-8,152**
Economic Support Fund	**1,150**	**9,823**	**1,500**	**-8,323**
5.1 Protection, Assistance and Solutions	-	8,423	-	-8,423
5.2 Disaster Readiness	1,150	1,400	1,500	100
Food for Peace Title II	**37,462**	**209**	**380**	**171**
5.1 Protection, Assistance and Solutions	36,890	-	-	-

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
5.2 Disaster Readiness	572	209	380	171

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Western Hemisphere Regional Overview	**1,856,199**	**1,811,464**	**1,651,770**	**-159,694**
1 Peace and Security	**645,902**	**575,729**	**512,718**	**-63,011**
1.1 Counter-Terrorism	12,750	12,280	7,685	-4,595
1.2 Combating Weapons of Mass Destruction (WMD)	7,800	3,100	2,760	-340
1.3 Stabilization Operations and Security Sector Reform	163,103	148,118	131,634	-16,484
1.4 Counter-Narcotics	427,578	383,185	345,313	-37,872
1.5 Transnational Crime	34,671	29,046	25,326	-3,720
2 Governing Justly and Democratically	**310,121**	**427,260**	**406,721**	**-20,539**
2.1 Rule of Law and Human Rights	189,522	292,240	249,244	-42,996
2.2 Good Governance	72,437	84,714	122,813	38,099
2.3 Political Competition and Consensus-Building	17,088	16,572	10,946	-5,626
2.4 Civil Society	31,074	33,734	23,718	-10,016
3 Investing in People	**480,088**	**456,062**	**384,256**	**-71,806**
3.1 Health	370,507	322,344	285,235	-37,109
3.2 Education	71,673	96,342	68,418	-27,924
3.3 Social and Economic Services and Protection for Vulnerable Populations	37,908	37,376	30,603	-6,773
4 Economic Growth	**381,476**	**342,381**	**346,195**	**3,814**
4.1 Macroeconomic Foundation for Growth	16,716	10,556	10,735	179
4.2 Trade and Investment	26,320	28,458	17,323	-11,135
4.3 Financial Sector	3,512	2,687	8,470	5,783
4.4 Infrastructure	35,323	26,737	42,300	15,563
4.5 Agriculture	93,383	93,001	77,620	-15,381
4.6 Private Sector Competitiveness	49,584	35,201	65,149	29,948
4.7 Economic Opportunity	8,761	5,486	5,440	-46
4.8 Environment	147,877	140,255	119,158	-21,097
5 Humanitarian Assistance	**38,612**	**10,032**	**1,880**	**-8,152**
5.1 Protection, Assistance and Solutions	36,890	8,423	-	-8,423
5.2 Disaster Readiness	1,722	1,609	1,880	271
of which: Objective 6	**124,640**	**140,092**	**109,821**	**-30,271**
6.1 Program Design and Learning	22,402	14,330	10,262	-4,068
6.2 Administration and Oversight	102,238	125,762	99,559	-26,203

Peace and Security

Threats from trafficking, transnational crime, and weak rule of law institutions pose the greatest risks to citizen safety in the Western Hemisphere, particularly for Mexico, Central America, and the Caribbean. Continued U.S. cooperation and assistance to address these challenges, through a network of complementary security partnerships, is critical to sustaining the region's democratic trajectory. In Mexico, Peace and Security assistance will emphasize capacity building for law enforcement institutions at the state and local level, building on the national-level partnerships established to date. For Central America, Peace and Security programs will bolster the weak institutional capacity of host-nation law enforcement entities to confront organized crime and trafficking in drugs and arms through the Central American Regional Security Initiative (CARSI). In Colombia, assistance will sustain and consolidate gains in the security sector and ensure the rule of law is firmly established in former conflict zones. In the Caribbean, U.S. maritime and law-enforcement assistance under the Caribbean Basin Security Initiative (CBSI) will leverage cooperation between Caribbean nations and the United States to meet citizen safety threats and ensure a comprehensive approach to security in the hemisphere. U.S. law-enforcement assistance in Haiti will repair buildings damaged by the earthquake, strengthen the Haitian National Police and Coast Guard, and provide support to the United Nations Stabilization Mission.

Governing Justly and Democratically

Strengthening democratic governance and institutions in order to expand vibrant civil societies that hold governments accountable are critical prerequisites to securing lasting gains in citizen safety. Stronger institutions are needed, especially in Central America, to deter crime and violence. Along with Peace and Security programming, assistance for Mexico under the Governing Justly and Democratically Objective will aim to increase justice sector capacity at the state and local level and to build communities resilient to the impacts of crime and trafficking. CARSI programs will address severe capacity deficits in the region's administration of justice and support assistance for civil society and at-risk populations, particularly youth. CBSI programs will support justice-sector reform and community-based policing. In Colombia, U.S. assistance supports more effective administration of the rule of law, particularly in communities most at risk from trafficking, and respect for human rights. In Haiti, U.S. assistance will increase the capacity of government institutions at the parliamentary, national, and local levels, improve access to justice, protect vulnerable people, and help to deliver basic services consistent with their constitutionally mandated roles.

Investing in People

U.S. assistance will support critical education and health programs throughout the hemisphere, particularly for marginalized populations. Programs will improve the quality, delivery of, and access to health care, and will address the spread of infectious diseases, including HIV/AIDS. U.S. assistance will continue to address the wide range of health challenges facing the region through the Global Health Initiative; improve nutrition through the Feed the Future program; and support health programs that focus on especially vulnerable populations. U.S. resources will also increase access to quality basic and higher education to foster greater social equity and expand opportunity in the region. Programs will provide training opportunities for at-risk youth and disadvantaged populations, ultimately bolstering employment possibilities. Through the Inter-American Social Protection Network, the United States will support regional learning from the experiences of national governments and communities to improve social safety nets. In Haiti, the United States will support service delivery, infrastructure, and health system strengthening in three priority geographical corridors, improve the access to basic services, advance the President's Emergency Plan for AIDS Relief, and continue to support the Ministry of Health's response to cholera and other infectious diseases.

Economic Growth

To ensure the benefits of economic growth accrue broadly and inclusively, U.S. assistance will support a partnership-based approach that draws upon the region's strengths and successes. Environment, energy,

and climate programs will create growth in a sustainable manner. The Energy and Climate Partnership of the Americas, initiated by President Obama at the 2009 Summit of the Americas, will promote shared ownership of these challenges between governments in the hemisphere. It will provide a useful framework for leveraging private sector and other donor support. U.S. assistance will support greater competitiveness and social and economic opportunity to maximize the benefits of shared and open economies via the Pathways to Prosperity in the Americas initiative and existing free trade agreements. Programs will also promote private sector competitiveness and economic opportunities in rural areas prone to poverty, and will support skills training that facilitate school-to-work transition, train youth in entrepreneurship, and link youth to jobs. U.S. support for economic growth will be closely aligned with the efforts of the Millennium Challenge Corporation, the Inter-American Development Bank, and the World Bank. The Feed the Future Initiative will support the design and implementation of comprehensive country-led food security strategies in Guatemala, Haiti, and Honduras to reduce hunger and increase economic growth through market-led agricultural development. In Haiti, U.S. assistance will help revitalize the agriculture sector, focusing on productivity, market access and information, and improved productive and transport infrastructure in order to increase farmers' incomes.

Humanitarian Assistance

U.S. assistance will continue to provide direct humanitarian relief and support collaborative, regional efforts in order to augment the hemisphere's ability to respond to and mitigate the impact of disasters.

Argentina

Foreign Assistance Program Overview

U.S. assistance in Argentina promotes regional stability and democracy, supports U.S. economic interests, and disrupts drug trafficking and other criminal networks. The Government of Argentina has supported U.S. national and international security goals through participation in international peacekeeping operations, advocacy for the nonproliferation of weapons of mass destruction (WMD), and through close cooperation in counterterrorism, counternarcotics, and law enforcement efforts. Argentina's unexpected seizure of U.S. military equipment in February 2011 and subsequent Argentine decisions placed new constraints on security and law enforcement cooperation between the U.S. and Argentine governments.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**897**	**1,350**	**814**	**-536**
International Military Education and Training	297	750	544	-206
International Narcotics Control and Law Enforcement	300	300	-	-300
Nonproliferation, Antiterrorism, Demining and Related Programs	300	300	270	-30

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Argentina	**897**	**1,350**	**814**	**-536**
1 Peace and Security	**897**	**1,350**	**814**	**-536**
International Military Education and Training	**297**	**750**	**544**	**-206**
1.3 Stabilization Operations and Security Sector Reform	297	750	544	-206
International Narcotics Control and Law Enforcement	**300**	**300**	**-**	**-300**
1.4 Counter-Narcotics	300	225	-	-225
1.5 Transnational Crime	-	75	-	-75
Nonproliferation, Antiterrorism, Demining and Related Programs	**300**	**300**	**270**	**-30**
1.2 Combating Weapons of Mass Destruction (WMD)	300	300	270	-30

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Argentina	**897**	**1,350**	**814**	**-536**
1 Peace and Security	**897**	**1,350**	**814**	**-536**
1.2 Combating Weapons of Mass Destruction (WMD)	300	300	270	-30

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.3 Stabilization Operations and Security Sector Reform	297	750	544	-206
1.4 Counter-Narcotics	300	225	-	-225
1.5 Transnational Crime	-	75	-	-75
of which: Objective 6	**-**	**40**	**-**	**-40**
6.2 Administration and Oversight	-	40	-	-40

Peace and Security

The United States will provide the Argentine military and government officials with training to combat transnational crime and proliferation and to improve the Argentine military's peacekeeping capacities. Training programs will focus on enhancing the Argentina's law enforcement, customs, and military interoperability in peacekeeping operations.

International Military Training and Education (IMET): The United States will provide assistance for professional development and technical training to strengthen the professionalism within the military and defense establishment; as well as bolster Argentina's aviation program, and enhance the Argentine interoperability with the United States and North Atlantic Treaty Organization forces, especially with regard to peacekeeping. Third among Latin American nations in the number of peacekeeping participants, Argentina trains units of other Latin American militaries at its peacekeeping training academy and sends instructors to assist many nations of Latin America and Africa in developing peacekeeping capabilities. Argentina's Peacekeeping Center recently became one of only three nations in the world that has been Pre-Deployment Course certified by the United Nations.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): Building on earlier efforts to strengthen the enforcement of strategic trade controls through improved inspection and detection of commodities of concern, the United States will now address the judicial phase of enforcement by increasing Argentina's capacity to investigate and prosecute strategic trade control violations. The Export Control and Related Boarder Security (EXBS) program will also work with Argentina to enhance its industry outreach approach. EXBS will continue efforts to address proliferation threats in the Tri-Border region and to assist in enhancing enforcement agencies' capacities to target operations based on methodical risk analysis techniques.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: U.S. agencies in Argentina monitor feedback from local counterparts regarding trainings and other programs, as well as suggestions for further programming. Local partners who provide regular feedback include the Federal Police, Gendarmerie, Customs, Ministry of Security, Ministry of Defense, and various branches of the Armed Forces. Monitoring of public reporting has also helped track performance, especially as it relates to raising civic awareness of law enforcement issues.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Review of FY 2010 programming indicates effective results in all areas, with opportunities to further strengthen Argentina's operating capacities and expand access to training and materials. FY 2011 results were not satisfactory and provide little performance-related information, as training engagement during CY 2011 was severely constrained in the aftermath of the February 2011 Argentine seizure of

sensitive U.S. military cargo at Buenos Aires International Airport. Should the United States succeed in re-launching its training cooperation agenda, continued funding of established aid programs would allow Argentina to expand its regional leadership in combating WMD proliferation, and strengthen its peacekeeping capacity.

Informal and formal assessments with the Government of Argentina, prior to the February 2011 interruption of normal engagement, showed that combating the proliferation of WMD can be approached through equipment and training. Accordingly, in FY 2010, the Export Control and Related Border Security (EXBS) program delivered detection equipment for Argentina's Federal Police and Airport Security Police. In addition, the EXBS program sponsored one course in Commodity Identification Training (CIT) and a nonproliferation exchange for prosecutors and judges, both with NADR funds. As a demonstration of its ability to reach out regionally, Argentina also led a CIT instructor training course in Peru without the use of NADR funds.

Relating Past Performance to FY 2013 Plans: The FY 2013 budget request is based on the successful implementation of ongoing programs; the presumption of a normalization of U.S. assistance programming efforts with the Argentine government; and the assessed benefit of continued training operations in all areas. The United States expects to see the largest programmatic results in the security sector, where the bulk of programming is concentrated.

Belize

Foreign Assistance Program Overview

Increases in drug, human, and arms trafficking have caused an increased in organized crime and gang violence, giving Belize one of the highest per capita murder rates in the world. U.S. assistance to Belize is focused on preventing transnational drug trafficking organizations (DTOs) from using Belize as a transshipment area for illicit drugs, precursor chemicals, money, and illegal weapons. The United States will also assist Belize's efforts to counter trafficking in persons, including special interest aliens (SIAs) seeking illegal ways into the United States. U.S.-supplied equipment, training, and technical assistance will directly support the top U.S. strategic goals of combating DTOs and enhancing peace and security in Belize.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**410**	**390**	**1,030**	**640**
Foreign Military Financing	200	200	850	650
Global Health Programs - State	20	-	-	-
International Military Education and Training	190	190	180	-10

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Belize	**410**	**390**	**1,030**	**640**
1 Peace and Security	**390**	**390**	**1,030**	**640**
Foreign Military Financing	**200**	**200**	**850**	**650**
1.3 Stabilization Operations and Security Sector Reform	125	125	531	406
1.4 Counter-Narcotics	50	50	213	163
1.5 Transnational Crime	25	25	106	81
International Military Education and Training	**190**	**190**	**180**	**-10**
1.3 Stabilization Operations and Security Sector Reform	190	190	180	-10
3 Investing in People	**20**	**-**	**-**	**-**
Global Health Programs - State	**20**	**-**	**-**	**-**
3.1 Health	20	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Belize	**410**	**390**	**1,030**	**640**
1 Peace and Security	**390**	**390**	**1,030**	**640**
1.3 Stabilization Operations and Security Sector Reform	315	315	711	396
1.4 Counter-Narcotics	50	50	213	163
1.5 Transnational Crime	25	25	106	81
3 Investing in People	**20**	**-**	**-**	**-**
3.1 Health	20	-	-	-

Peace and Security

United States assistance will help Belize in its efforts to develop a sustainable solution to high crime and narcotics trafficking by funding programs to curtail the illicit drug trade, strengthen border security, increase citizen security, and improve maritime interdiction. FMF and IMET assistance to Belize is critical to achieving United States counternarcotics and other transnational security goals in Central America. U.S. assistance in Belize will complement security assistance and program funding under the Central America Regional Security Initiative.

Foreign Military Financing (FMF): United States assistance will support the Government of Belize's efforts to combat DTOs by providing equipment and training to sustain maritime assets used for interdiction missions, enhance the defensive posture of maritime units by providing weapons, and increase troop mobility by providing vehicles. The enhanced capability will strengthen Belize's ability to partner with the United States to interdict and deny drug, human, and weapons trafficking organizations, and will improve Belize's patrol, surveillance, and interdiction capabilities, thus strengthening security in Belize and throughout the region.

International Military Education and Training (IMET): United States assistance will fund professional military education and technical courses for members of the Belize Defense Force and the recently established Belize National Coast Guard (BNCG) that are essential to enhancing the security of Belize's national territory. IMET assistance will further develop BNCG operational and interdiction capabilities, discouraging transnational criminal activities; and, improve maritime safety and search-and-rescue capacities.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The U.S. government performed periodic reviews of equipment purchased with FMF through formal end-use monitoring to assess operational status and appropriate use. Formal inspections (including 18 on-site inspections) of Belizean organizations that have received FMF-provided equipment were performed in December 2010 and January 2011. Post has also followed up with officials who have benefitted from IMET-funded training, and observed their career development and improved capacity in working real-world operations.

The Commanding Officer of the BDF is an IMET-recipient, as are much of the senior officer staff. The BNCG – which was developed from its inception with U.S. assistance – can now provide limited patrol

services and humanitarian support (sea rescues). In FY 2011, the BNCG reported 136 rescues. BDF troops participated in two Louisiana National Guard (LANG) deployments to Haiti in FY 2010 and FY 2011.

Relating Past Performance to FY 2013 Plans: Building on lessons learned from monitoring and evaluation activities, FY 2013 IMET and FMF resources will be focused on securing Belize's borders and strengthening Belize's land and maritime interdiction capabilities. Belize's land borders with Guatemala and Mexico are long and sparsely populated. The BDF is the only force capable of patrolling most border areas, although it lacks the necessary manpower to maintain constant patrols. Well-trained troops and officers will allow for more effective patrolling with Belize's limited resources. While U.S. government funding has developed the BNCG's capabilities from the ground-up, the force needs to increase its capabilities for it to begin to adequately patrol Belize's maritime territory and be able to interdict well-armed narco-traffickers.

Bolivia

Foreign Assistance Program Overview

Bolivia remains one of the poorest countries in the Western Hemisphere, with more than 50 percent of the population living below the poverty line and 26 percent living in extreme poverty. A major producer of coca and cocaine, Bolivia faces serious economic and social challenges. Against this backdrop, U.S. assistance will support Government of Bolivia (GOB) counterparts, nongovernmental organizations, and the private sector to address key social, economic, and law enforcement needs. U.S. assistance will continue its longstanding support for the Bolivian health sector by assisting the Ministry of Health's Intercultural Family and Community Health program, which seeks to improve health conditions among vulnerable segments of the population, especially women and children under five years of age. U.S. assistance will provide limited administrative and logistical support for Bolivian counternarcotics efforts and seek to encourage greater Bolivian cooperation in this area. It will also help agricultural producers improve the volume, quality, and marketability of alternative crops in targeted agricultural value chains.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**41,915**	**28,330**	**22,215**	**-6,115**
Development Assistance	10,350	6,500	7,515	1,015
Global Health Programs - USAID	16,367	14,100	9,500	-4,600
International Military Education and Training	198	230	200	-30
International Narcotics Control and Law Enforcement	15,000	7,500	5,000	-2,500

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Bolivia	**41,915**	**28,330**	**22,215**	**-6,115**
1 Peace and Security	**15,198**	**7,730**	**5,200**	**-2,530**
International Military Education and Training	**198**	**230**	**200**	**-30**
1.3 Stabilization Operations and Security Sector Reform	198	230	200	-30
International Narcotics Control and Law Enforcement	**15,000**	**7,500**	**5,000**	**-2,500**
1.4 Counter-Narcotics	15,000	7,500	5,000	-2,500
2 Governing Justly and Democratically	**500**	**500**	**620**	**120**
Development Assistance	**500**	**500**	**620**	**120**
2.2 Good Governance	500	500	620	120
3 Investing in People	**16,367**	**14,100**	**9,500**	**-4,600**
Global Health Programs - USAID	**16,367**	**14,100**	**9,500**	**-4,600**
3.1 Health	16,367	14,100	9,500	-4,600

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4 Economic Growth	**9,850**	**6,000**	**6,895**	**895**
Development Assistance	**9,850**	**6,000**	**6,895**	**895**
4.6 Private Sector Competitiveness	4,850	1,000	2,895	1,895
4.8 Environment	5,000	5,000	4,000	-1,000

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Bolivia	**41,915**	**28,330**	**22,215**	**-6,115**
1 Peace and Security	**15,198**	**7,730**	**5,200**	**-2,530**
1.3 Stabilization Operations and Security Sector Reform	198	230	200	-30
1.4 Counter-Narcotics	15,000	7,500	5,000	-2,500
2 Governing Justly and Democratically	**500**	**500**	**620**	**120**
2.2 Good Governance	500	500	620	120
3 Investing in People	**16,367**	**14,100**	**9,500**	**-4,600**
3.1 Health	16,367	14,100	9,500	-4,600
4 Economic Growth	**9,850**	**6,000**	**6,895**	**895**
4.6 Private Sector Competitiveness	4,850	1,000	2,895	1,895
4.8 Environment	5,000	5,000	4,000	-1,000
of which: Objective 6	**8,529**	**7,907**	**3,785**	**-4,122**
6.1 Program Design and Learning	1,035	520	485	-35
6.2 Administration and Oversight	7,494	7,387	3,300	-4,087

Peace and Security

U.S. foreign assistance will support Bolivia's efforts to address rising crime and insecurity resulting from illicit drug production and trafficking. A small portion of assistance supports Bolivia's capacity to participate in international peacekeeping operations. Other donors provide some support for law enforcement training, but negligible support for counternarcotics operations. Support for integrated development is closely coordinated between the United States and other donors.

International Military Education and Training (IMET): U.S. assistance will be used to provide professional development, technical, and safety training courses to the Bolivian military to help further develop its capabilities to respond to natural disasters, provide humanitarian assistance, and participate in peacekeeping operations.

International Narcotics and Law Enforcement (INCLE): U.S. assistance will focus on completing the nationalization of counternarcotics programs and costs associated with operational support of interdiction and eradication to the Government of Bolivia. The United States will continue providing limited support for Bolivian counternarcotics efforts, such as monitoring coca cultivation and the interdiction of drugs and precursor chemicals, with a focus on capacity building.

U.S. assistance will also continue to support training for enhanced institutional capacity for law enforcement and the criminal justice system. Training will include train-the-trainer courses on investigative techniques, human rights protection, combating trafficking in persons, and other topics.

Governing Justly and Democratically

In order to better respond to citizen needs and ensure that Bolivians enjoy municipal representation, the Bolivian government enacted the Law for Popular Participation (LPP) in 1994, which divided the national territory into 311,then new, local governments. Although municipalities are now generally politically and fiscally strong, they are administratively weak. Consequently, a significant portion of the locally elected governments still fall short of international standards of accountability and efficiency. Therefore, the fundamental role of municipal governments as engines of local social and economic development requires the strengthening of financial, administrative, and management capacities, and the establishment of public trust.

Development Assistance: In coordination with the Bolivian government and other local actors in the municipal development sector, U.S. assistance will support activities to strengthen the management capabilities of local governments. These activities will increase accountability and transparency and bring critical public resources and decision-making closer to citizens. Programs will work with municipalities and citizen groups to promote open communication between government and constituents.

Investing in People

The Bolivian government continues to faces challenges in improving health sector services for its citizens. U.S. assistance, through the Global Health Initiative (GHI), will contribute to improving the quality of health services for Bolivians, especially women and children, and to increasing access to health care in targeted areas. This will be achieved by strengthening the national health system, increasing access to high quality, integrated health services such as reproductive health services (including family planning, maternal and child health), and empowering underserved rural populations to obtain health care. Through health sector donor meetings, the United States Agency for International Development (USAID) will continue to coordinate its program with multilateral donors, such as the World Bank, the Inter-American Development Bank, and the United Nations – donors that provide support in maternal, child and adolescent health care, reproductive services, and health systems strengthening activities. The U.S. government will also collaborate with bilateral donors, such as Canada, Belgium, Spain, and Japan, which fund improvements to health facilities, provide health sector capacity strengthening, and support health and medical care. U.S. assistance will continue to be channeled through local organizations and host country systems.

Global Health Programs-USAID (GHP-USAID): U.S. assistance will support the Bolivian government's Development Plan to ensure the health of vulnerable Bolivians by funding health sector activities that reduce maternal and child mortality and increase the use of voluntary family planning and reproductive health services. Assistance provided through the GHP accounts will support the goals and principles of the GHI to achieve major improvements in health outcomes through sustainable approaches and increased country ownership.

- Maternal and Child Health: U.S. assistance will focus on reducing maternal and child morbidity and mortality in targeted areas by expanding community-based preventative health services and strengthening emergency obstetric and neonatal care networks. The United States will also provide technical assistance, training, and equipment to improve the services provided to severely malnourished children in the most food insecure municipalities and communities.

- Family Planning and Reproductive Health: U.S. assistance will fund voluntary family planning and reproductive health interventions by improving the skills of health care providers, strengthening the sustainability and capacity of health centers to respond to needs, and increasing access to and awareness of contraceptives through social marketing, especially in rural areas.

Economic Growth

Bolivia's agricultural productivity continues to be among the lowest in Latin America due to fragile soils, water scarcity, climate change, lack of appropriate technology and expertise, lack of access to local and international markets, and limited infrastructure. U.S. assistance will support Bolivian Government counterparts, civil society, other donors, and nongovernmental organizations to promote sustainable agricultural productivity in order to increase incomes and reduce food insecurity. It will promote conservation and sustainable use of biodiversity goods and services to increase incomes, and improve competitiveness and productivity of micro-, small-, and medium-sized businesses to generate sustainable employment opportunities and increase sales.

Through donor meetings and associated sector working groups, the United States will coordinate assistance with other donors who provide assistance in agriculture and environment, water and sanitation, economic infrastructure, and science and technology.

Development Assistance (DA): U.S. assistance will support the protection of Bolivia's vast biodiversity and promote sustainable use of natural resources, goods, and services. This assistance will support natural resource management and species protection where productive activities occur; strengthen indigenous and rural communities in order to promote conservation and sustainable natural resources management; and support activities to reduce net greenhouse gas emissions from the land use sector. In areas with high biodiversity, U.S. assistance will focus on sustainable food production that reduces the impact on biodiversity. U.S. assistance will improve productivity and increase sales of micro-, small-, and medium-sized enterprises in order to generate and sustain employment and raise incomes. The program will help generate income through innovative agribusiness production technologies and diversification. In all instances, there will be a concerted effort to engage in public-private partnerships in order to leverage the maximum amount of resources for U. S. assistance activities, a crucial step towards longer-term sustainability and local ownership of Bolivia's development agenda. U.S. assistance will help increase access to food by improving market access for selected agricultural value chains and will strengthen management practices. Activities will strengthen producers' associations and service providers in and near coca-eradication zones and help them to improve the volume, quality, and marketability of their crops. In all sectors, local capacity building is paramount not only for discrete project sustainability, but also to ensure overall local investment in the development trajectory of Bolivia.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In FY 2011, USAID/Bolivia conducted two strategic assessments and one in-house performance evaluation: the first phase of a Gender Assessment, which will be an important input in the development of a Country Development Cooperation Strategy (CDCS) in the near future; a Climate Change Assessment, also an input for the CDCS; and the midterm performance evaluation of the El Alto Lake - Titicaca Pollution Management Activity (PROLAGO) to assess the results and outcomes delivered by the project.

Currently, USAID/Bolivia is engaged in preparatory work for three evaluations to be conducted in FY 2012 as follows: the Integrated Alternative Development (IAD) final performance evaluation; the health strategic objective final performance evaluation; and the Amazon Project midterm

performance evaluation. Additionally, USAID/Bolivia will undertake baseline studies in order to provide information on two new projects: the pilot NATURA Water Eco-managed project and a project on local government strengthening. The studies will provide key information for developing the CDCS and will help identify key areas of focus.

USAID also conducted a Global Climate Change study that addressed environmental issues related to climate change. The results indicate that climate change is significantly affecting Bolivia. Additionally, the study showed that many Bolivians are not aware of the importance of taking care of the environment and that there are still many actions to be undertaken to protect the climate and avoid the negative effects of climate change.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The first phase of USAID's gender assessment helped inform actual and future projects on current gender gaps, constraints, and opportunities that should be addressed and considered in project implementation. According to the gender assessment, although advances have been made with regard to women's empowerment and equality, significant gaps still exist. USAID projects will now address some of these limitations and work toward positive changes in attitudes and practices among men and women. The results of the PROLAGO project midterm evaluation indicate that some project components were more effective than others, but these recommendations do not require budget adjustments. In addition, the Food Security project has undergone an audit, which recommends improved integration of health and economic growth activities, reflecting the need to better balance funding between health and economic growth.

Studies and evaluations that will be undertaken during FY 2012 could influence budget decisions as follows. The IAD project final performance evaluation is focused on identifying lessons learned and best practices with a focus towards future funding of similar activities. The Amazon Project midterm performance evaluation will highlight implementation issues and best practices to ensure more effective achievement of project results and outcomes during the second half of the project. The health strategic objective final performance evaluation is intended to determine which health actions are more effective and to provide guidance to USAID for future strategy design.

Relating Past Performance to FY 2013 Plans: USAID/Bolivia does not plan to implement a second phase of its Integrated Food Security Program, so it will conduct a final performance evaluation on the project in FY 2013 in order to share lessons learned during implementation and best practices with Bolivian authorities as well as other missions that may be implementing food security programs. USAID/Bolivia will also conduct a final performance evaluation for the Amazon Project. This evaluation will inform a possible follow-on to this project. In addition, a performance evaluation of the Municipal Strengthening Project in FY 2013 will help USAID/Bolivia in the design of a larger Democracy and Governance project in FY 2014.

Brazil

Foreign Assistance Program Overview

FY 2013 will mark a transition of the United States Agency for International Development's (USAID)'s role in Brazil, the 6th largest economy in the world and a global leader in social and economic development. Rather than models more appropriate with less-developed economies, the United States and Brazil are committed to forging a strong partnership that promotes development in other countries, principally in Africa and the Western Hemisphere. Innovative trilateral collaboration will prioritize transnational challenges that are of mutual interest, including food security, health, the environment, agriculture, and economic development. In doing so, United States presence will be transformed from a classic development assistance mission to a policy engagement, trilateral assistance, and environmental stewardship mission. Planned initiatives will further strengthen the Brazilian Cooperation Agency's capacity, while increasing the impact of development-based U.S. assistance. As a consequence of this important and groundbreaking partnership, the nature and size of USAID's presence in Brazil will change. At the same time, the United States will continue to support security through military training, counternarcotics, transnational crime, rule of law, and anti-terrorism programs; along with piloting innovative technologies in health. FY 2013 will complete the transition from bilateral assistance to trilateral cooperation. Finally, partnerships with Brazil's vibrant private sector and effective leverage of corporate social responsibility funds and programs will be at the core of U.S. activities with Brazil.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**23,321**	**17,240**	**6,195**	**-11,045**
Development Assistance	15,000	12,000	2,000	-10,000
Global Health Programs - State	1,300	1,300	1,300	-
Global Health Programs - USAID	4,990	-	-	-
International Military Education and Training	631	640	625	-15
International Narcotics Control and Law Enforcement	1,000	3,000	2,000	-1,000
Nonproliferation, Antiterrorism, Demining and Related Programs	400	300	270	-30

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Brazil	**23,321**	**17,240**	**6,195**	**-11,045**
1 Peace and Security	**2,031**	**3,940**	**2,895**	**-1,045**
International Military Education and Training	**631**	**640**	**625**	**-15**
1.3 Stabilization Operations and Security Sector Reform	631	640	625	-15
International Narcotics Control and Law Enforcement	**1,000**	**3,000**	**2,000**	**-1,000**
1.4 Counter-Narcotics	1,000	2,900	1,915	-985
1.5 Transnational Crime	-	100	85	-15

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Nonproliferation, Antiterrorism, Demining and Related Programs	**400**	**300**	**270**	**-30**
1.2 Combating Weapons of Mass Destruction (WMD)	400	300	270	-30
3 Investing in People	**6,290**	**1,300**	**1,300**	**-**
Global Health Programs - State	**1,300**	**1,300**	**1,300**	**-**
3.1 Health	1,300	1,300	1,300	-
Global Health Programs - USAID	**4,990**	**-**	**-**	**-**
3.1 Health	4,990	-	-	-
4 Economic Growth	**15,000**	**12,000**	**2,000**	**-10,000**
Development Assistance	**15,000**	**12,000**	**2,000**	**-10,000**
4.4 Infrastructure	2,500	-	-	-
4.5 Agriculture	1,000	2,000	2,000	-
4.8 Environment	11,500	10,000	-	-10,000

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Brazil	**23,321**	**17,240**	**6,195**	**-11,045**
1 Peace and Security	**2,031**	**3,940**	**2,895**	**-1,045**
1.2 Combating Weapons of Mass Destruction (WMD)	400	300	270	-30
1.3 Stabilization Operations and Security Sector Reform	631	640	625	-15
1.4 Counter-Narcotics	1,000	2,900	1,915	-985
1.5 Transnational Crime	-	100	85	-15
3 Investing in People	**6,290**	**1,300**	**1,300**	**-**
3.1 Health	6,290	1,300	1,300	-
4 Economic Growth	**15,000**	**12,000**	**2,000**	**-10,000**
4.4 Infrastructure	2,500	-	-	-
4.5 Agriculture	1,000	2,000	2,000	-
4.8 Environment	11,500	10,000	-	-10,000
of which: Objective 6	**3,520**	**4,572**	**1,586**	**-2,986**
6.1 Program Design and Learning	394	600	-	-600
6.2 Administration and Oversight	3,126	3,972	1,586	-2,386

Peace and Security

U.S. assistance will help enhance interoperability between both countries' military forces, including defense, natural disaster response, and military efforts to counter transnational crime. The Government of Brazil continues to demonstrate its commitment to this program by funding the travel and living allowances for Brazilian military students who attend professional development courses at U.S. military colleges and schools. U.S. assistance will continue to work with the Brazilian government to combat illicit narcotics

trafficking and consumption, organized crime, and money laundering in Brazil. Through the 2006 bilateral agreement on Narcotics Control and Law Enforcement, U.S. assistance also works to improve Brazilian law enforcement capabilities and enhance cooperation between American and Brazilian public security agencies.

International Military Education and Training (IMET): The Department of State will contribute to fostering a professional Brazilian military through professional development courses at U.S. military colleges and schools for officers at all levels. It will also support training to assist the Brazilian military in assuming a larger role in peacekeeping operations and in combating terrorism.

International Narcotics Control and Law Enforcement (INCLE): U.S. assistance will support cooperation between U.S. and Brazilian law enforcement agencies in order to improve Brazil's capacity to combat transnational criminal organizations involved in drug trafficking and associated illicit activities. U.S. assistance will promote respect for the rule of law through professional training for police, prosecutors, judges, and prison officials. The Department of State will continue to assist the Government of Brazil to strengthen port and border security. U.S. assistance will also support law enforcement training programs to build institutional capacity in the areas of money laundering and financial crimes, cyber-crimes, major event management, basic narcotics enforcement, and other pertinent themes. In addition, the United States will support drug prevention and demand reduction programs in an effort to reduce the increasing narcotics consumption in Brazil. U.S. assistance will also aid Brazil in preparing for the security challenges inherent to hosting major events like the 2014 World Cup and the 2016 Olympic Games.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): U.S. assistance will fund training and equipment to enhance Brazilian customs and border patrol's ability to target, identify, and interdict items related to weapons of mass destruction and precursors. The program will include commodity identification training.

Investing in People

U.S. assistance to Brazil in the health sector prioritizes pilot testing of new technologies in HIV/AIDS treatment. The Brazilian government has implemented a successful treatment program that extends free antiretrovirals to people living with HIV/AIDS. At the same time, however, Brazil faces new challenges in prevention among most-at-risk populations (MARPs) and in ensuring continuous and reliable offerings of early and rapid HIV counseling and testing to target groups, concentrating on the highest incidence rates. Assistance provided through the GHCS accounts will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership.

Global Health Programs (GHP) - State:

- HIV/AIDS: Brazil will receive funding to support the national HIV/AIDS strategy and the goals of the President's Emergency Plan for AIDS Relief. Funds will be used by USAID and the Centers for Disease Control to increase evidence-based decision-making and expand HIV/AIDS diagnosis among most at-risk populations; foster evidence-based debates about treatment as prevention; pilot new prevention technologies; and strengthen the Brazilian government's capacity to program, execute, and monitor the use of HIV/AIDS funds. FY 2013 is envisioned to be the last year of funding for USAID-implemented HIV/AIDS programs.

Economic Growth

Brazil's economy has grown significantly over the past thirteen years, bringing tens of millions of Brazilians into the middle class and producing tangible improvements in areas such as agriculture, food

security, nutrition, clean energy, and health. In the specific areas of agriculture, food security, and health, Brazil is assisting emerging countries to design and implement successful policies and programs that promote social and economic inclusion and lead to sustained economic growth. Through trilateral partnerships, the United States and Brazil will collaborate to share agricultural expertise with third countries.

Development Assistance (DA): The U.S. will continue to strengthen its partnership with the Brazilian Cooperation Agency (ABC) to implement jointly-funded projects in third countries. Building upon Brazil's expertise in agriculture, food security, and school feeding, funds will be used to address mutual development objectives, focusing on priorities in sub-Saharan Africa and in South and Central America. Activities may involve the establishment of third country-based agricultural platforms that enhance local agricultural practices and promote increased internal productivity; development of enhanced seeds and training for entrepreneurs in the agri-business sector; and home and school gardens, among others. Following trilateral pilot activities being developed in Mozambique, USAID will seek to promote trilateral cooperation activities with Brazil in strategic priority areas in agriculture, with a likely focus in Haiti, Honduras, Angola, and other countries in the Western Hemisphere and in the African continent.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: USAID continuously conducts inter-agency portfolio reviews and has developed performance management plans for existing foreign assistance objectives. USAID and the Centers for Disease Control and Prevention (CDC) require regular reports from implementing partners outlining accomplishments achieved during each quarter, as well as programmatic work plans for activities planned over the fiscal year. For example, USAID and CDC conduct regular project site visits to assess programmatic implementation of all activities, and USAID also plans to conduct an evaluation of tuberculosis health activities that will be concluding in FY 2012. The Narcotics Affairs Section (NAS) conducts End Use Monitoring (EUM) on all projects throughout the year culminating in an EUM report submitted January 31. Pipeline analyses are mandatory for the above agencies, as are site visits and agency and partner performance evaluations and financial audits. Regular meetings and joint site visits are also adopted as a best practice.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Performance monitoring plans are in place for all programmatic areas. Targets and actual results data are updated regularly and fed into data collection and reporting systems in order to inform decision making. Trilateral cooperation activities with Brazil are in the early stages of implementation in Mozambique. USAID will continue to monitor these promising activities closely in order to incorporate lessons learned into the programming of FY 2013 funds for trilateral cooperation in agriculture. NAS continually uses EUM and site visit data to evaluate the utility of both projects and specific purchases in order to inform decisions on continuation or termination of projects.

Relating Past Performance to FY 2013 Plans: Based on EUM results NAS intends to enhance its focus on institutional capacity building through training and strategic purchases of specialized U.S. source equipment. USAID and CDC's joint site visits provide information that is utilized to refine future programmatic interventions. With FY 2013 funds, the United States will continue to assist Brazil to expand HIV/AIDS diagnosis among MARPs using the most advanced technology available, thus continuing to reduce the spread of the epidemic in Brazil. In addition, USAID will utilize FY 2013 funds to build upon and expand successful pilot experiences in trilateral partnerships.

Chile

Foreign Assistance Program Overview

Since the end of the military dictatorship in 1990, Chile has maintained a stable democracy with strong institutions, a commitment to a market-based economy, and a focus on social justice. U.S. assistance will target crimes that threaten Chile, the region, and the United States. It will support Chile's efforts to further modernize its military, enhance its military's capacity to participate in regional security and peacekeeping operations, increase interoperability with U.S. forces, and strengthen Chile's demining capabilities. U.S. assistance will also support efforts to build Chile's capacity to broaden its peacekeeping and coalition operations, as well as help expand joint efforts between the United States and host nation law enforcement agencies to combat transnational crimes, and to continue training and exchange visits between the two nations.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**1,321**	**1,155**	**1,080**	**-75**
International Military Education and Training	821	855	810	-45
Nonproliferation, Antiterrorism, Demining and Related Programs	500	300	270	-30

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Chile	**1,321**	**1,155**	**1,080**	**-75**
1 Peace and Security	**1,321**	**1,155**	**1,080**	**-75**
International Military Education and Training	**821**	**855**	**810**	**-45**
1.3 Stabilization Operations and Security Sector Reform	821	855	810	-45
Nonproliferation, Antiterrorism, Demining and Related Programs	**500**	**300**	**270**	**-30**
1.2 Combating Weapons of Mass Destruction (WMD)	500	300	270	-30

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Chile	**1,321**	**1,155**	**1,080**	**-75**
1 Peace and Security	**1,321**	**1,155**	**1,080**	**-75**
1.2 Combating Weapons of Mass Destruction (WMD)	500	300	270	-30
1.3 Stabilization Operations and Security Sector Reform	821	855	810	-45

Peace and Security

To support critical security goals, U.S. assistance maintains the priority of combating weapons of mass destruction; defense, military, and border security; restructuring, reform, and operations; and counternarcotics.

International Military Education and Training (IMET): Funding will promote the professional development and technical capabilities of the Chilean military, allowing it to continue to be a leader in peacekeeping efforts regionally and globally. Chile has an excellent record of making the most of its IMET funds, and senior Chilean Ministry of Defense officials are eager to establish a closer strategic relationship with the United States. IMET funds will support modernization efforts, increase interoperability with U.S. forces, and further civilian control over the military.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR): These funds will support Chile's efforts to comply with their United Nations Security Council Resolution 1540 obligations. These obligations include dealing with violent anarchist groups, improving port security and customs operations, enhancing efforts to stop terrorist finances, developing and maintaining an export controls program, educating Chilean industries on export control laws and regulations and helping companies increase their compliance with such laws, and providing Chilean authorities training and equipment to detect and interdict contraband at ports.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Performance is monitored and evaluated based on Chile's participation in U.S.-funded programs and training. The Embassy conducted informal monitoring of programs through interviews with participants and pre and post-course student evaluations.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The U.S. Embassy in Santiago evaluated program effectiveness and gauged learning by interviewing organizers, participants, and supervisors. The feedback informed plans for future trainings and demonstrated that allocations will be well utilized by Chilean recipients. IMET funds allowed nearly 250 students to participate in a variety of programs. These participants gained valuable knowledge, increasing Chile's interoperability with the U.S. military. Chilean officials participated in an international Export Control and Border Security (EXBS) conference and hosted and participated in an advanced boarding officer training course and a weapons of mass destruction commodity identification training in 2011. These programs increased Chile's ability to design and implement a comprehensive EXBS system. This feedback informed Post's decisions on future training programs, including which courses should receive students.

Relating Past Performance to FY 2013 Plans: Programmatic and budgetary choices reflect the past successes of these programs. Continuation of funding as requested for FY2013 will enable successful, low-cost engagement with Chile to promote the implementation of a comprehensive EXBS program, ongoing support for law enforcement efforts, and continued interoperability with the U.S. military.

Colombia

Foreign Assistance Program Overview

U. S. assistance since FY 2000 has brought significant progress in addressing the country's security, development, and governance challenges. Building on this, the Government of Colombia (GOC) is vigorously pursuing an "integrated action doctrine" defined in its new National Consolidation Plan (NCP), which aims to re-establish state control and legitimacy in strategically important areas previously dominated by illegal armed groups through a phased approach that combines security, counternarcotics, and economic and social development initiatives. The U.S. Government supports the GOC in carrying out its ambitious agenda by selectively working in key "consolidation zones," where drug trafficking, violence, and the lack of government presence have historically converged. The U.S. Government coordinates these efforts through the Colombia Strategic Development Initiative (CSDI), an inter-agency, whole-of-government approach to providing U.S. assistance across the full spectrum of activities, including: eradication and interdiction; capacity building of the military, national police, and prosecutor units; creation of viable options for citizens in the licit economy, particularly in the agricultural sector; support for the implementation of GOC reforms in land restitution; reparations for victims and vulnerable populations; demobilization and reintegration of ex-combatants; promoting respect for human rights and the rule of law and protection of vulnerable citizens (e.g. human rights and labor activists); and addressing global climate change and environmental issues in one of the most ecologically diverse countries in the world. In part due to the success of the NCP, Colombia is taking on an increasing share of the costs and responsibility for addressing the country's citizen security challenges.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**453,218**	**383,015**	**331,825**	**-51,190**
Economic Support Fund	184,426	179,000	155,000	-24,000
Food for Peace Title II	10,443	-	-	-
Foreign Military Financing	47,904	37,000	30,000	-7,000
International Military Education and Training	1,695	1,665	1,575	-90
International Narcotics Control and Law Enforcement	204,000	160,600	142,000	-18,600
Nonproliferation, Antiterrorism, Demining and Related Programs	4,750	4,750	3,250	-1,500

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Colombia	**453,218**	**383,015**	**331,825**	**-51,190**
1 Peace and Security	**356,525**	**293,639**	**262,063**	**-31,576**
Economic Support Fund	**119,176**	**104,124**	**98,738**	**-5,386**
1.3 Stabilization Operations and Security Sector Reform	16,515	13,624	14,105	481
1.4 Counter-Narcotics	102,661	90,500	84,633	-5,867

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Foreign Military Financing	**47,904**	**37,000**	**30,000**	**-7,000**
1.3 Stabilization Operations and Security Sector Reform	47,904	37,000	30,000	-7,000
International Military Education and Training	**1,695**	**1,665**	**1,575**	**-90**
1.3 Stabilization Operations and Security Sector Reform	1,695	1,665	1,575	-90
International Narcotics Control and Law Enforcement	**183,000**	**146,100**	**128,500**	**-17,600**
1.3 Stabilization Operations and Security Sector Reform	11,250	15,750	14,028	-1,722
1.4 Counter-Narcotics	171,750	130,350	113,972	-16,378
1.5 Transnational Crime	-	-	500	500
Nonproliferation, Antiterrorism, Demining and Related Programs	**4,750**	**4,750**	**3,250**	**-1,500**
1.1 Counter-Terrorism	2,250	2,250	1,000	-1,250
1.3 Stabilization Operations and Security Sector Reform	2,500	2,500	2,250	-250
2 Governing Justly and Democratically	**43,250**	**35,100**	**33,929**	**-1,171**
Economic Support Fund	**22,250**	**20,600**	**20,429**	**-171**
2.1 Rule of Law and Human Rights	10,079	11,604	12,646	1,042
2.2 Good Governance	8,613	2,400	4,864	2,464
2.3 Political Competition and Consensus-Building	2,488	2,396	1,946	-450
2.4 Civil Society	1,070	4,200	973	-3,227
International Narcotics Control and Law Enforcement	**21,000**	**14,500**	**13,500**	**-1,000**
2.1 Rule of Law and Human Rights	21,000	14,500	13,500	-1,000
3 Investing in People	**32,000**	**36,376**	**23,833**	**-12,543**
Economic Support Fund	**32,000**	**36,376**	**23,833**	**-12,543**
3.3 Social and Economic Services and Protection for Vulnerable Populations	32,000	36,376	23,833	-12,543
4 Economic Growth	**11,000**	**17,900**	**12,000**	**-5,900**
Economic Support Fund	**11,000**	**17,900**	**12,000**	**-5,900**
4.2 Trade and Investment	-	2,400	-	-2,400
4.8 Environment	11,000	15,500	12,000	-3,500
5 Humanitarian Assistance	**10,443**	**-**	**-**	**-**
Food for Peace Title II	**10,443**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	10,443	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Colombia	**453,218**	**383,015**	**331,825**	**-51,190**
1 Peace and Security	**356,525**	**293,639**	**262,063**	**-31,576**
1.1 Counter-Terrorism	2,250	2,250	1,000	-1,250

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.3 Stabilization Operations and Security Sector Reform	79,864	70,539	61,958	-8,581
1.4 Counter-Narcotics	274,411	220,850	198,605	-22,245
1.5 Transnational Crime	-	-	500	500
2 Governing Justly and Democratically	**43,250**	**35,100**	**33,929**	**-1,171**
2.1 Rule of Law and Human Rights	31,079	26,104	26,146	42
2.2 Good Governance	8,613	2,400	4,864	2,464
2.3 Political Competition and Consensus-Building	2,488	2,396	1,946	-450
2.4 Civil Society	1,070	4,200	973	-3,227
3 Investing in People	**32,000**	**36,376**	**23,833**	**-12,543**
3.3 Social and Economic Services and Protection for Vulnerable Populations	32,000	36,376	23,833	-12,543
4 Economic Growth	**11,000**	**17,900**	**12,000**	**-5,900**
4.2 Trade and Investment	-	2,400	-	-2,400
4.8 Environment	11,000	15,500	12,000	-3,500
5 Humanitarian Assistance	**10,443**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	10,443	-	-	-
of which: Objective 6	**17,763**	**21,335**	**6,700**	**-14,635**
6.1 Program Design and Learning	1,995	5,150	-	-5,150
6.2 Administration and Oversight	15,768	16,185	6,700	-9,485

Peace and Security

U.S. assistance supports the NCP's objectives of increasing the visibility and effectiveness of the Colombian state presence in strategically selected consolidation zones, minimizing the influence and control of terrorist and criminal organizations, and creating more viable options for citizens in the licit economy. Sustainable progress will be achieved by increasing economic alternatives to illegal cultivation; supporting institutional reforms within the police, military, and military justice system; facilitating reintegration of ex-militants, including child soldiers; supporting victims of conflict, with a focus on women, Afro-Colombians and indigenous populations, and restitution of property; countering illicit trafficking in drugs and conventional weapons; and continuing to support humanitarian demining and anti-kidnapping activities.

Economic Support Fund (ESF): U.S. assistance will support GOC efforts to establish state presence and authority in strategically determined "consolidation" areas where appropriate levels of security have been established. Activities will initially focus on 33 of the 51 designated NCP consolidation zones through three major Consolidation and Enhanced Livelihoods Initiatives (CELI) contracts. Assistance will improve livelihoods and support stability in these areas by increasing licit economic opportunities and developing crop alternatives that move economic activity away from coca cultivation. Efforts will support products that offer comparative advantages, improve producer organizations, and provide technical assistance and agricultural services. To further reinforce the GOC's legitimacy in these zones, activities will continue building local institutional capacity to respond to social needs and basic service delivery (e.g. health care and education), thereby strengthening community cohesion to withstand threats by illegal armed groups and narco-traffickers. U.S. assistance will also support other GOC-led reforms that broaden access to finance, including assistance to financial institutions that introduce innovative products such as mobile

banking. Assistance will further support the GOC in implementing the landmark 2011 Victims and Land Restitution Law that addresses root causes of the conflict by providing restitution to conflict victims and reinstating formal land titles to small land holders whose land was illegally seized. The United States will continue to partner with the GOC, civil society, and the private sector in realizing the objectives of the Justice and Peace Law, which offers reduced sentences and opportunities for reintegrating demobilized members of illegal armed groups into society. Assistance will further support vulnerable communities, particularly Afro-Colombian, indigenous and internally displaced populations, and women, to mitigate the pressures that drug traffickers and other illegal armed groups exert on these communities.

Foreign Military Financing (FMF): U.S. assistance builds sustained Colombian military capabilities so the GOC can secure its sovereign territory, effectively counter transnational organized crime, and serve as a regional partner to advance stability and security. The programs focus on the following military capabilities:

- Equipment, Technical Support, and Training: Rotary wing fleet operational requirements; sustainment and training; ground operations for the Colombian military; riverine operations (to include the Riverine Combat School), air operations and sustainment; and maritime interdiction operations, including high speed interdiction boats, and coastal helicopters and surveillance radars.

- Support to Governance (Civil Military and Military Information Support Operations): Civic action projects and infrastructure support coordinated with interagency efforts in priority zones; and Military Information Support Operations capability development to support civil-military relations and consolidation of governance in key municipalities.

- Joint Communications and Intelligence: Air-to-ground communications network, strategic interagency communications network, communications sustainment and upgrades, and information-sharing programs and architectures.

- Institutional Strengthening/Security Sector Reform: Professional military education and training, Colombian regional training centers and military rule of law and human rights reform, including operational law, rules for the use of force, and rules of engagement training programs and materials.

International Military Education and Training (IMET): U.S. assistance will promote the continued professionalization and modernization of Colombian military forces, and human rights. Programs will support specialized training to meet operational needs and enhance Colombian military capabilities to defeat and deter illegal armed groups, while supporting civilian consolidation and maintenance of governance and the rule of law. Specialized capabilities training courses include customized training for helicopter and fixed-wing pilots and instructors, aviation maintenance, specialized operations, riverine interdiction and operations, maritime interdiction, and small boat maintenance.

International Narcotics Control and Law Enforcement (INCLE): U.S. assistance will seek to further reduce the amount of cocaine and heroin destined for the United States through a range of security, interdiction, and eradication programs that are closely coordinated with consolidation and alternative development opportunities. Working within the framework of the NCP and CSDI, these projects will focus on areas where coca cultivation is high and where insecurity enables drug trafficking and terrorist organizations to engage in illegal activity. As the Colombian National Police assume increased security responsibilities from the Colombian military in these areas, capacity-building efforts for the police will continue to take on additional importance. In addition, assistance will focus on increasing the ability of the Colombian National Police to transfer this expertise and share best practices throughout the region and beyond, especially to Central America and Mexico. Limited assistance aimed at supporting local

drug-demand prevention programs throughout Colombia, as well as assistance to encourage demobilizations and foster a culture of lawfulness, will continue to be key components. The U.S. Government is committed to collaborating closely with the GOC to continue to transfer additional operational and financial responsibilities in a sustainable manner, while fulfilling the Administration's pledge to maintain "shared responsibility" in addressing citizen security.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR):

- Humanitarian Demining (HD): U.S. assistance helps Colombia's demining program become increasingly self-sufficient by supporting the development of an integrated action plan consisting of GOC demining teams, mine location surveys, mine risk education programs, and victims-assistance programs. U.S. assistance increases the GOC's ability to successfully clear mines and improvised explosive devices placed by the FARC and ELN in the Montes de Maria, Antioquia, Meta, and Nariño/Putumayo departments. A recent Colombian Presidential decree now allows for international civilian nongovernmental organizations (NGO) to take part in the operational demining process. Meaningful U.S. support to one of the several international NGOs preparing to begin demining operations in Colombia would encourage other donor countries that have previously been opposed to funding demining activities conducted by the military.

Antiterrorism Assistance (ATA): ATA funding will continue to support the GOC's transition to a traditional ATA program that offers courses on cyber investigations, computer forensics, anti-kidnapping, post-incident response, and other so-called "soft skills" training. ATA plans to deliver cyber-security training to counter and investigate cyber-related threats, including training to retrieve additional evidence for prosecutions. Another focal point of ATA training will be assisting the GOC in its recently prioritized efforts to build effective border security measures, including land, air, and maritime border security, preventing terrorists and other criminals from entering or transiting Colombia en route to other countries, particularly the United States.

Governing Justly and Democratically

U.S. assistance will continue to focus on democracy and human rights programs in select consolidation zones, promote respect for human rights, expand the rule of law, enhance democratic and economic governance and political competition, strengthen civil society and trade unions, and assist families of victims regarding their cases and legal processes, ensuring that their claims are legitimate and avoiding fraudulent cases.

Economic Support Fund (ESF): U.S. rule of law activities will focus primarily on CSDI municipalities and departments to support increased access to justice in the formal and alternative justice systems. Assistance will provide grants to civil society; strengthen and expand the network of Justice Houses, conciliation centers, and alternative dispute resolution providers; support local institutions and organizations to meet justice needs of women and other vulnerable groups; assist public defenders and judges; and build capacity at law schools. At the national level, U.S. assistance will support civil society in promoting justice sector reform, build capacity in the Public Defender's Office, and assist with the Superior Judicial Council with agrarian courts.

U.S. Governmentsupported human rights programs will build a culture of respect for inclusive human rights and improve the capacity of government actors to prevent and respond to human rights violations with a heightened focus on consolidation regions. Activities will build the capacity of human rights nongovernmental organizations, law schools, the Office of the Vice President, the Public Ministry, the Ministry of the Interior, the National Human Rights Ombudsman, the Inspector General, the Attorney General, the Search Commission for Missing Persons, the Constitutional Court, and the National Police.

Good governance projects will focus on reforms and capacity building critical to the consolidation of state presence in CSDI municipalities. U.S. policy reform activities will include support for development and implementation of laws, decrees, regulations, systems, and processes that address land restitution and reform, access to finance, labor, vulnerable populations, environment, royalties, public administration, trade capacity building, and the development of capital markets at the municipal level. U.S. assistance will strengthen electoral institutions and electoral watchdog organizations, train poll workers, and local registrars, strengthen the Colombian Congress, and continue support for the Americas Barometer Survey.

U.S. Government-supported civil society programming will focus on building civil society capacity and supporting trade unions to strengthen their capacity and advance legal reforms to enable them to effectively organize, advocate, and negotiate for their members' rights; improve internal organization, collective bargaining skills, financial administration, and communication skills; organize by economic sector; and protect their members from violence and human rights violations. In line with USAID Forward policies, a local organization will manage the new civil society strengthening mechanism, helping to expand local capacity.

International Narcotics Control and Law Enforcement (INCLE): The emergence of criminal organizations from the remnants of the paramilitary organizations, drug trafficking groups and guerrilla units, as well as common criminals, remains a primary threat to Colombian justice. These organized criminal groups, known as "Bandas Criminales" or BACRIM, are significantly smaller than former paramilitary groups and are distinct from them in terms of goals, organization, and propensity to collaborate with the FARC. BACRIM are largely responsible for increased violence and drug trafficking throughout the country, and have been identified by the Colombian government as a major law enforcement and security concern. The Justice Sector Reform Program will continue working with the newly formed GOC BACRIM Unit in the construction and design of Victim/Witness Assistance Centers in the Sectional Prosecutor Offices in major cities, modeled after U.S. Attorney's Offices in the United States. Centers assist families of victims through information, updates and explanations of their cases and legal processes, accompaniment to the case hearings, and referrals to psychological and social services. Gender sensitive training will address problems of the large number of female victims of sexual and gender-based violence. Additional centers will be opened throughout Colombia, and will be duplicated with the Human Rights Unit and its regional offices.

U.S. assistance programs administered by the U.S. Department of Justice (DOJ) will continue to support capacity building within the Colombian justice sector, including strengthening the organization of the Prosecutor General's Office. Support will include human rights law training for its prosecutors and investigators, as well as training in adjudication of justice and peace cases and sensitive labor-related crimes. Projects will also continue to support the Colombian justice sector's implementation of the oral accusatory system, which involves extensive training of and technical assistance for police, prosecutors, judges, forensic experts, and protection personnel in crime scene management; evidence, trial advocacy, investigation, and prosecution strategy; witness interviews; victim assistance; and professional development.

Investing in People

The armed internal conflict in Colombia has contributed to having made a large portion of its population socially and economically vulnerable and unable to exercise their rights and responsibilities as citizens. The country continues to have one of the largest numbers of victims of human rights abuses because of the violence, including victims of forced displacement, forced disappearances, kidnapping, sexual and gender-based violence, forced child recruitment, and landmines. Almost four million Colombians are officially registered as internally displaced persons (IDP), and over 350,000 have claimed reparations through the judicial system. Colombia's ethnic minorities, including Afro-Colombians and indigenous

groups, have suffered disproportionately from the armed conflict. The United States will work towards implementation of the U.S.-Colombia Joint Action Plan to Promote Racial and Ethnic Equality agreed by the two countries. To address the root causes of its internal armed conflict, Colombia passed the Victims and Land Restitution Law in 2011, which establishes the rights of those who have suffered from the conflict. It mandates the restoration of the rights of Colombia's victims, including IDPs, through specialized assistance and transitional justice initiatives, which encompasses rehabilitation, truth and historical memory programs, reintegration into their communities, and reparations. U.S. assistance will support GOC implementation of these important reforms, supporting reconciliation and stability for the country's transition from endemic violence to sustainable peace.

Economic Support Fund (ESF):

- Policies, Regulations, and Systems: The U.S. Government will provide technical assistance to the GOC's new Victims Unit and other relevant institutions in managing and coordinating key components of the Victims Law. U.S. assistance will strengthen the capacity of many entities – departmental and municipal governments, civil society and victims' organizations, new regional victim attention centers, and other public and private actors – to insulate from corruption and facilitate the implementation of the Victims Law, particularly in the delivery of victims' services. U.S. assistance will support a comprehensive system for registering victims and managing assistance and reparation programs, including protocols that safeguard information related to victims. Training will additionally be given to public officers involved in the registry and information management processes. U.S. assistance programs will support GOC services to IDPs, prioritizing areas with conflict-affected populations and regions with vulnerable Afro-Colombian and indigenous populations.

- Social Services: U.S. assistance will strategically enhance the GOC's capacity to provide timely and effective victims' services by addressing key weaknesses and service delivery bottlenecks. Projects will strengthen the capacity and coordination of national and local governmental entities for effective delivery of physical, psychosocial, and community rehabilitation services, as well as transitional justice processes for administrative and collective reparations. Efforts will strengthen host country counterparts, civil society organizations, and other community resources to promote and advance attention and reparations approaches for victims of the conflict. Technical assistance will provide public and private institutional capacity building at national, local and regional levels, support community interventions for displacement prevention, and promote structured GOC-led IDP resettlement.

Economic Growth

Deforestation caused by illegal logging has resulted in a 10 percent loss of the over 50 million hectares of Colombian forest in the past 20 years, including in the vulnerable Amazon basin. Colombia has ranked third among countries most affected by extreme weather in 2010, partially due to climate change. U.S. assistance projects will focus on the environment and protected areas management, with a special emphasis on sustainable landscapes, biodiversity, and Enhancing Capacity-Low Emissions Development Strategy (EC-LEDS). Additionally, the Policy Program will continue to support a variety of national-level policy reforms that support inclusive economic growth and prosperity, ensuring the benefits of trade are more equitably shared, particularly for marginalized populations such as Afro-Colombians, IDPs, women, LGBT persons, people with disabilities, and those most susceptible to the illicit coca economy.

Economic Support Fund (ESF): Under the United States Agency for International Development's (USAID) Global Climate Change (GCC) initiative, funds will be used for activities in natural and commercial forestry, agroforestry, silvopasture, and protected areas management to address climate change and reduce threats to biodiversity. The GCC initiative funding will include efforts through the EC-LEDS

program to support the development and implementation of LEDS in Colombia, providing capacity building to Colombian governmental and nongovernmental institutions, and will focus on promoting economic development within a clean energy and greenhouse-gas emissions mitigation framework.

Ongoing and new U.S. Government-supported programs in biodiversity and protected areas will enable communities to reap the benefits of conservation with payment-for-ecosystem services programs, such as Reducing Emissions from Deforestation and Forest Degradation. The United States will provide technical assistance to develop national and sub-national forest and land use strategies that seek to provide sustainable development and greenhouse gas benefits in the context of economy-wide low carbon development strategies. The U.S. Government will provide technical and financial support for the development of appropriate predictive models for Colombia and its regions and the design of a National Adaptation Plan, which establishes policy guidelines and alternatives for managing growing funding streams and transfers originating at the international level. Activities will also include assistance in developing carbon markets and other environmental services.

Trade programming efforts will focus on empowering small business, facilitating trade, building a modern workforce, and promoting sustainable practices and environmental cooperation.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The U.S. Mission in Colombia convenes regular CSDI interagency meetings and conducts working groups with the GOC to discuss opportunities and required adjustments for optimal program implementation. Key monitoring activities include annual programmatic reviews, quarterly financial reviews, and regular project site visits. A five-year monitoring and evaluation contract provides performance monitoring through an innovative web-based database that implementing partners regularly update. This allows the U.S. Government to analyze the progress of select projects. The U.S. Government also performed an evaluation of the Child Solider Project and recommendations provided clearer insights into the child recruitment process. USAID conducted an assessment of assistance to Internally Displaced People, and will soon conduct a performance evaluation on the Reintegration Program that began in 2005. U.S. assistance is also supporting baseline studies for the Afro-Colombian and Indigenous Program and trade union strengthening activity, which will enable the completion of future impact evaluations.

The Narcotics Affairs Section (NAS) conducted monitoring and evaluation for its programs through continuous site visits and program reviews. A continuous dialogue between NAS program offices and GOC counterparts resulted in timely program portfolio reviews that target counter-narcotics assistance where it is most effective. Additionally, monitoring and evaluation is undertaken through end-use monitoring activities, weekly meetings on the aerial eradication program, and daily oversight of large aviation support contracts to ensure set targets are met. NAS also performed pipeline reviews of assistance funds to assess appropriate spending and program management.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The IDP Assessment led to a shift in strategy from direct service provision to strengthening the institutions responsible for victims' services, in accordance with USAID Forward policy reforms aimed at assisting local partners. The Indigenous Assessment identified governance as a top priority for indigenous communities; planners therefore incorporated these and other findings into the new Afro-Colombian/Indigenous Program. The evaluation of the Reintegration Program will determine which of the various methods used to promote reintegration and help ex-combatants stay out of illegal armed groups have been most effective. This evaluation will be critical when USAID/Colombia conducts a strategic planning process in 2013. During

that process, the Mission will determine if any additional assistance is necessary to promote successful "graduation" from demobilization and reintegration assistance.

An internal program assessment of INCLE assistance to the Colombian National Police determined that police capacity building is successfully moving forward. Based on assessment findings, NAS will increase funding for police training and support to establish one more JUNGLA company -- elite police forces that conduct counter-narcotics interdiction operations, and provides training to forces from other partner nations facing similar problem sets.

Relating Past Performance to FY 2013 Plans: U.S. activities in consolidation zones are helping the GOC advance towards a sustainable end-state where the state is present in every department and peace and security are permanent. While the U.S. Government will continue to play a "first responder" role in newly secured municipalities, providing rapid, quick-impact assistance and helping local governments with service delivery, assessments and evaluations have shown that the United States can realign its support toward providing technical assistance on the design of legal and institutional mechanisms to help the GOC develop a quick and flexible response capacity. Additionally, U.S. assistance will support implementation of the historic victims' assistance and land restitution legislation, which are critical to addressing the root causes of the conflict in Colombia and moving towards a sustainable peace.

Analysis following the nationalization of the NAS Helicopter Program and parts of the Aerial Eradication Program revealed that U.S. assistance can support one more forward operating location as the GOC assumes funding of core operations. This will maximize the use of NAS resources and increase the actual yearly hectares of illegal drug crops eradicated. As the GOC has achieved significant security gains in recent years, U.S. assistance has shifted support to the GOC's initiatives for restoring and strengthening the rule of law and government presence throughout the country. The United States will, therefore, start a strategic Rule of Law initiative that will enhance capacity in both Colombia's police force and justice system to address the threat from the BACRIMs. This initiative will support some of the new anti-BACRIM units being created in Colombia's security forces.

Costa Rica

Foreign Assistance Program Overview

United States foreign assistance will help Costa Rica improve its public security environment, the primary concern of both Costa Rican citizens and political leaders. Providing a safe and secure domestic environment will contribute to greater economic growth and prosperity in Costa Rica, and will help keep transnational crime from reaching U.S. borders.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**743**	**690**	**1,752**	**1,062**
Foreign Military Financing	349	315	1,402	1,087
International Military Education and Training	394	375	350	-25

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Costa Rica	**743**	**690**	**1,752**	**1,062**
1 Peace and Security	**743**	**690**	**1,752**	**1,062**
Foreign Military Financing	**349**	**315**	**1,402**	**1,087**
1.4 Counter-Narcotics	349	315	1,402	1,087
International Military Education and Training	**394**	**375**	**350**	**-25**
1.3 Stabilization Operations and Security Sector Reform	394	375	350	-25

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Costa Rica	**743**	**690**	**1,752**	**1,062**
1 Peace and Security	**743**	**690**	**1,752**	**1,062**
1.3 Stabilization Operations and Security Sector Reform	394	375	350	-25
1.4 Counter-Narcotics	349	315	1,402	1,087

Peace and Security

United States-supplied equipment, training, and technical assistance will directly strengthen Costa Rica's ability to ensure the safety of its citizens as well as U.S. citizens who are residents and visitors in the country. U.S. assistance in Costa Rica will complement security assistance provided through the Central America Regional Security Initiative (CARSI).

Foreign Military Financing (FMF): U.S. assistance will help sustain the previous investment in interceptor boats for the Costa Rican Coast Guard and surveillance capability in the Costa Rican Air Police. Assistance will include the provision of spare parts, refresher training and other support for boats and aircraft, and communications equipment. FMF funds will also provide maintenance support for existing Costa Rican boats and aircraft, equipment that is important for regional operations and interoperability with equipment of other nations in the region.

International Military Education and Training (IMET): Assistance will provide training to Costa Rican security officials primarily involved in border security, such as the Coast Guard, Air Police, and border services. Training topics may include courses on intelligence analysis, patrol boat and small engine maintenance, maritime boarding operations, counterterrorism, and leadership and management. Assistance will support U.S. counternarcotics and other transnational security interests in a key area of the trafficking transit zone between North and South America.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The U.S. government performed periodic reviews of equipment purchased with FMF through formal End-Use Monitoring to assess operational status and appropriate use. Formal inspections (including 18 on-site inspections) of most Government of Costa Rica recipients of FMF were performed in October 2010 and January 2011. The U.S. government also followed up with officials who have benefitted from IMET-funded training, and observed their career development and improved capacity in working real-world operations. The U.S. Coast Guard conducted joint operations with the Costa Rican Coast Guard and through such operations was able to observe and evaluate the employment of FMF-purchased boats, and the professional conduct of IMET-trained coast guard officers.

IMET and FMF assistance helped improve Costa Rica's interdiction of illicit maritime drug trafficking in 2011, evidenced by the seizure of 500 kilograms of cocaine from a boat at sea, an interdiction supported by IMET-funded trained officials.

Relating Past Performance to FY 2013 Plans: Building on lessons learned from monitoring and evaluation activities, FY 2013 IMET and FMF resources will be focus on securing Costa Rica's borders and strengthening Costa Rica's air and maritime interdiction capabilities. While U.S. government funding has improved Costa Rica's air and maritime interdiction capabilities, Costa Rican air wing and coast guard forces are still heavily overtaxed and outnumbered by the number of drug traffickers and quantities of drugs moving through the country. IMET funds will provide training for additional air wing and coast guard personnel and be used to train the newly formed border police.

Cuba

Foreign Assistance Program Overview

U.S. assistance to Cuba will continue to support human rights and civil society initiatives that promote basic freedoms, particularly freedom of expression. Programs will continue to provide humanitarian assistance to prisoners of conscience and their families, as well as strengthen independent Cuban civil society, and promote the flow of uncensored information to, from, and within the island.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**20,000**	**20,000**	**15,000**	**-5,000**
Economic Support Fund	20,000	20,000	15,000	-5,000

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Cuba	**20,000**	**20,000**	**15,000**	**-5,000**
2 Governing Justly and Democratically	**20,000**	**20,000**	**15,000**	**-5,000**
Economic Support Fund	**20,000**	**20,000**	**15,000**	**-5,000**
2.1 Rule of Law and Human Rights	3,000	5,000	10,000	5,000
2.4 Civil Society	17,000	15,000	5,000	-10,000

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Cuba	**20,000**	**20,000**	**15,000**	**-5,000**
2 Governing Justly and Democratically	**20,000**	**20,000**	**15,000**	**-5,000**
2.1 Rule of Law and Human Rights	3,000	5,000	10,000	5,000
2.4 Civil Society	17,000	15,000	5,000	-10,000
of which: Objective 6	**-**	**2,500**	**2,000**	**-500**
6.2 Administration and Oversight	-	2,500	2,000	-500

Governing Justly and Democratically

The government of Cuba is the only government in the Western Hemisphere that is not democratically elected, and is simultaneously one of the most politically repressive in the world. The U.S. Government factors the challenges of operating in this unique environment into all programming decisions.
U.S. assistance for Cuba aims to empower an independent Cuban civil society to advocate for greater democratic freedoms and respect for human rights.

Economic Support Fund (ESF): The promotion of democratic principles remains the core goal of U.S. assistance emphasizing programs with direct on-island impact to a wider group of organizations. U.S. assistance aims to strengthen a range of independent elements of Cuban civil society, including labor groups, marginalized groups, youth, legal associations, and women's networks. Programs are designed to increase the capacity for community involvement of, and networking among, civil society organizations. U.S. assistance supports information sharing into and out of Cuba, as well as among civil society groups on the island. To advance the cause of human rights in Cuba, U.S. assistance supports independent Cuban efforts to document human rights violations, provides humanitarian assistance to political prisoners and their families, and builds the leadership skills of existing and future civil society leaders. U.S. assistance also supports the dissemination of information regarding market economies.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The Cuba program included several program evaluations and assessments in FY 2011. The findings significantly informed out-year budget and planning decisions, including continuing to emphasize program areas most likely to achieve direct, on-island impact.

Conducting performance monitoring and evaluation on the Cuba program presents unique challenges. Traditional monitoring and evaluation mechanisms cannot be relied upon, given the sensitive context in which the program operates. Thus, U.S. implementing agencies work closely with implementing partners to ensure accurate and complete reporting of project activities, identify ways to consolidate information obtained from different sources about the services delivered by grantees and contractors, and measure outputs and program impact through alternative means.

In FY 2011, the U.S. Agency for International Development (USAID) and the Department of State worked closely with grantees and contractors to incorporate performance management at the program design and implementation stages. Implementing agencies work closely with implementing organizations to ensure outputs and outcomes are measured and on target to be achieved. Additionally, USAID and the Department of State continue to conduct joint internal quarterly program reviews to discuss challenges and successes and ensure programs are on track to meet goals and objectives.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Findings from FY 2011 evaluations and assessments informed selection of priority activities for out-year assistance funds, including continuing support for freedom of information and communication among Cuban civil society.

The Cuba program will continue to include several implementing bureaus from the Department of State and USAID, which offer complementary strengths to ensure a well-managed program focused on outcome-based achievement.

Relating Past Performance to FY 2013 Plans: FY 2013 assistance will be used to support activities that demonstrate the greatest impact. In response to the increasingly vibrant and vocal pro-democracy movement on the island, U.S. assistance will be used to support nascent pro-democracy groups, while enhancing information sharing opportunities through the use of technology and media.

Dominican Republic

Foreign Assistance Program Overview

The Dominican Republic (DR) is the largest economy in Central America and the Caribbean. Despite rapid macroeconomic growth over the past few years, obstacles to sustainable development persist including the poor quality of the country's education system; the inability of the health system to adequately respond to the population's needs; weak economic competitiveness; and severe inefficiencies in the energy sector. Violence also has increased in the DR in recent years. While there have been coordinated efforts to address corruption, improving transparency continues to be a priority in order to consolidate the country's democratic gains. The U.S. Government collaborates with Dominican authorities to address these issues while working with local and international partners to strengthen institutional and technical capacity. U.S. assistance helps build accountable and transparent institutions that can better serve the needs of the Dominican people and strengthen democratic governance. In addition, U.S. assistance stimulates income generation opportunities for small businesses and rural communities, improves the protection of the environment, enables local organizations to promote ecological and cultural tourism, and furthers the equitable provision of quality health and education services. The Caribbean Basin Security Initiative (CBSI) will continue to complement bilateral programs in the DR and provide additional assistance for law enforcement, citizen safety, and rule of law programs.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**36,996**	**30,110**	**29,840**	**-270**
Development Assistance	18,103	12,300	13,300	1,000
Global Health Programs - State	9,250	9,250	9,025	-225
Global Health Programs - USAID	9,043	7,750	6,750	-1,000
International Military Education and Training	600	810	765	-45

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Dominican Republic	**36,996**	**30,110**	**29,840**	**-270**
1 Peace and Security	**600**	**810**	**765**	**-45**
International Military Education and Training	**600**	**810**	**765**	**-45**
1.3 Stabilization Operations and Security Sector Reform	600	810	765	-45
2 Governing Justly and Democratically	**4,769**	**300**	**4,240**	**3,940**
Development Assistance	**4,769**	**300**	**4,240**	**3,940**
2.1 Rule of Law and Human Rights	1,500	150	1,870	1,720
2.2 Good Governance	2,000	150	2,370	2,220
2.4 Civil Society	1,269	-	-	-
3 Investing in People	**21,927**	**24,000**	**19,235**	**-4,765**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Development Assistance	**3,634**	**7,000**	**3,460**	**-3,540**
3.2 Education	3,634	7,000	3,460	-3,540
Global Health Programs - State	**9,250**	**9,250**	**9,025**	**-225**
3.1 Health	9,250	9,250	9,025	-225
Global Health Programs - USAID	**9,043**	**7,750**	**6,750**	**-1,000**
3.1 Health	9,043	7,750	6,750	-1,000
4 Economic Growth	**9,700**	**5,000**	**5,600**	**600**
Development Assistance	**9,700**	**5,000**	**5,600**	**600**
4.2 Trade and Investment	590	-	-	-
4.5 Agriculture	4,560	2,000	2,000	-
4.6 Private Sector Competitiveness	1,200	-	-	-
4.8 Environment	3,350	3,000	3,600	600

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Dominican Republic	**36,996**	**30,110**	**29,840**	**-270**
1 Peace and Security	**600**	**810**	**765**	**-45**
1.3 Stabilization Operations and Security Sector Reform	600	810	765	-45
2 Governing Justly and Democratically	**4,769**	**300**	**4,240**	**3,940**
2.1 Rule of Law and Human Rights	1,500	150	1,870	1,720
2.2 Good Governance	2,000	150	2,370	2,220
2.4 Civil Society	1,269	-	-	-
3 Investing in People	**21,927**	**24,000**	**19,235**	**-4,765**
3.1 Health	18,293	17,000	15,775	-1,225
3.2 Education	3,634	7,000	3,460	-3,540
4 Economic Growth	**9,700**	**5,000**	**5,600**	**600**
4.2 Trade and Investment	590	-	-	-
4.5 Agriculture	4,560	2,000	2,000	-
4.6 Private Sector Competitiveness	1,200	-	-	-
4.8 Environment	3,350	3,000	3,600	600
of which: Objective 6	**4,832**	**2,050**	**3,160**	**1,110**
6.1 Program Design and Learning	1,114	-	100	100
6.2 Administration and Oversight	3,718	2,050	3,060	1,010

Peace and Security

U.S. assistance will continue to support Dominican military efforts to address ungoverned territorial spaces, including air, land, and maritime, through capacity building and train-and-equip initiatives, as well as the crime and violence driven by illicit trafficking that affects the safety of both U.S. and Dominican citizens. Bilateral programs implemented through CBSI will help ensure Dominican law enforcement, military, and judicial systems are more effective in addressing crime, terrorism, drug trafficking, human trafficking, and money laundering, as well as address the needs of at-risk youth, and promote social justice. The trans-shipment of illegal narcotics through the DR continues to be a significant problem, with large quantities projected for 2013 and a corresponding negative impact on crime and border concerns. CBSI initiatives will continue to support the enhancement of host nation law enforcement capacity and capabilities.

International Military Education and Training (IMET): Through the provision of professional military education and technical training courses conducted by the Department of Defense, the U.S. Government will maintain close cooperation on shared security issues including counternarcotics trafficking, counterterrorism, transparency, civilian control of the military, and interoperability. Human rights will remain a crosscutting theme in all U.S.-sponsored courses. U.S. assistance will continue aiding Dominican border and port authorities to define proper roles for the military, interdict illegal migrants, fight illicit drug operations, and coordinate natural disaster responses.

Governing Justly and Democratically

U.S. assistance has contributed to the enhancement of accountability, transparency, and responsiveness of key government institutions in providing services to its citizens. U.S. programs are strengthening citizen demand for transparent and responsive government, and increasing overall citizen participation in the development and implementation of key policy reforms in the country.

Development Assistance (DA): The United States Agency for International Development (USAID) will sustain support for Dominican civil society coalitions and continue integrating civil society development as a cross-cutting priority within other vital sectors in the DR such as health, education, and economic growth. Programs will continue to improve justice sector performance, executive branch effectiveness, public safety, and citizen security.

USAID will build on the successful efforts of the Participatory Anti-Corruption Initiative with the Dominican government, civil society, and key international partners. In partnership with the World Bank, USAID will strengthen Dominican civil society's capacity to advocate for increased government transparency, accountability, and responsiveness in the delivery of key public services. USAID will prioritize its assistance within the scope of citizen security and police reform in order to increase the stability of the DR and the well-being and security of Dominican citizens while restoring public confidence in law enforcement entities and the judiciary.

Investing in People

U.S. assistance programs will continue to mitigate the effects of poverty and help build a more equitable society by improving health outcomes and expanding access to basic education.

Global Health Programs (GHP): U.S. assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership. USAID will maintain support of a two-pronged, integrated program related to maternal and child health, and health systems. The program will continue supporting 10 public hospitals to improve the quality of healthcare services for expectant mothers and newborns. The program observed impressive results during 2011, demonstrated by

the 16 percent and 22 percent reductions in maternal and infant mortality, respectively, as compared to 2010. FY 2013 funds will consolidate improvements in the 10 focus hospitals and further replication of successful interventions in neighboring hospitals. During FY 2013, independent teams will assess each of the supported hospitals to determine whether they meet the criteria to be Maternal and Child Health Centers of Excellence. Based on the findings of the Maternal and Child Health program midterm evaluation in FY 2012, USAID and the Dominican government will develop strategies to ensure successful handover and sustainability of the program.

Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR): The Dominican government will receive significant support to build partnerships to provide integrated prevention, care, and treatment programs throughout the country and support orphans and vulnerable children. In alignment with the U.S.-Dominican Partnership Framework, U.S. assistance will continue to support integrated HIV prevention, care and treatment programs for the most vulnerable populations. The U.S. Government implements these activities by partnering with the public sector and nongovernmental orgnaizations (NGO). In order to ensure sustainability, a particular focus of the program is to continue institutional capacity building within the health system and among local NGOs.

Development Assistance (DA): USAID will maintain effective collaboration with the Dominican Ministry of Education (MOE) to build on improvements in the quality of education and student performance. The MOE will remain engaged with USAID's local implementer in the reading and math teacher training components of the Effective Schools Program, which is being implemented as a model for broad national replication. The Effective Schools Program will improve reading, writing, and math in early grades, while also working to advance public elementary school administration and reduce gender-based violence in schools. Activities include teacher training, in-classroom teacher coaching, didactic materials, school administration, boosting parent-teacher associations, and student evaluations.

USAID's public-private partnership program will continue to deliver teacher training, classroom reading corners, libraries, didactic materials, and teacher work rooms. USAID assistance will explore opportunities to work directly through government systems as part of the basic education activities.

The United States, as well as other international donors, will continue supporting the MOE's 10-year plan (2008-18) aimed at implementing 10 policies that heighten the equity and quality of education. Further, USAID will remain connected with other donor organizations (World Bank, Inter-American Development Bank, UNICEF, and The Spanish Agency for International Cooperation and Development) in activating private, political, and civil sector actors to monitor and evaluate education reform.

Economic Growth

U.S. foreign assistance, through USAID, will continue complementing the efforts of the Dominican government, the private sector, and other donors to: reduce poverty and increase food security by generating sustainable economic growth among small rural businesses; and protect the country's environment and ameliorate the negative effects of global climate change, particularly in the country's agricultural and tourism sectors. Based on an analysis of the vulnerability to climate change on the country's farming and tourism sectors, USAID will deliver adaptation and mitigation programs. USAID will work closely with the Dominican government's Commission for Global Climate Change, the Ministry of the Environment, other international donors, environmental NGOs, and the private sector, to develop and implement policy instruments to foster climate change adaptation and mitigation.

Development Assistance (DA): USAID will continue to implement programs that will improve food security and mitigate the negative effects of climate change, including programs that eliminate policy disincentives that inhibit private sector investment, innovation, and development in these areas. In

particular, USAID will focus on specific watersheds and geographical regions of the country most vulnerable to damages caused by droughts, hurricanes, and floods that negatively impact low income groups. In accordance with the USAID Forward reforms, programs will be implemented through local organizations. Under the President's Feed the Future Initiative, USAID food security programs will be directed to small farm producers and processors to improve their competitiveness by enhancing productivity, product quality, and net incomes. In addition, these programs will take advantage of new innovative production and processing technologies, as well as the export marketing opportunities afforded by CAFTA-DR.

Under USAID's Global Climate Change Initiative, USAID will keep strengthening Dominican institutions through training and technical assistance in addition to providing relevant materials throughout the education system. Specific activities will include technical and financial assistance to protect the country's fragile ecosystems and natural resources, with special attention given to the conservation of forests and biodiversity through improved management of protected areas, watersheds, and coastal resources.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Several monitoring and evaluation efforts were undertaken during FY 2011 in the Dominican Republic.

- USAID evaluated the following Economic Growth projects: the CAFTA-DR Implementation; the Rural Economic Diversification; and the Dominican Sustainable Tourism Alliance. The evaluation identified cross-cutting findings, lessons learned, and best practices.
- USAID conducted a mid-term review of the Health program which revealed impressive reductions in maternal and child mortality by 16 percent and 22 percent in 2011. The Dominican government's official data demonstrates that 90 percent of the reduction in maternal deaths is attributed to the ten hospitals supported by USAID.
- A mid-term review of a USAID education program revealed that teacher training improved the quality of instruction and, in turn, positively affected student performance.
- Based on a comprehensive youth assessment, USAID designed a five-year multi-disciplinary at-risk youth program.
- In 2011, an assessment of Community Justice Houses (Casas de Justicia) verified strong local demand for critical legal aid, guidance and referral services on issues such as domestic abuse/gender violence, trafficking in persons, and conflict mediation. The assessment indicated that the Dominican government saves close to $800 per individual Justice House mediation.
- In FY 2012, program evaluations will be carried out for the Maternal and Child Health program, the environmental program, the political party strengthening program, and basic education.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: USAID was able to draw important conclusions and take targeted actions based on the monitoring and evaluation activities noted above.

- Efforts to strengthen local institutions that represent over 1,000 small-scale enterprises in sustainable tourism and agricultural diversification will continue to advance the cluster-based approach. As an example, the Dominican Consortium for Tourism Competitiveness received USAID support to promote environmental and cultural sustainable tourism. Similarly the REDDOM Foundation signed alliances with Kraft Global Foods, Parmalat, and Tropicalia.

- USAID substantially increased training in management and accountability of health systems, biosecurity enhancements, third stage labor best practices, prevention of neonatal and maternal sepsis, and Kangaroo Mother Care.
- USAID's Effective School Program proven methodologies motivated the MOE to expand the model to an additional 109 schools with MOE and other donor funds, including the private sector. The MOE is working to expand these methodologies nationwide.
- USAID will pursue opportunities to expand Community Justice Houses (Casas de Justicia) serving more than 15,000 Dominicans annually in poor and marginalized communities in three cities. These centers are becoming self-sufficient, with 70% of their budget not funded by U.S. assistance.

Relating Past Performance to FY 2013 Plans: Given the weak institutional capacity confirmed by strategic planning assessments and exercises, FY 2013 funds will help to strengthen democracy, governance, and Dominican institutions. Planned budget allocations also reflect significant progress and demonstrated commitment by the Dominican government to improving the transparency, accountability, and responsiveness of institutions to its citizenry. Also, USAID will partner with local and international organizations to strengthen local demand for transparent and accountable governance. During FY 2013 and beyond, USAID will work to leverage multilateral and private sector investment in the education sector to expand U.S. program accomplishments achieved since 2008. Public-private partnerships will strengthen existing alliances and promote new ones in support of at-risk youth and small-scale enterprises. FY 2013 resources for economic growth will advance Presidential Initiatives to mitigate the negative effects of global climate change, improve food security, and foster an economic environment that generates employment and income among rural low-income populations. Finally, the FY 2013 budget request for health will help increase Dominican access to quality health care services and specifically improve HIV/AIDS testing and counseling for poor and at-risk populations.

Ecuador

Foreign Assistance Program Overview

U.S. assistance in Ecuador is designed to strengthen democratic participation, disrupt illegal activities, conserve biodiversity, and address climate change. The United States will work with the Government of Ecuador and broader civil society to advance the long-term objectives of stability, strengthened democratic institutions, and environmental protection. Building strong counternarcotics cooperation with Ecuador is key to U.S. national security interests, particularly as these efforts help support our counternarcotics work with Colombia.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**24,254**	**19,830**	**21,310**	**1,480**
Development Assistance	17,270	14,000	16,000	2,000
Food for Peace Title II	1,585	-	-	-
Foreign Military Financing	499	450	450	-
International Military Education and Training	400	380	360	-20
International Narcotics Control and Law Enforcement	4,500	4,500	4,500	-
Nonproliferation, Antiterrorism, Demining and Related Programs	-	500	-	-500

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Ecuador	**24,254**	**19,830**	**21,310**	**1,480**
1 Peace and Security	**10,364**	**7,230**	**9,748**	**2,518**
Development Assistance	**4,965**	**1,400**	**4,438**	**3,038**
1.4 Counter-Narcotics	4,965	1,400	4,438	3,038
Foreign Military Financing	**499**	**450**	**450**	**-**
1.3 Stabilization Operations and Security Sector Reform	499	450	450	-
International Military Education and Training	**400**	**380**	**360**	**-20**
1.3 Stabilization Operations and Security Sector Reform	400	380	360	-20
International Narcotics Control and Law Enforcement	**4,500**	**4,500**	**4,500**	**-**
1.4 Counter-Narcotics	4,350	4,350	4,450	100
1.5 Transnational Crime	150	150	50	-100
Nonproliferation, Antiterrorism, Demining and Related Programs	**-**	**500**	**-**	**-500**
1.3 Stabilization Operations and Security Sector Reform	-	500	-	-500

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
2 Governing Justly and Democratically	**1,080**	**1,600**	**3,002**	**1,402**
Development Assistance	**1,080**	**1,600**	**3,002**	**1,402**
2.2 Good Governance	-	600	1,605	1,005
2.4 Civil Society	1,080	1,000	1,397	397
4 Economic Growth	**11,225**	**11,000**	**8,560**	**-2,440**
Development Assistance	**11,225**	**11,000**	**8,560**	**-2,440**
4.6 Private Sector Competitiveness	2,225	1,000	2,302	1,302
4.8 Environment	9,000	10,000	6,258	-3,742
5 Humanitarian Assistance	**1,585**	**-**	**-**	**-**
Food for Peace Title II	**1,585**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	1,585	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Ecuador	**24,254**	**19,830**	**21,310**	**1,480**
1 Peace and Security	**10,364**	**7,230**	**9,748**	**2,518**
1.3 Stabilization Operations and Security Sector Reform	899	1,330	810	-520
1.4 Counter-Narcotics	9,315	5,750	8,888	3,138
1.5 Transnational Crime	150	150	50	-100
2 Governing Justly and Democratically	**1,080**	**1,600**	**3,002**	**1,402**
2.2 Good Governance	-	600	1,605	1,005
2.4 Civil Society	1,080	1,000	1,397	397
4 Economic Growth	**11,225**	**11,000**	**8,560**	**-2,440**
4.6 Private Sector Competitiveness	2,225	1,000	2,302	1,302
4.8 Environment	9,000	10,000	6,258	-3,742
5 Humanitarian Assistance	**1,585**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	1,585	-	-	-
of which: Objective 6	**3,806**	**3,110**	**3,813**	**703**
6.1 Program Design and Learning	350	100	760	660
6.2 Administration and Oversight	3,456	3,010	3,053	43

Peace and Security

Because of its proximity to drug-producing countries, Ecuador is a major transit country for drugs bound for the United States and is used as a support area for Colombian armed groups, despite Ecuadorian armed forces' continuing efforts to address this issue. Significant levels of drug trafficking also result in money laundering in the Ecuadorian economy. U.S. counternarcotics and anti-trafficking programs, alternative development activities, and military training help confront these challenges.

Development Assistance (DA): The United States Agency for International Development (USAID) will work with the Ecuadorian government and local partners in alternative development programs that create jobs and raise incomes for vulnerable groups in the border regions, decreasing incentives to participate in illicit activities. Support to value chains will boost the incomes of small rural producers and businesses. U.S. assistance will also improve the ability of local governments to provide municipal infrastructure and access development funding from both state and other donor sources and financial institutions, increasing the capacity of communities to withstand the threat of narcotics trafficking. A credit guarantee agreement will link local entities to private sector bank loans

International Narcotics Control and Law Enforcement (INCLE): U.S. assistance will bolster counternarcotics operations by modernizing the capacity of police and military in interdiction, evidence collection, and strengthened port and maritime controls. The United States will provide equipment and training support for police and military presence in strategic locations. New programs in support of community policing will enhance our cooperation with the Ecuadorian government on improving citizen security and reducing burgeoning crime rates. U.S. assistance will also fund training and equipment to help Ecuador's military protect the northern region against incursions by illegal armed groups. With U.S. support in FY 2011, police seized 22.1 metric tons of cocaine, 152 kilograms (kg) of heroin, and 4.5 metric tons of cannabis.

International Military Education and Training (IMET): U.S. assistance will provide professional development, technical, and resource management training and education courses to military officers and enlisted members, which are essential for force development, modernization, and professionalization. Targeted training and education will help strengthen the Ecuadorian military's ability to control its national territory, thereby denying areas for terrorist organizations to train and organize, and will support regional security efforts and combat the trafficking of weapons, goods, and people. This assistance will reinforce the principles of a civilian-controlled military, respect for human rights, and effective resource management.

Foreign Military Financing (FMF): U.S. assistance will procure logistical support and spare parts for the Ecuadorian Air Force's aircraft used to transport troops and materials for search-and-rescue (SAR), disaster response operations, and operations along the northern border. Funding will provide spare parts and support for tactical vehicles for operations along the northern border, enhancing Ecuador's control over its sovereign territory.

Governing Justly and Democratically

U.S. assistance promotes long-term efforts to strengthen the democratic system by supporting local governments and building local capacity that encourages citizen participation in democratic processes.

Development Assistance (DA): U.S. assistance will support training and technical assistance to 10 municipal governments in distinct areas, including: improved citizen security, revenue generation through local taxes and service fees, implementation of computerized municipal records, and long-term strategic planning. Programs will work with municipalities and citizen groups to promote participatory budgeting, open communication between government and constituents, and citizen oversight to improve local government financial accountability. Finally, USAID will facilitate training to ensure that government contracting and related information is open and transparent. Most of the participating municipalities will be located in Ecuador's border and coastal provinces, contributing to regional stability and security programs. U.S. assistance will support citizen security through youth programs that promote social cohesion and analyze conflict risks. Citizen security activities will also link to USAID support to the justice sector.

U.S. assistance will support civil society organizations in order to have an impact on national-level democracy issues such as press freedom, freedom of association, government transparency, citizen security, and justice. Programs will improve the capacity of citizen groups to build coalitions, advocate around key issue-areas with national authorities, and improve administrative and financial management.

International Narcotics Control and Law Enforcement (INCLE): U.S. assistance for the judiciary will focus on increasing speed and professionalism in the prosecution of criminal cases, particularly those related to narcotics trafficking, money laundering, and trafficking in persons. Programs will improve the implementation of the country's criminal procedures code through training for judges, prosecutors, and judicial police.

Economic Growth

Ecuador's challenge is to develop a vibrant and viable economy while preserving some of the highest biological and cultural diversity in the world. U.S. assistance will help create a social and political environment in which economic development is broad-based, with improved living standards throughout the country. Programs will help Ecuador identify options that mitigate impacts to and help sustain the services provided by the country's biological and natural resource services. This approach will support the U.S. commitment to biodiversity conservation and to the President's Global Climate Change Initiative.

Development Assistance (DA): U.S. assistance will focus on developing well-functioning markets that will increase incomes and employment opportunities for micro and small producers and improve markets for international trade and investment. Through the promotion of public-private partnerships, assistance will broaden economic benefits and generate competitive jobs. U.S. assistance will also support mobile banking to reduce the transactions costs of doing business with the private and public sector and encourage local investment in key priority areas through credit guarantee instruments.

Deforestation is the principal source of Ecuador's carbon emissions and also a major threat to biodiversity, which in turn increases vulnerability to climate-driven risks for people, agriculture, industry, and nature. U.S. assistance will address drivers of deforestation and integrate biodiversity conservation in support of sustainable livelihoods, as well as identify and demonstrate best practices for decreasing forest emissions threats. The solutions will be cost-effective, create the potential for participation in international financial systems, and support equitable participation of indigenous groups and local communities. The United States will collaborate with Ecuador to help the country adapt to the impact of current and future climate variability by encouraging the participation of all development sectors (including agriculture, natural resources management, and energy) and promoting communications and decision support tools.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In FY 2012, USAID will conduct a performance evaluation to examine the sustainability of past programs—totaling over $120 million—in the country's northern border region from 2001 through 2011 in order to improve future effectiveness and impact. In FY 2013, USAID will also carry out a performance evaluation of its watershed conservation activities in order to determine whether the program's often-replicated model is sustainable over the long term. Finally, USAID will carry out a performance evaluation of its coastal forests conservation project in order to inform the strategic direction of the biodiversity program in Ecuador.

The Narcotics Affairs Section (NAS) conducts weekly and monthly meetings with the police and other partners to assess progress of activities, and reviews and follows up quarterly reports to confirm program performance. In FY 2012, for example, ongoing monitoring and evaluation of the Police Anti-Narcotics

Directorate (DNA) Canine Units identified multiple strengths in canine-handling at the DNA headquarters, enabling the DNA to replicate these best practices in other canine units throughout the country. Monitoring and evaluation of the DNA vehicle program identified weaknesses in vehicle maintenance, prompting the DNA to plan new quality control measures for auto mechanic service contracts. The Military Group (MILGRP) conducts weekly and monthly meetings with the military and other partners to assess progress of activities. Participants are tracked for job effectiveness and leadership positions.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: USAID regularly monitors the Government of Ecuador's counterpart contributions to development programs. This monitoring showed strong GOE commitment to and funding for infrastructure activities in the northern border region. As a result, USAID decided to reduce the share of its northern border alternative development projects that is used for construction of bridges, potable water systems, and irrigation canals. USAID will instead use these resources for other urgent development priorities such as civil society strengthening and biodiversity conservation. In addition, a USAID assessment of biodiversity and tropical forests revealed a number of priority threats to Ecuador's extremely rich biodiversity. This threat analysis will form the basis of USAID's future programming across sectors, including especially environment and economic growth.

Relating Past Performance to FY 2013 Plans: Performance information resulted in FY 2013 decisions to emphasize the areas of environment and governance in U.S. assistance. The U.S. Government and Ecuador will continue cooperation to develop financial and management approaches that will efficiently and sustainably use and conserve the country’s forests and landscapes while increasing the prosperity of Ecuador’s people. Some programs will begin phasing out as the prioritization of development activities proceeds in line with a USAID strategic plan under development.

El Salvador

Foreign Assistance Program Overview

El Salvador has been a strong, durable United States partner on security and defense issues. However, endemic crime and impunity threaten El Salvador's progress by undermining the legitimacy of state institutions and impeding economic growth. As one of four countries worldwide selected to participate in the Partnership for Growth (PFG) effort, a joint U.S.-El Salvador multidisciplinary team identified the two most critical constraints to economic growth: crime and insecurity; and low productivity in tradables. The governments of El Salvador (GOES) and the United States subsequently identified 20 goals in a five-year Joint Country Action Plan to work in partnership with local organizations, the private sector, and other donors. As part of this effort, the majority of U.S. assistance for El Salvador will be aligned to support of the Joint Country Action Plan. Additionally, USAID's bilateral health program will end and education efforts will be reframed in support of the Joint Country Action Plan goals.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**29,778**	**28,204**	**41,800**	**13,596**
Development Assistance	23,904	23,904	39,000	15,096
Economic Support Fund	-	2,000	-	-2,000
Foreign Military Financing	1,247	1,250	1,800	550
Global Health Programs - State	20	-	-	-
Global Health Programs - USAID	3,086	-	-	-
International Military Education and Training	1,521	1,050	1,000	-50

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
El Salvador	**29,778**	**28,204**	**41,800**	**13,596**
1 Peace and Security	**2,768**	**2,300**	**2,800**	**500**
Foreign Military Financing	**1,247**	**1,250**	**1,800**	**550**
1.3 Stabilization Operations and Security Sector Reform	1,247	1,250	1,800	550
International Military Education and Training	**1,521**	**1,050**	**1,000**	**-50**
1.3 Stabilization Operations and Security Sector Reform	1,521	1,050	1,000	-50
2 Governing Justly and Democratically	**4,750**	**3,500**	**10,059**	**6,559**
Development Assistance	**4,750**	**1,500**	**10,059**	**8,559**
2.1 Rule of Law and Human Rights	1,764	1,500	2,500	1,000
2.2 Good Governance	2,986	-	7,559	7,559
Economic Support Fund	**-**	**2,000**	**-**	**-2,000**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
2.2 Good Governance	-	2,000	-	-2,000
3 Investing in People	**10,606**	**12,540**	**8,000**	**-4,540**
Development Assistance	**7,500**	**12,540**	**8,000**	**-4,540**
3.2 Education	7,500	12,540	8,000	-4,540
Global Health Programs - State	**20**	**-**	**-**	**-**
3.1 Health	20	-	-	-
Global Health Programs - USAID	**3,086**	**-**	**-**	**-**
3.1 Health	3,086	-	-	-
4 Economic Growth	**11,654**	**9,864**	**20,941**	**11,077**
Development Assistance	**11,654**	**9,864**	**20,941**	**11,077**
4.1 Macroeconomic Foundation for Growth	1,500	1,540	2,205	665
4.2 Trade and Investment	3,150	5,000	5,520	520
4.3 Financial Sector	825	-	-	-
4.6 Private Sector Competitiveness	3,679	824	10,716	9,892
4.8 Environment	2,500	2,500	2,500	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
El Salvador	**29,778**	**28,204**	**41,800**	**13,596**
1 Peace and Security	**2,768**	**2,300**	**2,800**	**500**
1.3 Stabilization Operations and Security Sector Reform	2,768	2,300	2,800	500
2 Governing Justly and Democratically	**4,750**	**3,500**	**10,059**	**6,559**
2.1 Rule of Law and Human Rights	1,764	1,500	2,500	1,000
2.2 Good Governance	2,986	2,000	7,559	5,559
3 Investing in People	**10,606**	**12,540**	**8,000**	**-4,540**
3.1 Health	3,106	-	-	-
3.2 Education	7,500	12,540	8,000	-4,540
4 Economic Growth	**11,654**	**9,864**	**20,941**	**11,077**
4.1 Macroeconomic Foundation for Growth	1,500	1,540	2,205	665
4.2 Trade and Investment	3,150	5,000	5,520	520
4.3 Financial Sector	825	-	-	-
4.6 Private Sector Competitiveness	3,679	824	10,716	9,892
4.8 Environment	2,500	2,500	2,500	-
of which: Objective 6	**3,180**	**2,395**	**3,835**	**1,440**
6.1 Program Design and Learning	90	-	675	675
6.2 Administration and Oversight	3,090	2,395	3,160	765

Peace and Security

Crime is a major impediment to economic growth and development in El Salvador. To reduce crime, U.S. assistance will focus on countering transnational gang violence, enhancing Salvadoran law enforcement capabilities, and furthering the professionalization and interoperability of El Salvador's armed forces. U.S. security assistance will help train and equip the Salvadoran military to counter illicit trafficking and respond to natural disasters. Bilateral citizen safety and rule-of-law programs will complement the Central America Regional Security Initiative (CARSI).

Foreign Military Financing (FMF): U.S. assistance will bolster the Salvadoran military's efforts to control its land and maritime borders to address transnational threats, including illicit trafficking. Funding will also support enhancement of the Salvadoran military's disaster response capacity. These funds will support the acquisition and maintenance of interdiction and patrol boats and spare parts, and aircraft spare parts, accessories, and maintenance support.

International Military Education and Training (IMET): IMET assistance will be used to provide professional development training for senior, mid-level and non-commissioned officers, as well as training focused on civil-military relations, joint operations, counterterrorism, resource management, and technical maintenance capabilities. Continued U.S. assistance will focus on targeted units within the Salvadoran military, such as the Cuscatlán Group (counter-illicit-trafficking), and the humanitarian relief unit (disaster relief).

Governing Justly and Democratically

El Salvador has one of the highest levels of non-political violence in the world and one of the highest homicide rates within all of the Americas, with roughly 58 homicides per 100,000 inhabitants. Beyond direct costs, crime and insecurity have an incalculable deleterious effect on the growth of El Salvador's business sector. Crime and insecurity also negatively affect the legitimacy of government authority and institutions. The United States and El Salvador intend to address the security constraint to growth by focusing on institutional strengthening and crime and violence prevention. U.S. assistance promotes rule of law and citizen confidence in the justice system, supports the GOES national level crime prevention efforts, and contributes to crime reduction at the municipal level and improves citizen security.

Development Assistance (DA): The U.S. Government will work with the GOES to strengthen multiple institutions in the justice and security sector to reduce crime and increase security; ensure crimes are prosecuted with greater transparency, efficiency, and efficacy; and enhance the public perception of these government institutions. The United States will work with the GOES to professionalize and reform police, prosecutors, judges, and security personnel; and protect Salvadorans from crime on public transportation systems.

U.S. assistance will further support government leaders, the private sector, civil society organizations, and community leaders who seek to curb corruption and strengthen democratic institutions. Funding will also help the GOES' national level efforts to develop and implement crime and violence prevention policies and to strengthen crime prevention through community-based activities. Through the PFG, the GOES and the United States will work together to expand services for youth-at-risk, including business creation, job placement, and to support community policing at the national level. These activities will complement programs under CARSI.

Investing in People

The PFG analysis revealed challenging shortcomings in human capital development in El Salvador. The United States will help to bridge the gap between labor expectations of the business sector and existing and

prospective workers' skills through vocational training, higher education, and schools that encourage innovation and technology. Funding will help improve the quality of and access to education services, including violence prevention programs. Public-private partnerships will not only increase the flow of resources to the education sector, but also address citizen safety issues.

Development Assistance (DA): U.S. assistance will help improve educational outcomes for lower secondary school students and increase access to educational opportunities for in school and out-of-school youth in targeted municipalities with high crime rates. U.S. assistance will continue to promote partnerships between Salvadoran and United States higher education institutions to improve curricula. U.S. funding will develop local capacity to plan, manage and evaluate the quality of educational programs in high-risk communities and to provide relevant educational opportunities for out-of-school youth.

- Basic Education: U.S. assistance will continue to support basic education activities, especially at the secondary level. Activities will focus on keeping youth in school to finish their education and to prevent them from joining gangs. Resources will support after-school activities that include leadership training, life skills, and workforce readiness in order to engage youth in productive educational activities. U.S. assistance will continue to support the implementation of the Ministry of Education's full-time inclusive school strategy. This will also include technical assistance and training to school principals, teachers, communities and students in high-risk communities, implementing full time inclusive school strategies.

- Higher Education: U.S. assistance will support the GOES and private sector efforts to improve tertiary training and higher education quality. Funding will be used to strengthen institutional capacity, upgrade professional development, improve linkage to workforce demands, and to revise the curricula of selected local universities to respond to the country's economic and security needs.

Economic Growth

The share of tradables in the country' GDP has declined since 1990, likely a consequence of low productivity of Salvadoran firms operating in this sector. Low productivity in the tradables sector is one of two binding constraints identified in the PFG Joint Country Action Plan impeding economic growth in El Salvador. To address this constraint, U.S. assistance will continue to support the GOES and the private sector to: maintain a sustainable and sound fiscal policy; help small and medium enterprises (SMEs) improve productivity and competitiveness to broaden participation in local and export markets; and strengthen the competitiveness of municipalities to expand trade and investment. In addition, U.S. assistance will continue to support youth insertion in the labor market, and working with the GOES, to find innovative ways to link natural resource management to sustainable private sector options that encourage protection and conservation of biodiversity in and around protected areas.

Development Assistance (DA): U.S. assistance will finance activities to:

- Help improve tax policy and administration systems with an emphasis on strengthening public expenditures management systems to increase tax collections, minimize tax evasion and elusion rates, and rationalize government spending of public funds by the Ministry of Finance.
- Streamline GOES agencies and private sector mechanisms to effectively support the growth of SMEs to improve exports of local high-value products and services, and create more opportunities and better operating conditions to participate in global markets.
- Improve municipal competitiveness to promote and attract investments and trade to increase economic growth.

- Support GOES and private sector efforts to ensure that education and skills of the labor supply match labor market demand. This support will facilitate a cumulative investment in human capital that will boost labor productivity and increase incomes and improve living standards for Salvadorans.
- Develop alliances and public-private partnerships to provide technical skills and language training assistance to improve access to employment for youth in El Salvador's tradables sector.

Assistance may also be used to implement a new activity through direct assistance to the Ministry of Environment to help improve management and conservation of protected areas and endangered species to secure the ecological integrity of these areas and endangered/flagship species in El Salvador, and to reduce the negative impacts of climate change on protected areas.

Linkages with the Millennium Challenge Corporation

In November 2006, El Salvador signed a 5-year, $461 million Millennium Challenge Corporation (MCC) Compact, which entered into force on September 20, 2007. The Compact seeks to reduce poverty and spur economic growth in the Northern Zone of the country through strategic investments in education, public services, agricultural production, rural business development, and transportation infrastructure.
U.S. agencies continue to carry out activities that support El Salvador's eligibility for MCC assistance by supporting policy improvements in the areas of judicial reform, economic growth, and poverty reduction. In December 2011 the MCC selected El Salvador as eligible to develop a separate, second compact; MCC is in the very early stages of starting to work with El Salvador on compact development, most likely building from the PFG constraints analysis.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: As part of its performance management efforts in FY 2011, USAID conducted three assessments and two evaluations to inform activity design. An assessment of Salvadoran higher education institutions and their academic courses was completed and will provide information for higher education assistance. Two other assessments in the health and basic education areas provided information for USAID's joint actions with the GOES in adjusting public school schedules and improving national health accounts. Final evaluations and assessments were conducted for trade programs supporting CAFTA-DR and the biodiversity project.

USAID also conducted semiannual portfolio reviews, including pipeline analyses, to determine areas of action for strategic, management, and operational issues, particularly relating to projects and programs that will shape forward planning for the Mission's five-year Country Development Cooperation Strategy.

For FY 2012, USAID will conduct assessments in the areas of democracy and education, including the Democracy Survey, a study on school drop-outs and impacts on youth violence, and a study to identify lessons learned in teacher training programs. USAID will also conduct a pre-feasibility study for a new biodiversity project. In addition, USAID has three mid-term performance evaluations scheduled for FY 2012 in the areas of transparency and governance, municipal competitiveness, and workforce development.

The United States performs periodic reviews of equipment purchased with FMF through formal End-Use Monitoring to assess operational status and appropriate use, and undertakes periodic program and sector assessments. The United States also incorporates third-party data and analysis into its program reviews, including the Interagency Assessment of Cocaine Movement (IACM) and the United Nations Office on Drugs and Crime (UNODC) Global Study on Homicide. Continual evaluation updates are provided by the Military Group Commanders in weekly reports to the Commander of the U.S. Southern Command

(SOUTHCOM) and are reviewed during visits by senior SOUTHCOM officials. In addition, security cooperation is a critical component of the Mission's operations and subject to close scrutiny during bi-annual Inspector General Inspections. These inspections highlight the degree to which the Mission's Military Group monitors and evaluates its activities.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The IACM has highlighted a steady increase in the flow of cocaine through Central American littoral waters and through remote parts of key Central American transit countries. This increase in the flow of cocaine has been accompanied by a dramatic increase in crime and violence in El Salvador. The 2011 UNODC Global Study on Homicide further confirmed the increased violence. In response, the U.S. Government and its Central American partners committed to take steps to improve maritime interdiction and enhance the rule of law in remote areas.

Relating Past Performance to FY 2013 Plans: Because of the U.S. Government's approach to focus its efforts with the GOES through the implementation of the PFG Joint Country Action Plan, FY 2013 funding will primarily support programming that contributes to the country's two major constraints to growth: crime and insecurity and low productivity in tradables.

Based on assessments and analysis, and to further complement programming in CARSI, funding increases are sought for FY 2013.

Guatemala

Foreign Assistance Program Overview

Guatemala continues to face major challenges to successful development, including historic inequality, poverty, and a weak government that lacks the necessary capacity and controls to address many development issues: insecurity, impunity, low quality education, high chronic malnutrition rates, and vulnerability to economic fluctuations and natural disasters. Guatemalans lack protection against organized crime, struggle to feed and educate their children, and face challenges with respect to natural resource management. U.S. assistance will focus on improving citizen security and justice, increasing levels of economic growth and social development in the Western Highlands, fostering sustainable management of natural resources, and mitigating the effects of global climate change.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**110,161**	**95,185**	**93,570**	**-1,615**
Development Assistance	49,325	46,325	56,000	9,675
Food for Peace Title II	38,085	25,000	17,000	-8,000
Foreign Military Financing	499	500	750	250
Global Health Programs - USAID	18,068	17,600	17,100	-500
International Military Education and Training	192	760	720	-40
International Narcotics Control and Law Enforcement	3,992	5,000	2,000	-3,000

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Guatemala	**110,161**	**95,185**	**93,570**	**-1,615**
1 Peace and Security	**2,303**	**1,260**	**2,170**	**910**
Development Assistance	**1,612**	**-**	**700**	**700**
1.3 Stabilization Operations and Security Sector Reform	1,112	-	-	-
1.5 Transnational Crime	500	-	700	700
Foreign Military Financing	**499**	**500**	**750**	**250**
1.3 Stabilization Operations and Security Sector Reform	499	500	750	250
International Military Education and Training	**192**	**760**	**720**	**-40**
1.3 Stabilization Operations and Security Sector Reform	192	760	720	-40
2 Governing Justly and Democratically	**13,380**	**17,325**	**22,540**	**5,215**
Development Assistance	**9,388**	**10,825**	**19,520**	**8,695**
2.1 Rule of Law and Human Rights	4,734	6,465	8,460	1,995
2.2 Good Governance	4,654	4,360	8,060	3,700

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
2.3 Political Competition and Consensus-Building	-	-	3,000	3,000
Food for Peace Title II	**-**	**1,500**	**1,020**	**-480**
2.2 Good Governance	-	1,500	1,020	-480
International Narcotics Control and Law Enforcement	**3,992**	**5,000**	**2,000**	**-3,000**
2.1 Rule of Law and Human Rights	3,992	5,000	2,000	-3,000
3 Investing in People	**40,484**	**45,350**	**34,534**	**-10,816**
Development Assistance	**6,000**	**11,000**	**6,044**	**-4,956**
3.1 Health	-	2,000	-	-2,000
3.2 Education	6,000	9,000	6,044	-2,956
Food for Peace Title II	**16,416**	**16,750**	**11,390**	**-5,360**
3.1 Health	16,416	16,750	11,390	-5,360
Global Health Programs - USAID	**18,068**	**17,600**	**17,100**	**-500**
3.1 Health	18,068	17,600	17,100	-500
4 Economic Growth	**38,708**	**31,250**	**34,326**	**3,076**
Development Assistance	**32,325**	**24,500**	**29,736**	**5,236**
4.2 Trade and Investment	500	-	-	-
4.5 Agriculture	13,000	13,000	13,000	-
4.6 Private Sector Competitiveness	7,525	2,000	4,736	2,736
4.8 Environment	11,300	9,500	12,000	2,500
Food for Peace Title II	**6,383**	**6,750**	**4,590**	**-2,160**
4.5 Agriculture	6,383	6,750	4,590	-2,160
5 Humanitarian Assistance	**15,286**	**-**	**-**	**-**
Food for Peace Title II	**15,286**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	15,286	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Guatemala	**110,161**	**95,185**	**93,570**	**-1,615**
1 Peace and Security	**2,303**	**1,260**	**2,170**	**910**
1.3 Stabilization Operations and Security Sector Reform	1,803	1,260	1,470	210
1.5 Transnational Crime	500	-	700	700
2 Governing Justly and Democratically	**13,380**	**17,325**	**22,540**	**5,215**
2.1 Rule of Law and Human Rights	8,726	11,465	10,460	-1,005
2.2 Good Governance	4,654	5,860	9,080	3,220
2.3 Political Competition and Consensus-Building	-	-	3,000	3,000
3 Investing in People	**40,484**	**45,350**	**34,534**	**-10,816**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
3.1 Health	34,484	36,350	28,490	-7,860
3.2 Education	6,000	9,000	6,044	-2,956
4 Economic Growth	**38,708**	**31,250**	**34,326**	**3,076**
4.2 Trade and Investment	500	-	-	-
4.5 Agriculture	19,383	19,750	17,590	-2,160
4.6 Private Sector Competitiveness	7,525	2,000	4,736	2,736
4.8 Environment	11,300	9,500	12,000	2,500
5 Humanitarian Assistance	**15,286**	**-**	**-**	**-**
5.1 Protection, Assistance and Solutions	15,286	-	-	-
of which: Objective 6	**7,364**	**6,890**	**5,748**	**-1,142**
6.1 Program Design and Learning	1,104	1,125	1,463	338
6.2 Administration and Oversight	6,260	5,765	4,285	-1,480

Peace and Security

Escalating crime rates and the corrosive effects of organized crime, gang, and transnational illicit trafficking of narcotics, persons, weapons, and contraband threaten Guatemala. Peace and Security assistance will help increase the capacity of the Guatemalan military and law enforcement units to combat narcotics trafficking and terrorism, control national borders, and strengthen Guatemala's ability to participate in peacekeeping operations and disaster relief missions. U.S. assistance in Guatemala will complement security assistance provided through the Central America Regional Security Initiative (CARSI).

Development Assistance (DA): U.S. assistance will support the Government of Guatemala's efforts to prevent and prosecute trafficking in persons (TIP) crimes as well as to protect TIP victims. Assistance will strengthen key Guatemalan institutions, including the Secretariat against Sexual Violence, Exploitation and Trafficking in Persons, and will advocate for the creation of Guatemalan government sponsored TIP shelters. U.S. assistance will improve services provided to victims of trafficking.

Foreign Military Financing (FMF): Assistance will help improve the Guatemalan military's ability to address transnational crime and secure its borders. The United States will assist the Guatemalan government's efforts to combat illicit maritime and air traffic by maintaining existing boats and aircraft to conduct counterdrug, regional humanitarian assistance, and disaster response operations.

International Military Education and Training (IMET): Funds will provide technical and tactical training to improve the planning, programming, and performance abilities of Guatemala's armed forces. These funds will also support the professionalization of Guatemalan military officers and the promotion of human rights, civil-military relations, and military justice within the Guatemalan military.

Governing Justly and Democratically

According to recent public opinion polls, security is the number one concern of the majority of Guatemalans. Since 2004, the rate of criminal victimization has almost doubled, leading to spiraling levels of violence, which along with the persistence of extreme inequality and poverty, creates an environment for criminal organizations to flourish. Drug traffickers and other criminal organizations including human traffickers, contraband rings, youth gangs, and others are attempting, in some cases, to compete for control

of some political institutions—especially at the local level. U.S. assistance in FY 2013 will improve the effectiveness and efficiency of security and justice institutions (SJSIs) and seek to reduce levels of corruption and violence in targeted communities.

Development Assistance (DA): Funds will promote rule of law, human rights, good governance, free and fair elections, and political competition and consensus building. U.S. assistance will strengthen the Government of Guatemala's capacities for the prosecution and adjudication of crimes; improve management, administration, and coordination among SJSIs; strengthen accountability and transparency of key SJSIs; implement sustainable interventions to reduce the vulnerability of at-risk youth to gangs and drug trafficking organizations; improve trust between police and community in target areas; and increase civic responsibility. DA funds will also be utilized to strengthen local governments in connection with Feed the Future (FTF) objectives. U.S. resources will support elections and political party processes through discrete technical support to the Supreme Electoral Tribunal and technical assistance and training for electoral legal reforms.

International Narcotics Control and Law Enforcement (INCLE): U.S. assistance will continue to support the International Commission Against Impunity in Guatemala (CICIG) to strengthen the rule of law through greater state capacity to prevent, investigate, and combat serious crimes, reduce impunity, and increase transparency.

Investing in People

U.S. assistance will implement an integrated set of health and nutrition interventions to pursue the U.S. whole-of-government Global Health Initiative Plus and FTF goals. Funding will help improve the health of the country's most vulnerable populations through improved access to and use of quality nutrition supplements, family planning services, and maternal and child health (MCH) projects. U.S. government assistance will also improve the availability of sustainable and quality health care and nutrition services. Through key nutrition education and behavior change efforts with female community leaders, United States funding will improve dietary diversity and the health status of pregnant women and children less than two years of age. Support for literacy will focus on enhancing education models and strengthening quality in basic education with the ultimate goal of ensuring that primary school students are reading at grade level. Assistance will also support non-traditional primary completion programs for out-of-school children by strengthening existing flexible and traditional options, including upper secondary programs, which focus on professional and career development and vocational tracks.

Development Assistance (DA): U.S. assistance for basic education will improve the reading skills of students in first to sixth grades through improved reading instruction and reading delivery systems. Funding will strengthen demand for quality education services at the local level and enforce Ministry of Education strategies to strengthen education quality. Funding will also support two models of alternative education: (1) non-traditional (flexible) secondary education models and primary completion programs for out-of-school and over-aged children and youth (up to 15 years of age), and (2) local workforce development and vocational/technical education support by providing workforce readiness and life competencies skills.

Global Health Programs – USAID (GHP-USAID): U.S. government assistance will employ an interagency approach that aims to decrease maternal and infant mortality, increase investments in and accountability of maternal and child health programs, create awareness of the effects of chronic malnutrition, improve nutrition behaviors and hygiene practices, and increase voluntary family planning services. U.S. resources will improve both the quality and the level of transparency and accountability of health services, and will include healthcare provider training programs, quality assurance initiatives, more and better public health financing, increased commodity distribution, anti-corruption measures, greater transparency, and

institutionalization of new and sustainable approaches. Assistance provided through the GHP account will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership.

- *Maternal and Child Health:* Funds will improve the quality of care that mothers and newborns receive during pregnancy and at delivery in the public and private sectors. Emphasis will be placed on creating demand for timely and culturally-appropriate services and improving the efficiency and effectiveness of health care. U.S. assistance will continue to support the monitoring of maternal and infant mortality and strengthening of the Ministry of Health's capacity to reduce mortality and morbidity of mothers and newborns.

- *Nutrition:* The United States will focus efforts on reducing chronic malnutrition in the Western Highlands, the area of Guatemala with the highest chronic malnutrition rates. U.S. assistance aims to contribute to a significant reduction of chronic malnutrition through culturally-appropriate health behavior change programs. These programs will implement activities to address the root causes of high levels of chronic under-nutrition that have not improved significantly in this geographic area over the past 20 years. Funds will promote cohesive policy and civil society participation to address the challenge of improving the nutritional status of pregnant women and children less than two years of age. U.S. assistance will support outreach and training for providers, mothers, women of reproductive age, and community members, and will promote healthy nutrition behaviors and hygiene practices. Growth promotion and weight monitoring in children less than two years of age and provision of micronutrients will also be supported.

- *Family Planning and Reproductive Health (FP/RH):* U.S. assistance will address the need for greater access to quality FP/RH services, especially for poor, hard-to-reach, and underserved populations. Funds will improve the policy environment for increased funding and delivery of FP/RH services, strengthen civil society groups' capacity to advocate for Guatemalan compliance with legal mandates, support involvement of national and local governments in resource allocation, improve public and private sector capacity to deliver quality FP/RH services, and increase access to community-based services among indigenous and rural populations. The United States will continue working with the Guatemalan government on demand creation efforts, such as education, information, and behavior change activities.

Economic Growth

An estimated 1.8 million people in Guatemala are food insecure, the majority of whom are located in the Western Highlands. Additionally, Guatemala is one of the top 10 countries most vulnerable to climate change and natural disasters. Destructive weather events, volcanic eruptions and earthquakes pose nearly annual threats to Guatemala's agricultural production, infrastructure and human life. U.S. economic assistance seeks to build food security, promote economic growth, alleviate poverty, and sustainably manage natural resources in order to improve living standards of Guatemalans who are impoverished. Through the President's Global Hunger and Food Security Initiative, Feed the Future, USAID will support the efforts of the Government of Guatemala to refine and implement a country-led comprehensive food security strategy to reduce hunger and increase economic growth through market-led agricultural development.

Funds will support activities aimed at improving access to food, increasing incomes, helping rural small-scale producers take better advantage of free trade, and developing sustainable agricultural practices necessary to mitigate vulnerability and improve adaptation to the impacts of global climate change. To foster trade and investment, U.S. assistance will facilitate open trade and assist in the provision of public goods for agricultural producers, especially sanitary and phytosanitary regulations and irrigation systems.

To help reduce rural poverty, U.S. assistance will also invest in improving the competitiveness of small- and medium-scale producers as engines of rural economic growth and employment.

U.S. assistance will promote the use of market incentives to improve sustainable forestry land management and support the Guatemalan government's efforts to address global climate change and improve management of vital landscapes so Guatemala can participate in global carbon credit market schemes. Global Climate Change Initiative funding will also support a lower emissions development pathway for Guatemala through a Low Emissions Development Strategy.

Development Assistance (DA): U.S. assistance will support a coordinated set of programs as part of the Government of Guatemala's sub-national food security strategy focused on the Western Highlands. Funds will help Guatemala implement sound economic policies and strengthen the institutional capacity to support broad-based economic growth. Activities will build trade capacity in the country, specifically that of rural producers focusing on coffee and horticulture products that have potential for income generation. U.S. assistance will support linkages with the private sector to advance rural development, and will help develop rural, community-based enterprises in sustainable forestry activities and other environmental services activities (i.e. ecotourism, carbon credit and trade), and will assist in biodiversity conservation, adaptation to the effects of climate change, and carbon-sequestration credit programs. U.S. assistance will also support Guatemalan efforts to develop and implement policies, laws, and regulations to promote small-scale rural producers' competitiveness and productivity.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In FY 2011, USAID conducted several assessments and evaluations**.** In preparation for the development of its new Country Development Cooperation Strategy and a new Security and Justice Sector Reform Project, USAID undertook a Security Sector Reform Assessment and a Democracy and Governance Assessment. Also in FY 2011, the results of the 2010 Democratic Values Survey were presented. This survey is part of the Americas Barometer of Vanderbilt University and covers democratic values and behaviors, and evaluates key democratic institutions. In preparation for the development of a new Community Nutrition and Health project, USAID undertook a Nutrition Sector Assessment. A Family Planning Sector Assessment produced recommendations that were used to develop two new family planning projects. In addition, the USAID-supported 2009 National Maternal Mortality Report was completed and presented by the Government of Guatemala in November 2011.

The United Nations Development Program (UNDP), a USAID partner, conducted an external evaluation of the Housing Resettlement Project and found that while the resettlement process needed to be consolidated, the program exceeded expectations in terms of number of beneficiaries. The USAID-funded Forest Concessions in the Maya Biosphere Reserve (MBR) Evaluation Report was translated into English in October 2010.

The U.S. government performs periodic reviews of equipment purchased with FMF through formal End-Use Monitoring to assess operational status and appropriate use, and undertakes periodic program and sector assessments. The interagency also incorporates third-party data and analysis into its program reviews, including the Interagency Assessment of Cocaine Movement (IACM) and the United Nations Office on Drugs and Crime (UNODC) Global Study on Homicide. Continual evaluation updates are provided by the Military Group Commanders in weekly reports to the Commander of the U.S. Southern Command (SOUTHCOM) and are reviewed during visits by senior SOUTHCOM officials. In addition, security cooperation is a critical component of the Mission's operations and subject to close scrutiny during bi-annual Inspector General Inspections. These inspections highlight the degree to which the Mission's Military Group monitors and evaluates its activities.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Based on the results of the Housing Resettlement project evaluation, USAID decided to start a follow-on activity with UNDP to provide technical assistance for completing schools, strengthening community committees to operate and maintain basic services, and increasing the capacity of residents to generate income from microenterprises. The MBR evaluation finding informed the design of activities related to the sustainable forest management in the Department of Petén.

The IACM has highlighted a steady increase in the flow of cocaine through Central American littoral waters and through remote parts of key Central American transit countries. This increase in the flow of cocaine has been accompanied by a dramatic increase in crime and violence in Guatemala. The 2011 UNODC Global Study on Homicide further confirmed the increased violence. In response, the U.S. government and its Central American partners committed to take steps to improve maritime interdiction and enhance the role of law in remote areas.

Relating Past Performance to FY 2013 Plans: Based on assessments and analysis, and to further complement CARSI programming, funding increases for FMF are sought for FY 2013.

Guyana

Foreign Assistance Program Overview

U.S. assistance for Guyana focuses on the key U.S. foreign policy priorities of improving peace and security and mitigating the impact of the HIV/AIDS epidemic. Guyana's economic growth has been steady, and the political environment has been improving with the help of U.S. assistance. However, challenges to Guyana's continued development persist, including weak infrastructure, rising crime, poor security, drug trafficking, continued out-migration, and the high prevalence of HIV/AIDS. Caribbean Basin Security Initiative (CBSI) activities complement bilateral programs in Guyana and provide additional assistance for law enforcement, citizen safety, and at-risk youth.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**16,911**	**10,840**	**6,981**	**-3,859**
Development Assistance	3,000	-	-	-
Global Health Programs - State	13,525	10,525	6,681	-3,844
International Military Education and Training	386	315	300	-15

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Guyana	**16,911**	**10,840**	**6,981**	**-3,859**
1 Peace and Security	**386**	**315**	**300**	**-15**
International Military Education and Training	**386**	**315**	**300**	**-15**
1.3 Stabilization Operations and Security Sector Reform	386	315	300	-15
2 Governing Justly and Democratically	**400**	**-**	**-**	**-**
Development Assistance	**400**	**-**	**-**	**-**
2.4 Civil Society	400	-	-	-
3 Investing in People	**13,525**	**10,525**	**6,681**	**-3,844**
Global Health Programs - State	**13,525**	**10,525**	**6,681**	**-3,844**
3.1 Health	13,525	10,525	6,681	-3,844
4 Economic Growth	**2,600**	**-**	**-**	**-**
Development Assistance	**2,600**	**-**	**-**	**-**
4.2 Trade and Investment	1,700	-	-	-
4.5 Agriculture	600	-	-	-
4.6 Private Sector Competitiveness	300	-	-	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Guyana	**16,911**	**10,840**	**6,981**	**-3,859**
1 Peace and Security	**386**	**315**	**300**	**-15**
1.3 Stabilization Operations and Security Sector Reform	386	315	300	-15
2 Governing Justly and Democratically	**400**	**-**	**-**	**-**
2.4 Civil Society	400	-	-	-
3 Investing in People	**13,525**	**10,525**	**6,681**	**-3,844**
3.1 Health	13,525	10,525	6,681	-3,844
4 Economic Growth	**2,600**	**-**	**-**	**-**
4.2 Trade and Investment	1,700	-	-	-
4.5 Agriculture	600	-	-	-
4.6 Private Sector Competitiveness	300	-	-	-
of which: Objective 6	**2,108**	**-**	**-**	**-**
6.1 Program Design and Learning	424	-	-	-
6.2 Administration and Oversight	1,684	-	-	-

Peace and Security

U.S. military assistance to Guyana focuses on enhancing the capability of Guyana's military to secure its national territory, including maritime borders, effectively fight local and regional terrorism and violent criminal activity, and interact with U.S. forces to respond to natural disasters or other crises. Military assistance activities are complementary to other U.S. Government objectives and activities, including CBSI.

International Military Education and Training (IMET): Funding will advance the professional development and technical capacity of Guyana's military. Assistance will support maritime and riverine domain awareness, interdiction capabilities, and provide professional military education, allowing for increased cooperation between the Guyana Defense Force and the United States in anti-trafficking efforts.

Investing in People

Tangible achievements in the fight against HIV/AIDS in Guyana include expanded access to HIV prevention, treatment, and care services for persons living with HIV/AIDS, including orphans and at-risk children. These achievements have been largely due to assistance provided by the U.S. Government. With a concentrated HIV/AIDS epidemic, the primary objective of U.S. Government assistance is to ensure a sustained country-led approach to HIV/AIDS prevention and treatment can continue beyond PEPFAR. In 2013, U.S. assistance will focus on: increasing prevention activities for most at-risk populations, increasing use of high quality data for decision-making, and ensuring an efficient supply chain system.

Global Health Programs (GHP) - State: Linkages with PEPFAR: Guyana will receive significant support to build partnerships to provide integrated prevention, care and treatment programs throughout the country and support orphans and vulnerable children.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In 2011, USAID supported an analysis of the sustainability of HIV/AIDS services in Guyana and a health systems assessment of the Guyana Ministry of Health's key system functions. The Mission also completed a Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP) for its agriculture activities, and other assessments and analyses to evaluate programmatic and financial performance and guide decisions for FY 2012 and FY 2013, as highlighted below.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The U.S. Government analyzed the costs and the financial and human resources available and necessary to sustain Guyana's HIV/AIDS program through 2015. Findings will promote sustainability and have informed the focus of U.S. Government initiatives, including the intensification of program reach to vulnerable groups and the integration of the health and social services being provided to these groups.

The health systems assessment provided a comprehensive assessment of key system functions in the Guyana Ministry of Health. Its findings have provided policymakers and program managers with information on strengthening the health system.

To comply with USAID environmental standards and international trade regulations, USAID/Guyana completed a "Pesticide Evaluation and Safer Use Action Plan" (PERSUAP) for its agriculture activities. This plan will guide agriculture partners on the use of pesticides and mitigate any associated risks. Agricultural program activities will end in FY 2012.

Relating Past Performance to FY 2013 Plans: With FY 2013 resources, the overall PEPFAR program is now focused on sustaining programs and strengthening the larger health care delivery system.

Haiti

Foreign Assistance Program Overview

Two years after a massive earthquake struck its capital in January 2010, Haiti is making strides to recover from one of the largest urban catastrophes in modern history. The earthquake, followed by a cholera epidemic, severely weakened Haiti's economic, social, and political institutions, hindering the government's ability to provide security and public services. In May 2011, after a protracted, contested presidential election, Haiti saw the first democratic transition of power from a democratically elected leader to an elected member of the opposition. Despite significant developmental challenges, the Government of Haiti (GOH) and its people are determined to recover and get back on a positive development trajectory.

The United States, in close cooperation with the international community, remains a steadfast partner in Haiti's efforts to lay the foundations for reconstruction and long-term sustainable development. In FY 2013, U.S. assistance will continue to work toward a stable and economically viable Haiti, under the interagency Post-Earthquake U.S. Government Haiti Strategy and its four strategic pillars: Infrastructure and Energy; Food and Economic Security; Health and Other Basic Services; and Governance and Rule of Law. To capture stronger programmatic integration and synergy, the U.S. Government is concentrating activities in three geographic corridors: Port-au-Prince and its environs; St. Marc in the central west region; and the Northern Corridor, Cap-Haitien.

Overall, U.S. assistance will help stimulate economic growth and create opportunities outside the overcrowded capital of Port-au-Prince, such as the Northern Corridor, where the U.S. Government partners with the GOH, other donors, and the private sector in a potentially "game-changing" development investment around a new industrial park. U.S. assistance will provide energy, shelter, and other productive infrastructure especially for vulnerable groups; boost agricultural production and enhance food security; strengthen the GOH's capacity to effectively deliver public services in health, education, and other sectors; and enhance governance and rule of law. As a priority country for implementing the Presidential Policy Directive on Global Development, the Secretary of State's Quadrennial Diplomacy and Development Review, and the Administrator's USAID Forward, the United States will increasingly work with the GOH and local Haitian institutions to increase local capacity and country ownership, reform procurement systems, and foster greater application of innovations, science, and technology, among others, to improve aid effectiveness and sustainability of foreign assistance. These reforms are at the center of the U.S.Government's strategic efforts to implement a fundamental shift in the way it does business and refocus development.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**380,261**	**357,161**	**339,963**	**-17,198**
Economic Support Fund	131,000	148,281	141,000	-7,281
Food for Peace Title II	44,838	23,000	23,000	-
Foreign Military Financing	1,597	-	1,600	1,600
Global Health Programs - State	156,240	141,240	131,543	-9,697
Global Health Programs - USAID	26,946	25,000	25,100	100
International Military Education and Training	220	220	220	-
International Narcotics Control and Law Enforcement	19,420	19,420	17,500	-1,920

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Haiti	**380,261**	**357,161**	**339,963**	**-17,198**
1 Peace and Security	**20,833**	**19,236**	**17,455**	**-1,781**
Economic Support Fund	**896**	**896**	**-**	**-896**
1.5 Transnational Crime	896	896	-	-896
Foreign Military Financing	**1,597**	**-**	**1,600**	**1,600**
1.3 Stabilization Operations and Security Sector Reform	1,597	-	1,600	1,600
International Military Education and Training	**220**	**220**	**220**	**-**
1.3 Stabilization Operations and Security Sector Reform	220	220	220	-
International Narcotics Control and Law Enforcement	**18,120**	**18,120**	**15,635**	**-2,485**
1.3 Stabilization Operations and Security Sector Reform	14,320	15,250	13,975	-1,275
1.4 Counter-Narcotics	3,500	2,570	1,360	-1,210
1.5 Transnational Crime	300	300	300	-
2 Governing Justly and Democratically	**19,210**	**32,436**	**21,865**	**-10,571**
Economic Support Fund	**17,910**	**31,136**	**20,000**	**-11,136**
2.1 Rule of Law and Human Rights	10,746	9,164	7,000	-2,164
2.2 Good Governance	3,164	10,746	10,000	-746
2.3 Political Competition and Consensus-Building	4,000	11,226	3,000	-8,226
International Narcotics Control and Law Enforcement	**1,300**	**1,300**	**1,865**	**565**
2.1 Rule of Law and Human Rights	1,300	1,300	1,865	565
3 Investing in People	**217,691**	**184,980**	**182,633**	**-2,347**
Economic Support Fund	**8,955**	**10,000**	**10,000**	**-**
3.2 Education	8,955	10,000	10,000	-
Food for Peace Title II	**25,550**	**8,740**	**15,990**	**7,250**
3.1 Health	19,791	8,740	11,810	3,070
3.2 Education	3,055	-	2,220	2,220
3.3 Social and Economic Services and Protection for Vulnerable Populations	2,704	-	1,960	1,960
Global Health Programs - State	**156,240**	**141,240**	**131,543**	**-9,697**
3.1 Health	156,240	141,240	131,543	-9,697
Global Health Programs - USAID	**26,946**	**25,000**	**25,100**	**100**
3.1 Health	26,946	25,000	25,100	100
4 Economic Growth	**111,229**	**110,477**	**116,130**	**5,653**
Economic Support Fund	**102,089**	**96,426**	**109,500**	**13,074**
4.1 Macroeconomic Foundation for Growth	9,266	9,016	530	-8,486
4.3 Financial Sector	2,687	2,687	8,470	5,783

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.4 Infrastructure	30,323	26,737	42,300	15,563
4.5 Agriculture	35,700	35,700	30,000	-5,700
4.6 Private Sector Competitiveness	6,940	6,940	11,200	4,260
4.7 Economic Opportunity	4,746	4,746	3,000	-1,746
4.8 Environment	12,427	10,600	14,000	3,400
Food for Peace Title II	**9,140**	**14,051**	**6,630**	**-7,421**
4.5 Agriculture	9,140	14,051	6,630	-7,421
5 Humanitarian Assistance	**11,298**	**10,032**	**1,880**	**-8,152**
Economic Support Fund	**1,150**	**9,823**	**1,500**	**-8,323**
5.1 Protection, Assistance and Solutions	-	8,423	-	-8,423
5.2 Disaster Readiness	1,150	1,400	1,500	100
Food for Peace Title II	**10,148**	**209**	**380**	**171**
5.1 Protection, Assistance and Solutions	9,576	-	-	-
5.2 Disaster Readiness	572	209	380	171

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Haiti	**380,261**	**357,161**	**339,963**	**-17,198**
1 Peace and Security	**20,833**	**19,236**	**17,455**	**-1,781**
1.3 Stabilization Operations and Security Sector Reform	16,137	15,470	15,795	325
1.4 Counter-Narcotics	3,500	2,570	1,360	-1,210
1.5 Transnational Crime	1,196	1,196	300	-896
2 Governing Justly and Democratically	**19,210**	**32,436**	**21,865**	**-10,571**
2.1 Rule of Law and Human Rights	12,046	10,464	8,865	-1,599
2.2 Good Governance	3,164	10,746	10,000	-746
2.3 Political Competition and Consensus-Building	4,000	11,226	3,000	-8,226
3 Investing in People	**217,691**	**184,980**	**182,633**	**-2,347**
3.1 Health	202,977	174,980	168,453	-6,527
3.2 Education	12,010	10,000	12,220	2,220
3.3 Social and Economic Services and Protection for Vulnerable Populations	2,704	-	1,960	1,960
4 Economic Growth	**111,229**	**110,477**	**116,130**	**5,653**
4.1 Macroeconomic Foundation for Growth	9,266	9,016	530	-8,486
4.3 Financial Sector	2,687	2,687	8,470	5,783
4.4 Infrastructure	30,323	26,737	42,300	15,563
4.5 Agriculture	44,840	49,751	36,630	-13,121

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.6 Private Sector Competitiveness	6,940	6,940	11,200	4,260
4.7 Economic Opportunity	4,746	4,746	3,000	-1,746
4.8 Environment	12,427	10,600	14,000	3,400
5 Humanitarian Assistance	**11,298**	**10,032**	**1,880**	**-8,152**
5.1 Protection, Assistance and Solutions	9,576	8,423	-	-8,423
5.2 Disaster Readiness	1,722	1,609	1,880	271
of which: Objective 6	**14,958**	**10,927**	**10,654**	**-273**
6.1 Program Design and Learning	7,395	1,250	1,150	-100
6.2 Administration and Oversight	7,563	9,677	9,504	-173

Peace and Security

The U.S. Government will continue to collaborate with the GOH on long-term programs to improve the capacity of Haitian institutions to maintain public order, enhance professionalism, reduce corruption, and enhance border and port security. U.S. assistance under the Peace and Security Objective will be complemented by interrelated programs under the Governing Justly and Democratically Objective, as described in the integrated governance and rule of law pillar of the U.S. Government strategy.

International Military Education Training (IMET): Through the U.S Embassy Military Liaison Office, the U.S. government will continue to address security goals through activities supporting border management and control, maritime security, and human rights. Resources will be used to increase the English language proficiency and training capacity of the Haitian Coast Guard's (HCG) core officers.

Foreign Military Financing (FMF): Security goals will be addressed through activities supporting border management and control, maritime security, and human rights. Assistance will support the Haitian Coast Guard's efforts to patrol and defend Haiti's maritime borders.

International Narcotics Control and Law Enforcement (INCLE): The U.S. Government will coordinate closely with the various entities within the GOH, including the Ministry of Justice and the Haitian National Police (HNP), to improve rule of law and security in support of our development objectives. Activities include providing training and technical assistance to increase the size and professional capabilities of the HNP, as well as to increase its administrative, logistic, and managerial capacities; expanding and improving Haitian counter-narcotics capability and operations; increasing the ability of Haitian police to combat money laundering; and providing support to the United Nations Stabilization Mission in Haiti. Underlying all INCLE-funded programs will be a focus on reducing corruption and protecting the human rights of Haiti's citizens, including its most vulnerable.

Governing Justly and Democratically

The 2010 earthquake decimated Haiti's governing institutions and interrupted the country's electoral calendar. National elections in 2010 and 2011 ushered in a new president and parliament, and a new government was finally formed in October 2011. Since assuming office, the new government has demonstrated its commitment to improve governance and expand the rule of law, both of which are critical to Haiti's long-term stability and economic growth. However, the recent resignation of the Prime Minister and the ensuing political crisis will no doubt have an impact on the pace of the reconstruction efforts, at least in the short term. Meanwhile, U.S. assistance, coordinated closely with other donors, will support the development of transparent and accountable governance institutions, advocate for and protect the rights of

vulnerable citizens, strengthen judicial independence, promote meaningful citizen participation in political processes, and support decentralization and electoral processes.

Economic Support Fund (ESF): U.S. assistance programs will build upon previous investments in addressing key policy reforms, institutional capacity building, service delivery, and infrastructure. Technical and financial assistance will target priority ministries and the parliament, as well as municipal governments and civil society partners in the three target corridors. In FY 2013, resources will be used to improve the GOH's ability to mobilize and track revenues and expenditures, thereby increasing the capacity of public institutions to manage resources and deliver basic services at the national and local levels. U.S. assistance will support the parliament in its efforts to represent constituent interests, oversee GOH reconstruction efforts, and draft and enact key reform legislation supporting Haiti's development across all sectors. Funding will also support technical assistance, materials, and equipment for the preparation and conduct of elections. U.S. assistance programs will also expand access to justice and reduce pre-trial detention, also via technical assistance, materials, and equipment. U.S. Government programs will help strengthen the independence of the judiciary and to implement penal code reforms. Furthermore, U.S. assistance will help the GOH and civil society organizations ensure a more effective protection of the rights of the most vulnerable populations.

International Narcotics Control and Law Enforcement (INCLE): U.S. programs will be closely coordinated with various entities within the GOH, including the Ministry of Justice and the HNP, to improve the operation of Haiti's prison system. Funds will strengthen the capacity of corrections personnel to effectively manage and maintain facilities upgraded or newly-built after the earthquake and may include support for limited infrastructure improvements. Funds will also provide equipment and training to new and existing Haitian prison personnel to operate a prison system that makes progress toward meeting international standards.

Investing in People

Haiti's health and education systems are characterized by weak state capacity to provide services and to regulate the quality of private sector service provisions. Prior to the 2010 earthquake, the Ministry of Health (MOH) estimated that 40 percent of the Haitian population had no access to basic health services. At present, Haiti has the highest rates of infant mortality (57 deaths per 1,000 live births) and under-five mortality (83 deaths per 1,000 live births) in the Western Hemisphere. The enrollment rate for primary school is 67 percent, but less than 30 percent of these students reach the sixth grade. Even more striking is that only 49 percent of students entering third grade can read a single word. U.S. assistance will continue working toward the long-term goal of improving access to basic services beyond pre-earthquake levels, with the GOH increasingly taking a lead role in their delivery. Assistance provided through the Global Health Program (GHP) accounts will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership. The GHP funding will help ensure access to high quality primary health care services covering around half of the population, and to strengthen the GOH's capacity to plan, lead, and manage the health sector. All USG health activities will fall under a Partnership Framework with the GOH, which is under development.

Economic Support Fund (ESF): Consistent with USAID's 2011-2015 Education Strategy, programs will focus on early grade reading and contribute to the Agency goal of reaching 100 million children with improved reading skills by 2015. In close collaboration with other donors, U.S. assistance will help build the Ministry of Education's (MOE) capacity to teach Haitian children to read. The United States Agency for International Development (USAID) is leading the design of an instructional model and materials for teaching reading in grades one through three. Other activities include developing standards for reading and for teacher professional practice, training teachers and supervisors in the most up-to-date instructional

methods, and providing technical assistance to the MOE on licensing and standards. Funding will also support assessments on early grade reading and school management effectiveness.

Food for Peace Title II: The USG will also engage with food insecure populations outside of the three priority development growth corridors through USAID Multi-Year Assistance Programs (MYAPS) funded under the Food for Peace Title II program. These programs integrate nutrition and food security elements under the Feed the Future initiative. Activities will emphasize malnutrition prevention and nutrition improvement by targeting the first 1,000 days of life, through mother and child health and nutrition programs. Activities will address food insecurity at two levels – food access and utilization – by supporting the improvement of nutrition and feeding practices, increasing the targeted population's access to pre- and post-natal care, improving the prevention and treatment of childhood illnesses and providing Title II supplementary fortified, blended foods to pregnant and lactating women and children six to 23 months. In geographic locations selected based on levels of food insecurity, USAID will implement an integrated cross-cutting package of activities aimed at increasing the targeted households' access to nutritious foods and improving their food security.

Global Health Programs (GHP) - State: Linkages with the President's Emergency Plan for AIDS Relief: Haiti will receive significant support to build partnerships to provide integrated prevention, care, and treatment programs throughout the country, and support orphans and vulnerable children.

Global Health Programs (GHP) - USAID: GHP-USAID funds will continue to support improved access to and use of quality basic health services. In addition, focused health systems strengthening activities will enable USAID to increasingly shift the management of GHP-USAID-funded health service delivery activities to the MOH based on their institutional capacity.

- Family Planning/Reproductive Health (FP/RH): U.S. assistance will contribute to the expansion of access to high-quality voluntary FP/RH services and information. Activities will include the provision of a mix of family planning methods, including long-acting and permanent methods; logistical assistance for the delivery of FP/RH commodities; and technical assistance to the MOH to reinforce FP/RH services at the national level. Increased focus will be placed on improving accessibility of FP/RH services for special populations, such as people with disabilities.

- Maternal and Child Health (MCH): GHP-USAID funds will support delivery of child health services including immunization, breastfeeding, and infant and young child feeding. Programs will also promote maternal health activities including pre-natal and post-partum care, safe delivery, prevention of mother-to-child HIV transmission, and post-partum family planning services. Programs will place a greater focus on maternal and neonatal health interventions including training on emergency obstetrics and neonatal care; they will also continue to support cholera prevention and treatment activities.

- Nutrition: U.S. assistance will support the expanded availability, accessibility, and use of integrated care and support services, including nutrition, among people living with HIV/AIDS, orphans and vulnerable children, and vulnerable families. Increased focus will be placed on improving the nutritional status of women and children. Specifically, efforts to improve nutritional outcomes will provide support to strengthen and scale up country-specific social and behavior change programs while advancing approaches to improve dietary quality and diversity, including micronutrient adequacy. Policy and advocacy efforts to support food and nutrition policies and programming will complement these efforts. Concurrently, nutrition activities will be a key component of the package of Basic Health Services available countrywide.

Economic Growth

U.S. assistance will continue to address longer-term objectives of food and economic security. As part of the President's Global Hunger and Food Security Initiative, Feed the Future, USAID will support the efforts of the GOH to refine and implement a country-led comprehensive food security strategy to reduce hunger and increase economic growth through market-led agricultural development. Activities will be carried out in the three targeted geographic corridors to increase agricultural productivity, enhance the productivity of the fertile plains through improved watershed management, and strengthen agricultural markets. The economic security program aims to achieve job creation through micro, small, and medium-sized enterprise development, including a minimum percentage of female-owned firms. Activities seek to enhance industry and firm competitiveness, ease access to financial products and services, and improve the business investment environment.

Economic Support Fund (ESF): In FY 2013, the USG will continue to support economic revitalization with activities in agriculture, environment, infrastructure, private sector competitiveness, workforce development, and improved macroeconomic governance. The agribusiness, garment, and construction industries are targeted as best prospects for significant job growth and will include vocational training programs that would enhance opportunities for women and youth.

- U.S. assistance will continue to enhance rural livelihoods and opportunities, and strengthen the GOH's capacity to manage food security, agricultural, and other commodity programs. Activities will address crop irrigation, post-harvest handling, processing, and marketing to increase production for local and export sales. Assistance activities aim to increase access to agricultural technologies, improve soil and water management and rehabilitate irrigation and rural road systems. As part of an interagency agreement with USAID, the U.S. Department of Agriculture is helping to develop managerial and operational capacity in the Ministry of Agriculture. Many local organizations and community groups will be trained to provide agricultural extension services.

- U.S. assistance will continue to improve critical financial sector and economic infrastructure, facilitate access to cash and credit, increase access to information and communications, improve the legal and regulatory environment, and strengthen the institutional capacity of the GOH and other Haitian institutions for private sector-led growth and development. The objective is to increase employment, focusing on micro, small, and medium-sized enterprises. Major initiatives include support for improved competitiveness in select industries through a value-chain approach, and improved access to capital. The USG will also support initiatives in mortgage financing to stimulate investment in housing. Investment in mobile banking will enhance financial inclusion by providing formal banking services to the poor. In addition, the U.S. Department of Treasury is supporting relevant ministries of the GOH in structural reorganization, modernized legislation and regulation, and more efficient administration in debt issuance and management, public budgeting, banking and insurance regulation, and financial law enforcement.

- U.S. assistance will help improve and expand the generation, transmission, and distribution of electricity through rehabilitation and new construction to reduce losses, increase access, and improve reliability, using renewable energy resources where feasible. FY 2013 program funding will allow for continued investment of this kind, as well as the introduction of alternative energy solutions where feasible. To spur job creation and economic growth, USG infrastructure investments will focus on providing power for the southern industrial park project.

- In support of the Global Climate Change Initiative, U.S. assistance programs will continue to protect investments in fertile agricultural plains through targeted tree planting activities that support

reforestation, soil conservation and improved management of surrounding watersheds while increasing incomes for hillside communities. Programs will also support biodiversity conservation.

Food for Peace Title II: U.S. food-assisted agriculture programs will target rural households that are vulnerable to food insecurity, including female farmers in targeted communities that have been selected for food-assisted nutrition, and mother and child health interventions. The purpose is to increase food availability and access to nutritious food by diversifying agricultural productivity and income. Programs will strengthen small-scale agricultural production to improve livelihoods as well as improve information and market analysis for targeted households to improve market access.

Humanitarian Assistance

Humanitarian Assistance: U.S. Government assistance implemented by USAID will continue efforts towards the long-term goal of strengthening national and local government capacity to reduce disaster vulnerability through improved preparedness, planning, risk assessment and mitigation, early warning, and response activities.

Economic Support Fund (ESF): FY 2013 funding will assist with costs associated with expanding early warning systems that include surveillance and food security monitoring. In addition, programs will continue to build the capacity of national disaster readiness institutions and local communities to identify and successfully respond to vulnerabilities and potential shocks in the future.

Food for Peace Title II: Resources will also be used to implement complementary activities building GOH national and local capacity to undertake food security monitoring, tracking, and reporting on early warning indicators.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: USAID/Haiti continues to strengthen its monitoring and evaluation (M&E) efforts. In line with USAID Forward reforms, it is undertaking an innovative and rigorous approach to measuring the impact of U.S. government investments in Haiti by establishing an interagency framework for a multi-year, multi-dimensional M&E program to ensure greater accountability and application of lessons learned

At the core of this program are robust, multi-sectoral baseline and annual surveys that will improve the depth and breadth of development impact analyses. The objective is to help establish causal linkages between individual project activities and the overarching goals of the USG Post-Earthquake Haiti Strategy, utilizing a core set of development indicators. To support this comprehensive M&E effort, USAID has increased internal staff resources and created the infrastructure for more rigorous and comprehensive project-level data collection, management, and analyses by establishing a six-person M&E unit, supported by M&E staff from mission-wide technical teams.

Despite disruptions caused by the earthquake, USAID conducted two evaluations in FY 2011: a final performance evaluation of the USAID-administered disaster mitigation and preparedness program, and a mid-term evaluation of a health social marketing program. In early FY 2012, USAID also conducted an evaluation of the basic health services delivery project, which provides services to approximately 50 percent of the Haitian population. In FY 2013, more health services projects will be assessed to determine if course corrections are necessary.

USAID's M&E efforts in Haiti are complemented by increased oversight by a USAID Regional Inspector General (RIG) team, co-located at the Mission, and the General Accountability Office (GAO), both

tracking foreign assistance expenditures and performance. To date, the RIG and GAO have audited shelter, health, education, agriculture, and finance projects. In addition to USG oversight activities, the GOH has taken an active role in collecting project information for coordination and oversight.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The USAID Mission in Haiti uses several M&E tools to inform budget and programmatic decisions, including portfolio reviews, financial assessments, evaluations, and cost-benefit analyses. For instance, after a FY 2011 portfolio review, USAID acted on a recommendation to increase the use of mobile money, an innovative system that utilizes cell phones for banking transactions, in turn mitigating corruption and simplify payment processes. In another example, under the Shelter program, USAID conducted a rigorous cost analysis of various housing construction scenarios, which helped Mission and Washington leadership to reprioritize activities, identify cost-containment measures, and reallocate budgets.

In November 2011, USAID evaluated its large and complex health care delivery project which provides services to approximately 50 percent of the Haitian population. Among the achievements cited were the project's robust performance monitoring system and its sound service delivery model with several interlocking elements. Recommendations, which are now being applied to the design of future programs, included the retention of the service delivery model using performance-based contracting, and transitioning project management responsibilities from the contractor to the MOH at a cautious pace.

USAID also conducted an after-action review of the parliamentary strengthening project, gathering input from stakeholders in the Haitian parliament well as project staff. Key lessons learned were incorporated into the design and implementation of the follow-on project, including the need for greater dissemination of information to a wider range of parliamentarians and parliamentary staff, as well as a more participatory process that targets greater ownership by the parliament of the planning and implementation process.

Relating Past Performance to FY 2013 Plans: USAID investments for FY 2013 follow the strategic priorities defined in the U.S. Government Strategy in Haiti. Health has the largest share of the budget, followed by infrastructure and agriculture. In line with the agency's USAID Forward procurement reform, the health service delivery project is being redesigned to be implemented from within the MOH, building the Ministry's capacity to manage the health care system. The Mission is participating in a variety of assessments of the MOH and key government offices, to determine their level of readiness for receiving and managing "government-to-government" assistance. USAID is collaborating with the World Bank on these assessments and subsequent plans for building the capacity of the MOH to manage donor assistance directly. Assuming the results of the assessments are supportive, in FY 2013, USAID will increasingly, but cautiously, shift its resources for health service delivery to direct management by the MOH.

Regarding infrastructure, an assessment of GOH electricity management completed in November 2010 helped establish clear targets and design for energy development. FY 2013 targets include the completion of repairs for five electrical substations in Port-au-Prince and completion of the Northern Industrial Park power plant. The government electricity management is targeted to increase from 22 percent cost effectiveness to 45 percent with 70,000 customers paying for and receiving electricity.

A Feed-the-Future project in Haiti's northern corridor in FY 2013 will utilize lessons learned from an existing agricultural and watershed improvement project. The FY 2013 investments in agriculture will contribute to the 2014 target of 100,000 rural households, in the three target corridors, with increased incomes from improved agricultural production and increased.

Honduras

Foreign Assistance Program Overview

U.S. assistance for Honduras will strengthen democracy and the rule of law, enhance citizen security, and support vulnerable communities and at-risk youth to combat gangs, violence, and narcotics trafficking. U.S. assistance will continue to address food security by promoting the decentralization of government authorities and resources to the local level, encouraging citizen participation in local and national government, and increasing the accountability of public officials. U.S. assistance will also continue to address Honduras' high infant and child mortality, malnutrition, and poverty rates by improving delivery of health services. The U.S. program will also increase agricultural production and farmers' incomes, while also promoting renewable energy use and protection of the environment.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**56,017**	**56,966**	**58,150**	**1,184**
Development Assistance	42,266	46,266	49,000	2,734
Foreign Military Financing	998	1,000	3,000	2,000
Global Health Programs - State	1,000	1,000	1,000	-
Global Health Programs - USAID	10,988	8,000	4,500	-3,500
International Military Education and Training	765	700	650	-50

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Honduras	**56,017**	**56,966**	**58,150**	**1,184**
1 Peace and Security	**1,763**	**1,700**	**3,650**	**1,950**
Foreign Military Financing	**998**	**1,000**	**3,000**	**2,000**
1.3 Stabilization Operations and Security Sector Reform	998	1,000	3,000	2,000
International Military Education and Training	**765**	**700**	**650**	**-50**
1.3 Stabilization Operations and Security Sector Reform	765	700	650	-50
2 Governing Justly and Democratically	**9,500**	**10,192**	**12,646**	**2,454**
Development Assistance	**9,500**	**10,192**	**12,646**	**2,454**
2.1 Rule of Law and Human Rights	580	580	2,315	1,735
2.2 Good Governance	6,385	6,698	6,767	69
2.3 Political Competition and Consensus-Building	850	850	1,500	650
2.4 Civil Society	1,685	2,064	2,064	-
3 Investing in People	**21,688**	**21,574**	**15,374**	**-6,200**
Development Assistance	**9,700**	**12,574**	**9,874**	**-2,700**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
3.2 Education	9,700	12,574	9,874	-2,700
Global Health Programs - State	**1,000**	**1,000**	**1,000**	**-**
3.1 Health	1,000	1,000	1,000	-
Global Health Programs - USAID	**10,988**	**8,000**	**4,500**	**-3,500**
3.1 Health	10,988	8,000	4,500	-3,500
4 Economic Growth	**23,066**	**23,500**	**26,480**	**2,980**
Development Assistance	**23,066**	**23,500**	**26,480**	**2,980**
4.5 Agriculture	15,000	17,000	17,000	-
4.6 Private Sector Competitiveness	2,566	-	6,480	6,480
4.8 Environment	5,500	6,500	3,000	-3,500

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Honduras	**56,017**	**56,966**	**58,150**	**1,184**
1 Peace and Security	**1,763**	**1,700**	**3,650**	**1,950**
1.3 Stabilization Operations and Security Sector Reform	1,763	1,700	3,650	1,950
2 Governing Justly and Democratically	**9,500**	**10,192**	**12,646**	**2,454**
2.1 Rule of Law and Human Rights	580	580	2,315	1,735
2.2 Good Governance	6,385	6,698	6,767	69
2.3 Political Competition and Consensus-Building	850	850	1,500	650
2.4 Civil Society	1,685	2,064	2,064	-
3 Investing in People	**21,688**	**21,574**	**15,374**	**-6,200**
3.1 Health	11,988	9,000	5,500	-3,500
3.2 Education	9,700	12,574	9,874	-2,700
4 Economic Growth	**23,066**	**23,500**	**26,480**	**2,980**
4.5 Agriculture	15,000	17,000	17,000	-
4.6 Private Sector Competitiveness	2,566	-	6,480	6,480
4.8 Environment	5,500	6,500	3,000	-3,500
of which: Objective 6	**4,407**	**6,076**	**5,912**	**-164**
6.1 Program Design and Learning	1,050	1,650	1,300	-350
6.2 Administration and Oversight	3,357	4,426	4,612	186

Peace and Security

Honduras and the United States jointly face a number of transnational threats, including arms and drug trafficking, international terrorism, and gang-related and other criminal activity. Funding will support the professionalization of the Honduran military to enhance its capacity to serve Honduras' civilian leadership effectively and cooperate more fully with the United States and other regional partners to confront

transnational threats. The following activities will complement security assistance funding and program funding under the Central America Regional Security Initiative (CARSI).

Foreign Military Financing (FMF): U.S. assistance will supply equipment, spare parts, training, and maintenance support for interdiction boats to improve Honduras's ability to confront transnational threats, including the trafficking of drugs, arms, and persons. Funding will provide vehicles, communications equipment, and protective gear for forces conducting operations in the La Mosquitia region of Honduras and helping to extend government control to the region.

International Military Education and Training (IMET): Funds will be used to provide professional military education to mid-level and senior officers to support their professional development and improve civilian-military relations. This training will reinforce the notion of civilian control of the military and promote respect for human rights. Funding will also support technical and resource management training.

Governing Justly and Democratically

U.S. assistance will strengthen democratic institutions, the rule of law, and citizen participation in local and national government; broaden participation of traditionally marginalized groups in political decision-making; and reinforce support for democracy and civilian rule. It will also address conditions that have caused decreasing voter participation rates and allegations of fraud that persist by supporting efforts to increase citizen participation in election monitoring. In recent international surveys, Honduras has one of the highest levels of perceived corruption and one of the lowest levels of trust in public institutions in the Western Hemisphere. Accordingly, U.S. assistance will build on early successes in promoting the decentralization of authority and resources to the local level and in encouraging policy and legal reforms that make local elected officials more accountable to their constituents.

Development Assistance (DA): U.S. assistance will improve key municipal services in up to 45 communities through strengthened management and oversight, engagement with civil society, and partnership with national institutions. Services that are widely used will be targeted to demonstrate the benefits of decentralization of authority and resources. U.S. assistance will support oversight of local service delivery, use of public resources, and access to public information by citizens to ensure that government is responsive to their needs. Assistance will help local governments solicit citizen participation and feedback on their performance and the performance of local service providers. To strengthen accountability, U.S. funding will assist key Honduran government agencies and non-governmental partners to improve oversight, audit, and watchdog functions, and build demand for reform. Additionally, activities will promote reform and implementation of laws that are critical to strengthen democracy in Honduras, including the Transparency Law and NGO Law. Building upon previous U.S. assistance , the United States will support national government and civil society monitoring efforts leading up to the November 2012 primaries. Funding will also support reconciliation activities that promote resolution of policy differences through peaceful, constitutional means.

Investing in People

U.S. assistance will focus on improving and decentralizing maternal and child health services, improving HIV/AIDS prevention and care in specific high risk groups, and improving food security for the poor. U.S. programs in the education realm will emphasize learning opportunities for out-of-school youth and quality improvements in the formal education system. This assistance will help Honduras meet the Millennium Development Goals of universal access to preschool and 100 percent primary school completion by 2015.

Global Health Program (GHP) - USAID: Maternal and Child Health: USAID will support improved and expanded maternal and child health activities and accelerated reform of the national health system.

Decentralization efforts will improve the effectiveness and efficiency of health services by shifting their management to local levels to increase coverage, quality, and accountability of services. This assistance will facilitate the delivery of a basic package of health services to the poorest and most vulnerable and will be done in close coordination with the Inter-American Development Bank.

Global Health Program (GHP) - State and USAID: HIV/AIDS Prevention: Honduras will receive funding to support the national HIV/AIDS strategy and the goals of PEPFAR. Assistance provided through the GHP accounts will support the goals and principles of the Global Health Initiative (GHI) to achieve major improvements in health outcomes through sustainable approaches and increased country ownership.

Development Assistance (DA): U.S. assistance for basic education will improve early grade competencies such as literacy and numeracy, and will also provide basic literacy and numeracy and life skills to youth and young adults. Activities will reduce currently high dropout and repetition rates and improve student achievement by increasing the quality of teacher training, the quantity of appropriate learning materials, and the monitoring and evaluation of programs. A priority area will be administrative decentralization through strengthening community capacities for local government, parents, and civic organizations to demand and implement improvements in management and pedagogy. Innovative strategies, such as involving the private sector in youth training, will be introduced to improve the quality of post-primary and alternative education systems to prepare a better-educated and more competitive work force and provide youth with an alternative to gang membership. Assistance is designed to help Honduras achieve its goal to have all children complete preschool and primary education, and be able to find opportunities for lawful employment opportunities, thus improving citizen security.

Economic Growth

U.S.-funded food security programs will help the poorest farmers raise incomes by diversifying production into high value crops and by learning the skills necessary to negotiate and build relationships with banks, brokers, processors, and exporters. Agricultural development efforts will remain closely tied to nutrition activities to ensure that additional income is channeled to improving the health and productivity of the family, particularly children. U.S. assistance will also support sustainable natural resource management through the promotion of renewable energy use, global climate change adaptation and mitigation activities, strengthening of the national protected area system, development of employment and income opportunities in ecotourism and sustainable forestry, and improvement of community-based regulations for natural resources and disaster preparedness.

Development Assistance (DA): As part of the President's Global Hunger and Food Security Initiative, Feed the Future, USAID will support the efforts of the Government of Honduras to implement the country-led comprehensive food security strategy. This strategy aims to reduce hunger and increase economic growth through market-led agricultural development.

Linkages with the Millennium Challenge Corporation

In 2010, Honduras's $205 million, five-year Compact with the Millennium Challenge Corporation (MCC) ended. The MCC program promoted agricultural productivity and the improvement of the national road network to enhance Honduran capacity to take advantage of opportunities under the United States - Central America Free Trade Agreement. U.S. assistance will continue to build on MCC's successes, particularly those activities under the Feed the Future initiative which improve incomes and nutrition for the poorest Hondurans through market-based agricultural interventions. The MCC plans to re-engage in Honduras through a Threshold Program.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: During FY 2011 and FY 2012, USAID conducted regular field monitoring visits to all of its development programs. In the health sector, regular assessments and management reviews led to refined work plans, the establishment of technical assistance priorities, and helped determine the quality and results of program interventions. In FY 2011, with USAID support, the Government of Honduras initiated its Demographic and Health Survey and, in FY 2012, its HIV/AIDS Behavioral Surveillance Survey. To support systemic reform efforts and improve the quality of education, results from an education study, supported by USAID, were disseminated publicly in FY 2011 and training was carried out with the Ministry of Education, school district leaders and decision-makers, school principals, and teachers throughout the country. Another USAID-supported education study initiated in FY 2011 will provide information on the effectiveness of coordinated efforts to improve community security, including increasing access to training and employability skills and alternative education for at-risk youth. Additionally, USAID consulted quarterly on Feed the Future program results with the Food and Nutrition Advisory Committee, which is comprised of other donors, the private sector, and local organizations, and is chaired by the Ministry of Agriculture. In FY 2011, USAID also started an impact evaluation for the Feed the Future program.

The U.S. government performs periodic reviews of equipment purchased with FMF through formal End-Use Monitoring to assess operational status and appropriate use, and undertakes periodic program and sector assessments. The interagency also incorporates third-party data and analysis into its program reviews, including the Interagency Assessment of Cocaine Movement (IACM) and the United Nations Office on Drugs and Crime (UNODC) Global Study on Homicide. Continual evaluation updates are provided by the Military Group Commanders in weekly reports to the Commander of the U.S. Southern Command (SOUTHCOM) and are reviewed during visits by senior SOUTHCOM officials. In addition, security cooperation is a critical component of the Mission's operations and subject to close scrutiny during bi-annual Inspector General Inspections. These inspections highlight the degree to which the Mission's Military Group monitors and evaluates its activities.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The results of the aforementioned assessments and studies conducted have already informed USAID's programmatic choices in democracy and governance, health, education, and economic growth. In democracy and governance, USAID is using results from elections program monitoring to inform decisions for the 2013 general election cycle. Results from the previous Americas Barometer survey proved valuable, indicating that USAID should continue using the survey in 2012. An assessment of the Mission's HIV prevention strategy identified best practices, results, and lessons learned that have influenced new activities. During FY 2011, USAID conducted monitoring activities of its market-based agricultural and environmental development programs, which confirmed the need for rigorous, third-party evaluations and baseline data collection. USAID anticipates that it will use FY 2013 funds to continue current evaluation activities and to develop new evaluation programs for the environment and renewable energy program.

The IACM highlighted a steady increase in the flow of cocaine through Central American littoral waters and through remote parts of key Central American transit countries. This increase in the flow of cocaine has been accompanied by a dramatic increase crime and violence in Honduras. The 2011 UNODC Global Study on Homicide further confirmed the increased violence. In response, the U.S. government and its Central American partners committed to take steps to improve maritime interdiction and enhance the rule of law in remote areas.

Relating Past Performance to FY 2013 Plans: Several evaluation and assessment activities are slated for FY 2012 that will influence FY 2013 plans. In democracy and governance, the Americas Barometer survey will provide valuable insights into Hondurans' political perspectives, ensuring that FY 2013 funds will be used to promote increased citizen participation in local government service delivery and anticorruption reform efforts. In health, USAID's support to the Honduran government's Demographic and Health Survey will allow USAID to measure the performance of the health program's indicators. Due to increased adoption of modern contraception methods and a declining fertility rate in Honduras, USAID will close out its family planning programming in FY 2013. In education, technical research and studies supported by USAID will shape programming to improve school quality, student learning, and cross-sector interventions. Building on lessons learned from the monitoring and evaluation activities implemented in FY 2011 and FY 2012, USAID will start the design of new activities with Feed the Future funds. In the new design, FY 2013 funds will be allocated for market-led activities implemented directly by private sector local organizations. USAID's economic growth program will also fund two third-party midterm evaluations – an impact evaluation of its Feed the Future program and a performance evaluation of its environmental program. Additionally, a market assessment will inform how to sustainably link poor farmers with markets to scale up development results.

Based on assessments and analysis, and to further complement programming in CARSI, a funding increase is sought for FMF in FY 2013.

Jamaica

Foreign Assistance Program Overview

The United States will strengthen its partnership with Jamaica by providing assistance to address key social issues that contribute to high levels of violent crime and transnational criminal activity. Priority goals include reducing corruption; promoting greater transparency and good governance; fostering Jamaican participation in regional security efforts; strengthening basic education; and increasing adaptation to climate change. In FY 2013, U.S. assistance to Jamaica will be complemented by regional HIV/AIDS programs managed through the United States-Caribbean Regional HIV/AIDS Partnership Framework and Caribbean Basin Security Initiative (CBSI) efforts.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**7,589**	**5,700**	**5,398**	**-302**
Development Assistance	5,350	5,000	5,000	-
Global Health Programs - State	300	-	-	-
Global Health Programs - USAID	1,200	-	-	-
International Military Education and Training	739	700	398	-302

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Jamaica	**7,589**	**5,700**	**5,398**	**-302**
1 Peace and Security	**739**	**700**	**1,398**	**698**
Development Assistance	**-**	**-**	**1,000**	**1,000**
1.3 Stabilization Operations and Security Sector Reform	-	-	1,000	1,000
International Military Education and Training	**739**	**700**	**398**	**-302**
1.3 Stabilization Operations and Security Sector Reform	739	700	398	-302
3 Investing in People	**3,500**	**3,000**	**2,000**	**-1,000**
Development Assistance	**2,000**	**3,000**	**2,000**	**-1,000**
3.2 Education	2,000	3,000	2,000	-1,000
Global Health Programs - State	**300**	**-**	**-**	**-**
3.1 Health	300	-	-	-
Global Health Programs - USAID	**1,200**	**-**	**-**	**-**
3.1 Health	1,200	-	-	-
4 Economic Growth	**3,350**	**2,000**	**2,000**	**-**
Development Assistance	**3,350**	**2,000**	**2,000**	**-**
4.6 Private Sector Competitiveness	350	-	-	-

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.8 Environment	3,000	2,000	2,000	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Jamaica	**7,589**	**5,700**	**5,398**	**-302**
1 Peace and Security	**739**	**700**	**1,398**	**698**
1.3 Stabilization Operations and Security Sector Reform	739	700	1,398	698
3 Investing in People	**3,500**	**3,000**	**2,000**	**-1,000**
3.1 Health	1,500	-	-	-
3.2 Education	2,000	3,000	2,000	-1,000
4 Economic Growth	**3,350**	**2,000**	**2,000**	**-**
4.6 Private Sector Competitiveness	350	-	-	-
4.8 Environment	3,000	2,000	2,000	-
of which: Objective 6	**609**	**-**	**834**	**834**
6.1 Program Design and Learning	-	-	150	150
6.2 Administration and Oversight	609	-	684	684

Peace and Security

Crime and violence are the single most debilitating factors in attempts to build Jamaica's economy. The nexus between crime, corruption, and a deeply entrenched culture of political patronage fuels Jamaica's crime epidemic and social instability. Weak, or in some cases absent, community-level governance structures limit access to and availability of social services and licit economic pursuits, leaving the populace few alternatives outside of criminal ventures. Jamaica's youth, particularly boys and young men, are the main perpetrators and victims of crime, with gang participation starting as early as six years old. Sustainable change will require addressing at-risk youth populations, starting at the elementary level, in order to reverse the acceptance of violence and provide real alternatives to a life of crime.

International Military, Education, and Training: Security assistance will provide professional military education to senior Jamaica Defense Force (JDF) Army, Air Wing, and Coast Guard officers, with the aim of enhancing the abilities of the JDF leadership to operate more effectively and efficiently in a transnational threat environment. The program will provide the tools for senior JDF decision makers to operate at a strategic level with a positive outlook toward the United States, and continued respect for civilian authority. Funds will also provide technical and professional training to junior officers and enlisted service members.

Investing in People

Multiple challenges remain in order for Jamaica to realize fully all of its human capital potential. Insufficient investment in basic education perpetuates disparities in performance among primary students across the island. At the school and classroom levels, most teachers and school administrators have limited materials, little support in the classroom, and inadequate training for working with disadvantaged students. Modernization and transformation of the education system continue to be priorities of the

Government of Jamaica, and the Ministry of Education (MOE) is determined to hold itself accountable for achieving 100 percent literacy by 2015.

Development Assistance (DA): U.S. assistance in basic education will support the MOE to increase broader access to quality education with a focus on improving performance in reading. USAID/Jamaica will align the present education project with Goal One of the USAID's Agency Education Strategy, which aims to improve reading skills of children in grades one through three in selected poorly performing schools. USAID will also focus on improving primary school completion, especially among boys.

USAID has laid a firm foundation by supporting the training of teachers, development of reading standards, and the definition of both the curricular content scope and the instructional sequence. U.S. assistance will place emphasis on improving teacher effectiveness; increasing availability of reading materials; and strengthening classroom and school management. In addition, U.S. assistance will focus on strengthening regional capacities for overall school management and accountability.

These activities will significantly buttress U.S. efforts to broadly promote community transformation, as well as safety and security. Remedial education and early grade reading will comprise a majority of activities for children in communities prone to violence and crime. USAID will continue to address the reading deficiencies in grade three by strategically focusing on remedial reading through a targeted summer school program.

Economic Growth

Jamaica's economic performance has continued to experience negative growth. Despite recent progress in fiscal reform, Jamaica continues to be one of the most indebted nations in the world, spending approximately half of every revenue dollar to service its debt. The bleak fiscal situation continues to erode the business climate on the island, and a lack of competitiveness negatively affects the country's future economic growth prospects. Compounding Jamaica's challenging economic enabling environment is the lack of income diversification among rural communities and a verifiable negative impact of Global Climate Change (GCC) on livelihoods.

Development Assistance (DA): U.S assistance will be used to support the Jamaican government in its efforts to adapt to the impact of climate change in various sectors. Based upon the results of the 2011 USAID GCC Vulnerability Assessment for Jamaica, current activities are focused on adaptive measures for climate resilient livelihoods such as aquaponic systems (soil-less culture with incorporated fish farming), and addressing climate change implications on fresh and saltwater fishing. Other key components address the alteration of planting dates to buffer the effects of climatic variation and selecting more resilient crop varieties. In FY 2013, the Mission will continue to focus on these areas and place special emphasis on increased rainwater harvesting for irrigation and domestic use, multipurpose agroforestry for anti-erosion measures, relocating crops to less vulnerable areas, storage to reduce the vulnerability of markets, and better land management to address erosion and soil loss. U.S. assistance will also finance capacity building, institutional strengthening, and governance systems to address climate change. Technical assistance will focus on mainstreaming national and local adaptation measures to inform urban and rural community disaster mitigation strategies, coastal resource management, improved and informed planning for weather and seasons, and other measures necessary to offset the negative impact of climate change to ensure that U.S. assistance supports GCC efforts and the USAID Climate Change Strategy.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In FY 2011, USAID/Jamaica issued a comprehensive Mission Order on performance management, emphasizing both monitoring activities for program management, as well rigorous evaluation efforts to better assess results. In addition, USAID/Jamaica has

recently intensified strategic planning exercises that will incorporate lessons learned and best practices from previous programs, helping to determine those approaches that will be continued and/or where new approaches should be developed.

In FY 2011, USAID conducted a GCC Vulnerability Assessment, as noted above, to identify environmental threats and Jamaica's needs in this sector, and ultimately inform programming. Moreover, USAID supported, and will continue to support, the Latin America Public Opinion Project (LAPOP). The LAPOP study is a bi-annual public opinion survey centering on democratic values and behaviors. This survey assists in measuring the impact of anti-corruption, civil society, and community policing programs in Jamaica. USAID also supported, and will continue to support, the MEASURE Evaluation Phase III project. MEASURE III is designed to strengthen the Ministry of Health's (MOH) capacity to collect, analyze, and use data for program and policy decision making. In addition, MEASURE III assists the MOH in conducting surveys of most-at-risk populations and increases the capacity of HIV stakeholders to collect accurate data in a timely manner.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: USAID's GCC activities were heavily informed by the 2011 Vulnerability Assessment, directing the foci to adaptive measures for climate resilient livelihoods such as aquaponic systems and addressing climate change implications on fresh and saltwater fishing. The LAPOP study and the MEASURE Evaluation Phase III are being used to assess country context and measure program performance, and revise program strategies as appropriate. In FY 2012, USAID will dedicate resources to an evaluation of the Community Based Policing Program, to determine results and sustainability, as well as the future direction of the program. Also in FY 2012, USAID/Jamaica will conduct a mid-term evaluation of its Basic Education Program, which will also help to inform program decisions.

Relating Past Performance to FY 2013 Plans: The FY 2013 budget request will allow USAID/Jamaica to consolidate gains made in its Education, Health, and Peace and Security programs. Funds will also be used to continue implementation of climate change adaptation activities that will support the Government of Jamaica's efforts in this area.

Mexico

Foreign Assistance Program Overview

The U.S. partnership with Mexico will continue to support Mexican efforts to develop and sustain stronger rule of law institutions and practices as part of its democratic tradition. By weakening transnational criminal organizations, reforming the institutions that sustain the rule of law, creating a 21st-century border, and building stronger and more resilient communities, the United States and Mexico will ensure greater prosperity and growth on both sides of our 2,000-mile shared border. Due to growing bilateral cooperation among law enforcement and prosecutors on both sides of the border, Mexican institutions are more effective partners, and the Government of Mexico continues to arrest high-profile and violent drug traffickers. In FY 2013, both countries look to consolidate, further institutionalize, and sustain the progress made as a result of the Mérida Initiative. Funding will also support programs to increase Mexico's competitiveness and mitigate social inequality, thereby reducing the pressures that drive youth to criminal activities or migration. Environmental funding will promote clean energy and low-carbon development to reduce greenhouse gas emissions, and is in strong support of ongoing Mexican government policies and practices.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**178,145**	**330,125**	**269,499**	**-60,626**
Development Assistance	25,000	33,350	23,000	-10,350
Economic Support Fund	18,000	33,260	35,000	1,740
Foreign Military Financing	7,984	7,000	7,000	-
Global Health Programs - USAID	3,455	1,000	-	-1,000
International Military Education and Training	1,006	1,635	1,549	-86
International Narcotics Control and Law Enforcement	117,000	248,500	199,000	-49,500
Nonproliferation, Antiterrorism, Demining and Related Programs	5,700	5,380	3,950	-1,430

Note: FY11 Actual funding reflects only Mexico INCLE funding appropriated in the FY 2011 Full Year Continuing Appropriations (CR) Act. In addition to CR funding, Mexico received $175 million in the FY 2010 Supplemental Appropriations Act as "advance funding" on FY2011 appropriations.

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Mexico	**178,145**	**330,125**	**269,499**	**-60,626**
1 Peace and Security	**44,690**	**94,015**	**67,499**	**-26,516**
Foreign Military Financing	**7,984**	**7,000**	**7,000**	**-**
1.3 Stabilization Operations and Security Sector Reform	7,984	7,000	7,000	-
International Military Education and Training	**1,006**	**1,635**	**1,549**	**-86**
1.3 Stabilization Operations and Security Sector Reform	1,006	1,635	1,549	-86

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
International Narcotics Control and Law Enforcement	**30,000**	**80,000**	**55,000**	**-25,000**
1.4 Counter-Narcotics	30,000	67,000	55,000	-12,000
1.5 Transnational Crime	-	13,000	-	-13,000
Nonproliferation, Antiterrorism, Demining and Related Programs	**5,700**	**5,380**	**3,950**	**-1,430**
1.1 Counter-Terrorism	4,500	4,180	2,750	-1,430
1.2 Combating Weapons of Mass Destruction (WMD)	1,200	1,200	1,200	-
2 Governing Justly and Democratically	**105,000**	**201,760**	**179,000**	**-22,760**
Economic Support Fund	**18,000**	**33,260**	**35,000**	**1,740**
2.1 Rule of Law and Human Rights	9,250	20,000	20,533	533
2.2 Good Governance	6,650	8,240	7,533	-707
2.3 Political Competition and Consensus-Building	1,100	-	-	-
2.4 Civil Society	1,000	5,020	6,934	1,914
International Narcotics Control and Law Enforcement	**87,000**	**168,500**	**144,000**	**-24,500**
2.1 Rule of Law and Human Rights	87,000	155,500	123,000	-32,500
2.2 Good Governance	-	13,000	21,000	8,000
3 Investing in People	**5,955**	**5,000**	**2,000**	**-3,000**
Development Assistance	**2,500**	**4,000**	**2,000**	**-2,000**
3.2 Education	2,500	4,000	2,000	-2,000
Global Health Programs - USAID	**3,455**	**1,000**	**-**	**-1,000**
3.1 Health	3,455	1,000	-	-1,000
4 Economic Growth	**22,500**	**29,350**	**21,000**	**-8,350**
Development Assistance	**22,500**	**29,350**	**21,000**	**-8,350**
4.6 Private Sector Competitiveness	8,450	13,350	11,000	-2,350
4.8 Environment	14,050	16,000	10,000	-6,000

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Mexico	**178,145**	**330,125**	**269,499**	**-60,626**
1 Peace and Security	**44,690**	**94,015**	**67,499**	**-26,516**
1.1 Counter-Terrorism	4,500	4,180	2,750	-1,430
1.2 Combating Weapons of Mass Destruction (WMD)	1,200	1,200	1,200	-
1.3 Stabilization Operations and Security Sector Reform	8,990	8,635	8,549	-86
1.4 Counter-Narcotics	30,000	67,000	55,000	-12,000
1.5 Transnational Crime	-	13,000	-	-13,000
2 Governing Justly and Democratically	**105,000**	**201,760**	**179,000**	**-22,760**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
2.1 Rule of Law and Human Rights	96,250	175,500	143,533	-31,967
2.2 Good Governance	6,650	21,240	28,533	7,293
2.3 Political Competition and Consensus-Building	1,100	-	-	-
2.4 Civil Society	1,000	5,020	6,934	1,914
3 Investing in People	**5,955**	**5,000**	**2,000**	**-3,000**
3.1 Health	3,455	1,000	-	-1,000
3.2 Education	2,500	4,000	2,000	-2,000
4 Economic Growth	**22,500**	**29,350**	**21,000**	**-8,350**
4.6 Private Sector Competitiveness	8,450	13,350	11,000	-2,350
4.8 Environment	14,050	16,000	10,000	-6,000
of which: Objective 6	**17,273**	**22,777**	**17,773**	**-5,004**
6.1 Program Design and Learning	1,885	855	854	-1
6.2 Administration and Oversight	15,388	21,922	16,919	-5,003

Peace and Security

U.S. programs under the Merida Initiative enhance the capacity of Mexico's anticrime and counternarcotics efforts, including interdiction, demand reduction activities, and Mexico's expanding anti-money-laundering structure. In FY 2013, assistance programs will also continue to provide a broad range of carefully coordinated assistance activities to advance security-related goals in Mexico.

Foreign Military Financing (FMF): The United States will provide resources to assist the Mexican military in supporting Mexican public security forces in the fight against transnational criminal organizations. Assistance will further develop intelligence, surveillance, and reconnaissance capabilities and expand secure communications capabilities through the provision of appropriate equipment for existing aircraft and secure communications. This equipment will help enhance the speed and effectiveness of Mexican military operations.

International Military Education and Training (IMET): Training and professional development programs will help strengthen Government of Mexico efforts to professionalize Mexican military personnel, further institutionalize respect for human rights and the rule of law in military operations, and improve and expand the military's capacity to fight transnational crime. Training will include professional development courses for senior and mid-level officers, English-language training courses, human rights instructor courses to further efforts to strengthen human rights awareness and compliance, and technical assistance related to information analysis, operational planning, logistics, resource management, and aircraft sustainment and maintenance.

International Narcotics Control and Law Enforcement (INCLE): U.S. assistance will provide technology, training, information, and equipment to reduce the threat posed by transnational criminal organizations, and will strengthen Mexico's law enforcement entities, including special units and the corrections system. Funding will also support joint efforts to organize, share information, and investigate money laundering and arms trafficking cases. Support for Mexico's drug-demand reduction efforts, including prevention and treatment, will underscore the common interest in protecting U.S. and Mexican citizens from drug abuse. Projects to promote justice sector reform and foster a culture of lawfulness throughout Mexico will

reinforce the rule of law and strengthen the ability of communities to resist the influence of organized crime.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR):

- Antiterrorism Assistance (ATA): ATA funding will support training to enhance national leadership protection through Protection of National Leadership basic protection courses and tactical support team training, as well as chemical, biological, radioactive, and nuclear readiness and response training. ATA will deliver training to Mexican federal law enforcement officials to allow them to better counter and investigate cyber-related threats and assist the Attorney General's Office and the Public Security Office in their efforts to control drug trafficking. ATA funding will also assist the Mexican government in building effective border security measures, including land, air, and maritime border security, in order to prevent terrorists or other criminals from entering or transiting Mexico en route to other countries, particularly the United States.

- Export Control and Border Security (EXBS): The United States will continue to support implementation of Mexico's new export control system and enhance related licensing, regulatory enforcement, and industry compliance components. Efforts through 2013 will focus on bringing Mexico into compliance with requirements of the Australia Group, Nuclear Suppliers Group, and Missile Technology Control Regime. EXBS will also provide specialized training to Government of Mexico enforcement agencies to develop sustainable weapons of mass destruction (WMD) detection, identification, and interdiction training capability at Mexican ports of entry.

Governing Justly and Democratically

U.S. assistance will continue to support Mexican-led efforts to improve and reform the justice system, professionalize law enforcement personnel, and reduce corruption and human rights abuses in civilian and military institutions. In anticipation of the transition in national governments that will take place following Mexico's July 2012 elections, it will be important to maintain and consolidate advances in institutionalizing Mexico's justice sector reforms and build upon the increased bilateral and interagency cooperation under the Mérida Initiative. Specifically, the United States will continue to support Mexico's transition from a written, inquisitorial system to what promises to be a more effective oral, public, and adversarial one by 2016, which is the constitutionally-mandated deadline for the nationwide completion of the reform process. The United States will continue to support efforts in Mexican states that are implementing reforms to ensure the justice system functions more efficiently and transparently, and provide technical assistance at the state and federal levels to develop legislation that supports internationally recognized standards of human rights.

Economic Support Fund (ESF): U.S. assistance aims to institutionalize the rule of law by supporting the implementation of criminal justice sector reforms and strengthening the transparency and accountability of Mexico's new justice system. Additionally, U.S. assistance, targeted mainly at the state level, will support the development and implementation of comprehensive policies to prevent and reduce crime and violence in key target cities identified along the border. A new rule of law program will provide training for justice sector personnel and technical assistance to strengthen court administration, case management, human rights, and justice sector institution-building in key selected states. Monitoring and evaluation efforts will support an in-depth comparative analysis of the impact of the reforms in order to identify the effectiveness of the new system and to address areas for continued improvement in various states. Through direct engagement with civil society organizations, U.S. assistance will support monitoring of justice sector performance, promote civic engagement in governing institutions, and ensure that reform momentum continues through the governmental transition. U.S. assistance will strengthen the capacity of human rights groups, expand protection mechanisms for human rights defenders and journalists, and work to ensure that human rights are integrated into all aspects of the justice system. Finally, U.S. assistance will

expand the provision of services, primarily along the border, to at-risk youth who are most vulnerable to engage in criminal activity.

International Narcotics Control and Law Enforcement (INCLE): U.S. assistance will support sustainable improvements to the rule of law throughout the country by professionalizing police, judicial, and corrections organizations at the state and federal levels. This assistance will focus on regions that are especially susceptible to drug-related violence, corruption, and organized criminal activity. Technical assistance, equipment, and specialized training will further professionalize justice sector personnel and organizations. INCLE funds will support crime prevention programs and community-based strategies to deter violence. The U.S. Government will also direct resources toward creating stronger and more resilient communities that can stem the flow of recruits for drug cartels.

Investing in People

As an upper middle-income country, Mexico's performance on standard social development indicators is comparatively strong. However, narco-trafficking-related crime and violence, especially near the U.S.-Mexico border, affects Mexico's security and economic development, with a particularly significant impact on young people. Funding in this area is focused on higher education to strengthen local university and youth capacity, and will complement and expand U.S. Government engagement with at-risk youth supported with ESF. FY 2012 was the last year in which funding was provided for HIV/AIDS and tuberculosis programming due to Mexico's strong prevention performance and extremely low prevalence rates.

Development Assistance (DA): U.S. assistance will support new programs with Mexican universities to develop curricula, expand training programs, and enhance internal capacity in the areas of criminal justice, economic competitiveness, human rights, and climate change. Funding will build on and leverage long-standing partnerships between U.S. and Mexican universities in a range of disciplines. Work in this area will also include activities that prepare youth for the job market, with a focus on communities most affected by crime and violence.

Economic Growth

Although Mexico performs well on international competitiveness indices, greater economic competitiveness is constrained by security concerns that increase the costs of doing business, barriers to domestic competition in key sectors such as energy and telecommunications, weaknesses in the educational system, and inefficiencies in the labor market. While Mexico is responsible for 1.6 percent of global greenhouse gas emissions and is the 13th largest emitting country in the world, it has made reducing emissions a national priority. U.S. assistance supports Mexico on the national level in its efforts to increase economic competitiveness and achieve its national goals of a low-carbon future.

Development Assistance (DA): U.S. assistance will support new programs to promote Mexican government systemic policy and institutional reforms that will ultimately result in increased private investment, more domestic competition in private sector provision of goods and services, sustained economic growth, and the generation of employment opportunities for Mexico's young people. In addition, through direct work with local think-tanks and non-governmental organizations, U.S. assistance will strengthen the role of civil society in oversight and advocacy for economic policy changes and increased transparency. Funding will also support ongoing programs that provide technical assistance for mitigation efforts in both energy use and the forestry and land-use sectors. Proposed Global Climate Change Initiative funding will include efforts through the Enhancing Capacity for Low Emission Development Strategies (EC-LEDS) program to support the development and implementation of LEDS in Mexico. These programs are expected to result in the reduction of CO_2 emissions by more than a million tons by the end of FY 2013.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The Ambassador and Embassy Country Team remain involved in implementing and evaluating the Merida Initiative, as approved in April 2011 by the U.S. – Mexico High Level Group, which is chaired by Secretary of State Clinton and her Mexican counterpart, Secretary of State for Foreign Affairs Patricia Espinosa. In FY 2011, this included the development of comprehensive metrics to measure the impact of Merida activities and the finalization of a strategy with an associated monitoring and evaluation system for a new component of Merida focused on stronger and more resilient communities.

USAID conducted a comprehensive evaluation of its flagship rule of law program to inform planning for a follow-on activity that will assist target states to implement the new criminal justice system. Also, USAID conducted a comparative analysis of the effectiveness of the new criminal justice system in states that are implementing the U.S.-supported reform versus states that are still functioning under the old system. USAID and the Mexican government also collaborated on an initiative to launch a nation-wide public opinion survey to establish a baseline for measuring the impact of the justice sector reforms on public perceptions of security and justice. Finally, USAID and the Government of Mexico conducted a joint assessment to explore the utility of increased at-risk youth and community development programming in three target cities along the U.S.-Mexico border.

In FY 2012, USAID will conduct two evaluations: 1) the final evaluation of its tuberculosis activities as the program phases out, and 2) an evaluation of its ongoing competitiveness program to inform future program activity.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: As a result of the aforementioned comprehensive review of the follow-on rule of law program, activities will continue to focus on strengthening the legislative framework for criminal justice reform and building the capacity of justice sector institutions to effectively implement the new system. Comparative analysis showed that states implementing the new system with U.S. assistance have higher prosecution rates, lower levels of impunity, and less congested courts than states that are not implementing the reform. As a result, the U.S. Government decided to continue providing assistance to states that are currently implementing the reform and achieving positive results. A joint U.S.-Mexico assessment resulted in the specific recommendation to focus on at-risk youth interventions and community development activities in Ciudad Juarez, Tijuana, and Monterrey, including a determination that sufficient capacity and experience existed to engage directly with local organizations.

Relating Past Performance to FY 2013 Plans: The FY 2013 budget request does not include any resources for health activities. Both tuberculosis and HIV/AIDS activities will be phased out and future efforts taken over by the Mexican government due to strong prevention performance and low prevalence rates.

Nicaragua

Foreign Assistance Program Overview

In FY 2013, U.S. assistance will focus on strengthening Nicaragua's eroding democracy through training for emerging democratic leaders, increasing civil society engagement, supporting an independent media and improving local governance. U.S. assistance will also promote economic growth and poverty reduction through development of market-led enterprises in the highly-impoverished north-central region. Through military to military engagement and prevention programs focusing on education and skills development, support to citizen security will continue in under-governed areas of the Caribbean coastal region where drug trafficking and related criminal activity is rising.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**24,065**	**12,989**	**13,099**	**110**
Development Assistance	16,400	8,900	12,000	3,100
Foreign Military Financing	339	399	399	-
Global Health Programs - State	897	-	-	-
Global Health Programs - USAID	5,891	2,900	-	-2,900
International Military Education and Training	538	790	700	-90

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Nicaragua	**24,065**	**12,989**	**13,099**	**110**
1 Peace and Security	**877**	**1,189**	**1,099**	**-90**
Foreign Military Financing	**339**	**399**	**399**	**-**
1.3 Stabilization Operations and Security Sector Reform	339	399	399	-
International Military Education and Training	**538**	**790**	**700**	**-90**
1.3 Stabilization Operations and Security Sector Reform	538	790	700	-90
2 Governing Justly and Democratically	**6,300**	**4,300**	**7,250**	**2,950**
Development Assistance	**6,300**	**4,300**	**7,250**	**2,950**
2.2 Good Governance	2,750	2,000	3,700	1,700
2.3 Political Competition and Consensus-Building	1,800	1,100	1,500	400
2.4 Civil Society	1,750	1,200	2,050	850
3 Investing in People	**9,288**	**5,400**	**500**	**-4,900**
Development Assistance	**2,500**	**2,500**	**500**	**-2,000**
3.2 Education	2,500	2,500	500	-2,000

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Global Health Programs - State	**897**	**-**	**-**	**-**
3.1 Health	897	-	-	-
Global Health Programs - USAID	**5,891**	**2,900**	**-**	**-2,900**
3.1 Health	5,891	2,900	-	-2,900
4 Economic Growth	**7,600**	**2,100**	**4,250**	**2,150**
Development Assistance	**7,600**	**2,100**	**4,250**	**2,150**
4.2 Trade and Investment	1,350	500	-	-500
4.5 Agriculture	4,000	-	-	-
4.6 Private Sector Competitiveness	2,250	1,600	4,250	2,650

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Nicaragua	**24,065**	**12,989**	**13,099**	**110**
1 Peace and Security	**877**	**1,189**	**1,099**	**-90**
1.3 Stabilization Operations and Security Sector Reform	877	1,189	1,099	-90
2 Governing Justly and Democratically	**6,300**	**4,300**	**7,250**	**2,950**
2.2 Good Governance	2,750	2,000	3,700	1,700
2.3 Political Competition and Consensus-Building	1,800	1,100	1,500	400
2.4 Civil Society	1,750	1,200	2,050	850
3 Investing in People	**9,288**	**5,400**	**500**	**-4,900**
3.1 Health	6,788	2,900	-	-2,900
3.2 Education	2,500	2,500	500	-2,000
4 Economic Growth	**7,600**	**2,100**	**4,250**	**2,150**
4.2 Trade and Investment	1,350	500	-	-500
4.5 Agriculture	4,000	-	-	-
4.6 Private Sector Competitiveness	2,250	1,600	4,250	2,650
of which: Objective 6	**1,936**	**1,830**	**2,101**	**271**
6.1 Program Design and Learning	500	230	125	-105
6.2 Administration and Oversight	1,436	1,600	1,976	376

Peace and Security

Law enforcement and military modernization are critical to Nicaragua's efforts to control its remote areas and to combat human, narcotics, and other illicit trafficking, gang violence, and transnational crime. Nicaragua, with its porous borders and endemic poverty, is vulnerable to well-financed trafficking organizations. To date, the Nicaraguan Army has largely remained an independent, non-political force that consistently ranks among the most respected institutions in public opinion surveys. The following activities will complement security assistance funding under the Central American Regional Security Initiative (CARSI).

Foreign Military Financing (FMF): U.S. assistance will play a pivotal role in supporting the Nicaraguan military by providing critical hardware for combating narco-trafficking and ensuring security. U.S. assistance will provide spare parts for U.S.-donated boats and radios. This equipment will help the Government of Nicaragua operate more effectively to control remote areas of the Caribbean coast that are prone to narcotics trafficking. U.S. assistance has enabled the Nicaraguan Navy to surpass all other Central American navies in maritime drug interdiction.

International Military Education and Training (IMET): Funds will strengthen the Nicaraguan military's ability to increase its maritime security activities, improve its capacity to respond to natural disasters, conduct search and rescue operations, and participate in regional security and stability operations. U.S. assistance will also support career development training for Nicaraguan military students, which, along with training related to IMET activities mentioned above, will help further professionalize the Nicaraguan military.

Governing Justly and Democratically

Democracy continues to backslide in Nicaragua given the Government's unwillingness to undertake meaningful reform. Despite setbacks, the democracy and governance portfolio continues to be strategically well-balanced in support of civil society, municipal governance, leadership development, and political party strengthening. U.S. assistance will focus on expanding civil society engagement at local and national levels, supporting independent media outlets that are being forced out of business, fostering a more informed citizenry, strengthening local governments, and improving coordination and collaboration among political parties. These efforts are crucial to building a sustainable democratic foundation in Nicaragua and to prevent further backsliding.

Development Assistance (DA): U.S. assistance will provide training to young, emerging democratic leaders, boost civil society organizations and independent media, and support democratically elected local governments. Funds will also support activities to engage citizens in government decision-making and resource allocation and provide training to local and national leaders in effective democratic leadership and consensus building. Funding will provide for:

- Technical assistance and training to citizen groups, political parties, and municipal entities, to promote public policy dialogue and organize and promulgate governance reforms.

- Development of a core group of young political leaders to foster a more transparent, participatory and democratic society.

- Municipal support to improve the transparent management of public resources, provide basic services, including infrastructure, and encourage greater community engagement and visibility of U.S. assistance.

- Training, technical assistance and small grants to maintain an independent media and promote civil society oversight of government institutions and processes.

Investing in People

Despite important achievements in education, wide inequalities persist. Nicaragua has some of the lowest education statistics in the sub-region. Nicaraguans average only five and a half years of schooling and over 18 percent of all first grade students have to repeat the grade - statistics are even lower on the country's Caribbean coast, particularly in indigenous communities. In addition, 25 percent of the country's school-aged children and youth do not attend school, a disproportionate number of whom are from the

Caribbean coast. U.S. assistance will expand access to quality basic education and vocational training for out-of-school and at-risk youth. The United States will target at-risk youth on Nicaragua's Caribbean coast, co-financed with CARSI funding requested under the Western Hemisphere Regional Assistance Programs.

Development Assistance (DA): The United States Agency for International Development (USAID) will implement after school programs to improve reading skills of low-performing early grade students. U.S. assistance will also provide primary, secondary and vocational school scholarships for children and youth, and life skills training for out-of-school youth. Funding will improve access to quality basic education and holistic alternative education for out-of-school and at-risk youth.

Economic Growth

Free-market economic policies and trade agreements, particularly the Central America Free Trade Agreement (CAFTA-DR), have increased Nicaraguan exports and investments. However, 46 percent of Nicaraguans still live below the poverty line while the benefits of free trade are disproportionately concentrated among the wealthy.

Development Assistance (DA): The U.S. Government will further support market-led economic development including investment in productive infrastructure and technology; increase private sector competitiveness, and promote environmentally sustainable economic activities, focused on the north-central region of Nicaragua. U.S. assistance will fund improved production practices, appropriate technologies, improved water management, value chain development, access to finance, and modifying behaviors related to malnutrition. U.S. assistance will also continue to fund a local think tank that conducts and disseminates analysis on economic and social policies that constrain and/or promote job creation, income generation, and poverty reduction.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In FY 2011, USAID completed the following evaluations and studies: an impact evaluation of USAID's anti-corruption assistance; an agricultural sector assessment study on determinants of Nicaragua's long term growth; the Institutions for Development Study: a political economy perspective of Nicaragua, which is meant to create awareness about the link between weak institutions and Nicaragua's periodic crises; and the Inter-Agency Conflict Assessment Framework (ICAF), supported by the U.S. government to identify potential sources of conflict, specifically in the Caribbean Coastal Region.

USAID is also conducting the following performance and/or impact evaluations in FY 2012: the final evaluation of the Human and Institutional Capacity Development (HICD) program; the final evaluation of Nicaraguan Civil Society project; a mid-term evaluation of the Enterprise and Employment (E&E) project; a mid-term evaluation of the Education for Success project; a mid-term evaluation of the Alliances II project; a mid-term evaluation of Famisalud's project; research and analysis to inform a new youth-at-risk/basic education project design; and, family planning final evaluation.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The Anti-Corruption Impact Evaluation informed USAID's decision to not fund anti-corruption activities given a lack of meaningful results that were in part due to absence of political will. The Institutions for Development Study led to the consideration of increasing programmatic emphasis on legal and regulatory reforms that are more conducive to investment. Finally, the ICAF assessment led to USAID's decision to dedicate resources to at-risk youth on the Caribbean Coast.

Relating Past Performance to FY 2013 Plans: Considering the complexity of the national political scenario and FY 2013 request levels, USAID expects to reevaluate approaches to election support and continue building the foundation for democracy. The U.S. government has invested heavily in democracy promotion in Nicaragua since 1990. Between 1990 and 2008, these efforts bore fruit with peaceful transitions between outgoing officials and newly elected officials, a more relevant civil society, and government institutions that provided services to citizens with minimal political interference. The Ortega administration reversed these gains, starting with fraudulent 2008 municipal elections. Ortega's controversial re-election in 2011 and his control over all four branches of government require meaningful immediate and longer-term changes to improve prospects for democracy. Accordingly, U.S. assistance to this sector will focus on local government promotion, leadership development, media support, and civil society strengthening.

Final evaluations of the HICD program and the Nicaraguan civil society projects will determine the parameters for the design of a new civil society project. Mid-term evaluations of E&E and Alliances II will measure progress and achievements. The Education for Success evaluation will serve as the basis for designing the new youth-at-risk/early grade reading basic education project. Funding for the food security strategy will allow the U.S. Government to focus on the vulnerable north-central region as part of a multi-donor investment strategy. Additionally, health care improvement and health and logistics management systems projects will be extended until FY 2013 to help consolidate past gains as part of the health program close-out strategy.

Panama

Foreign Assistance Program Overview

The goal of United States assistance for Panama is to ensure that it remains a secure, prosperous, and democratic country that continues to work with the United States as a principal partner in Central America. Increasing pressure from drug trafficking and organized criminal activity contributes to security problems that threaten to undermine Panamanian security, democratic institutions and economic prosperity. The United States will continue to work in partnership with the Government of Panama to advance common interests in improving citizen safety and strengthening democratic and governance institutions.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**2,984**	**2,750**	**3,655**	**905**
Foreign Military Financing	2,096	1,840	2,800	960
International Military Education and Training	738	760	720	-40
Nonproliferation, Antiterrorism, Demining and Related Programs	150	150	135	-15

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Panama	**2,984**	**2,750**	**3,655**	**905**
1 Peace and Security	**2,984**	**2,750**	**3,655**	**905**
Foreign Military Financing	**2,096**	**1,840**	**2,800**	**960**
1.3 Stabilization Operations and Security Sector Reform	2,096	1,840	2,800	960
International Military Education and Training	**738**	**760**	**720**	**-40**
1.3 Stabilization Operations and Security Sector Reform	738	760	720	-40
Nonproliferation, Antiterrorism, Demining and Related Programs	**150**	**150**	**135**	**-15**
1.5 Transnational Crime	150	150	135	-15

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Panama	**2,984**	**2,750**	**3,655**	**905**
1 Peace and Security	**2,984**	**2,750**	**3,655**	**905**
1.3 Stabilization Operations and Security Sector Reform	2,834	2,600	3,520	920
1.5 Transnational Crime	150	150	135	-15

Peace and Security

Panama is an important transshipment point for narcotics destined for the United States and other global markets. Panama's four major containerized seaports, the Pan-American Highway, weak border controls with Costa Rica and Colombia, an airport that serves as an international hub, numerous uncontrolled airfields, and relatively unguarded Atlantic and Pacific coastlines facilitate movement of cash, drugs, illegal immigrants, trafficked individuals, and weapons. As Panama continues to increase its ability to patrol its territorial waters, the illicit movement of goods and people through Panama using overland routes may grow in importance

The flow of narcotics contributes to a continuing crime problem, domestic drug abuse, and gang violence. U.S. counternarcotics assistance is directed at both supporting Panamanian interdiction efforts and improving the capacity of Panama's security institutions. With strong United States support, Panama interdicted approximately 47 tons of cocaine in FY 2011. The following activities will complement security assistance funding under the Central American Regional Security Initiative (CARSI).

Foreign Military Financing (FMF): U.S. assistance will be used to train and equip the National Frontier Service and the National Aero Naval Service, provide spare parts for boats and communications equipment for maritime security forces, and procure vehicles for Panamanian Public Forces to enhance Panama's capacity to control its borders and national territory against transnational crime.

International Military Education and Training (IMET): U.S. assistance will support training and professionalization of the Panamanian Public Forces and civilian personnel involved in security related duties. Funding will be used to support the professional development of senior and mid-level officers, to increase the capacity of security forces to conduct counternarcotics and search-and-rescue operations, maintain maritime vessels, to enhance resource management, and to increase human rights awareness.

Nonproliferation, Antiterrorism, Demining, and Related Activities (NADR): U.S. assistance will strengthen the capacity of the Panamanian government to combat terrorist threats and secure its borders. Particular emphasis will be placed on enhancing the control of Panama's borders with Colombia and Costa Rica, as well as the Pacific and Atlantic coastal zones and the country's air and sea ports.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The U.S. government performs periodic reviews of equipment purchased with FMF through formal End-Use Monitoring to assess operational status and appropriate use, and undertakes periodic program and sector assessments. The interagency also incorporates third-party data and analysis into its program reviews, including the Interagency Assessment of Cocaine Movement (IACM) and the United Nations Office on Drugs and Crime (UNODC) Global Study on Homicide. Continual evaluation updates are provided by the Military Group Commanders in weekly reports to the Commander of the U.S. Southern Command (SOUTHCOM) and are reviewed during visits by senior SOUTHCOM officials. In addition, security cooperation is a critical component of the Mission's operations and subject to close scrutiny during bi-annual Inspector General Inspections. These inspections highlight the degree to which the Mission's Military Group monitors and evaluates its activities.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The proposed FMF budget planning targets are based on Panamanian requirements to build capabilities that address mutual security concerns. Panama's interdiction of illicit traffic at sea and on land continues to improve. The country team has assessed the improvements in public force interdiction performance and considers them to

be related in part to IMET- and FMF-funded training. The IACM has highlighted a steady increase in the flow of cocaine through Central American littoral waters and through remote parts of key Central American transit countries. This increase in the flow of cocaine has been accompanied by a dramatic increase in crime and violence in the region, including in Panama. The 2011 UNODC Global Study on Homicide further confirmed the increased violence. In response, the U.S. government and its Central American partners committed to take steps to improve maritime interdiction and enhance the rule of law in remote areas.

Relating Past Performance to FY 2013 Plans: FMF-funded spare parts for the Aero-Naval Service fleet, particularly the 82-foot patrol boats and interceptor boats, is expected to raise Panamanian maritime capability in the coming year. The provision of boats and equipment to the Frontier Service has also increased their capacity for coastal and riverine surveillance. The continued training of officers will reinforce ongoing reform efforts in the Aero-Naval Service, Panamanian National Police, and Frontier Service. These three organizations are critical to Panama's efforts to combat illicit trafficking and organized crime, which represent a threat to Panama's stability. Based on assessments and analysis, and to further complement programming under CARSI, funding increases in FMF funds are sought for FY 2013. Performance indicators are under development and will be integrated into the performance indicators for CARSI.

Paraguay

Foreign Assistance Program Overview

The U.S. government will continue to aid the Government of Paraguay (GOP), in stemming corruption, creating jobs, reducing rural poverty, and countering international criminal organizations operating in the country. U.S. assistance is aimed at improving the stability and security of Paraguay by strengthening democratic institutions and the rule of law, increasing economic opportunities for vulnerable groups, encouraging a more efficient business environment, and institutionalizing reform.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**6,806**	**3,730**	**5,860**	**2,130**
Development Assistance	5,500	2,500	5,000	2,500
Foreign Military Financing	399	350	350	-
International Military Education and Training	407	380	360	-20
International Narcotics Control and Law Enforcement	500	500	150	-350

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Paraguay	**6,806**	**3,730**	**5,860**	**2,130**
1 Peace and Security	**1,306**	**1,105**	**860**	**-245**
Foreign Military Financing	**399**	**350**	**350**	**-**
1.3 Stabilization Operations and Security Sector Reform	399	350	350	-
International Military Education and Training	**407**	**380**	**360**	**-20**
1.3 Stabilization Operations and Security Sector Reform	407	380	360	-20
International Narcotics Control and Law Enforcement	**500**	**375**	**150**	**-225**
1.4 Counter-Narcotics	300	375	150	-225
1.5 Transnational Crime	200	-	-	-
2 Governing Justly and Democratically	**3,805**	**2,625**	**3,200**	**575**
Development Assistance	**3,805**	**2,500**	**3,200**	**700**
2.1 Rule of Law and Human Rights	-	-	1,000	1,000
2.2 Good Governance	3,000	2,500	2,200	-300
2.4 Civil Society	805	-	-	-
International Narcotics Control and Law Enforcement	**-**	**125**	**-**	**-125**
2.1 Rule of Law and Human Rights	-	125	-	-125
4 Economic Growth	**1,695**	**-**	**1,800**	**1,800**
Development Assistance	**1,695**	**-**	**1,800**	**1,800**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.6 Private Sector Competitiveness	1,695	-	1,800	1,800

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Paraguay	**6,806**	**3,730**	**5,860**	**2,130**
1 Peace and Security	**1,306**	**1,105**	**860**	**-245**
1.3 Stabilization Operations and Security Sector Reform	806	730	710	-20
1.4 Counter-Narcotics	300	375	150	-225
1.5 Transnational Crime	200	-	-	-
2 Governing Justly and Democratically	**3,805**	**2,625**	**3,200**	**575**
2.1 Rule of Law and Human Rights	-	125	1,000	875
2.2 Good Governance	3,000	2,500	2,200	-300
2.4 Civil Society	805	-	-	-
4 Economic Growth	**1,695**	**-**	**1,800**	**1,800**
4.6 Private Sector Competitiveness	1,695	-	1,800	1,800
of which: Objective 6	**1,220**	**145**	**525**	**380**
6.1 Program Design and Learning	28	-	-	-
6.2 Administration and Oversight	1,192	145	525	380

Peace and Security

The United States will collaborate with Paraguayan authorities and partners in the region to target specific criminals and organizations and to strengthen the GOP's presence in areas where transnational crime flourishes. To achieve these objectives, U.S. assistance will support legal reforms and provide training and equipment to bolster Paraguay's capacity to investigate, capture, and prosecute criminals. U.S. assistance will also strengthen Paraguay's military as a democratic institution through the reorganization, modernization, and professionalization of the military's key support, communications, and logistical forces, as well as through specific direct action units. These improvements will increase the capacity of the military to participate in peacekeeping operations and help protect its porous borders from drug trafficking and smuggling.

Foreign Military Financing (FMF): U.S. assistance will support Paraguay's expeditionary capacity through the provision of helicopter spare parts. The aircraft are used in a variety of security missions, including in support for counterdrug and counterterrorism operations.

International Military Education and Training (IMET): U.S. assistance will further the professional development of the Paraguayan military. IMET funds will also provide technical training, management training, language lab materials, and English language training. Training will build capacity to improve defense management planning, civilian oversight of the military, and respect for internationally recognized human rights.

International Narcotics Control and Law Enforcement (INCLE): U.S. assistance will continue to enhance the Paraguayan government's counter-narcotics efforts, helping to disrupt criminal networks in Paraguay. Funding will be used to support Paraguay's counternarcotics-dedicated unit and the National Anti-Drug Secretariat (SENAD). INCLE will provide SENAD essential funding for operational support, equipment and commodities for its drug demand reduction program, and its drug detection canine program. This funding will also bolster SENAD operations by enabling it to fully utilize its personnel at the Asuncion base and regional offices, while taking advantage of the Drug Enforcement Administration presence in country.

Governing Justly and Democratically

U.S. assistance will help the GOP implement reforms in the areas of rule of law and good governance. This will include aiding the Paraguayan government in addressing civil service reform, service delivery, and a government management reform. U.S. assistance will also contribute to strengthening civil society's capacity as an independent monitor and supporter of the rule of law and good governance.

Development Assistance (DA): In the area of rule of law and human rights, U.S. assistance will strengthen transparency in the judiciary by promoting the implementation of the judicial code of ethics and by improving Supreme Court management and administration. In addition, U.S. assistance will help increase the professionalization of judges and judicial staff. Anticorruption efforts will include strengthening internal investigative units of government agencies and improving prosecutors' ability to fight corruption. In the area of good governance, activities will include promoting the professionalization of the civil service. U.S. assistance will also aid the Paraguayan government's efforts to implement government management reforms, including open government policies and transparency so that public offices and ministries can provide better public services. In each of these areas, activities with civil society will build local capacity by strengthening local organizations' ability to participate in and conduct oversight of democratic processes, including anticorruption and transparency efforts. U.S. assistance in the democracy and governance sector will also contribute to the development of local capacity and host government increased efficiency aimed at ensuring sustainability with a multi-sector approach to sustain many of the gains from the Millennium Challenge Cooperation threshold programs.

Economic Growth

U.S. assistance will help the Paraguayan government promote economic growth by increasing income and employment, maintaining economic stability, and finding economic alternatives that protect the country's natural resources. Since the economy is rurally focused and the rural poverty rate is very high, U.S. assistance will continue to help small agricultural producers expand and increase sustainable production to meet current and new market opportunities. These activities will also incorporate the resources and skills of public and private partners to leverage upgrades in producer technologies and increase access to financial services.

Development Assistance (DA): U.S. assistance will continue to support trade-based diversification, promote exports and access to the domestic market, and encourage private sector investment. Programs will help small farmers and firms, in rural value chains, improve the quality of farming practices to link their productive capacity with the marketing, financing, and technology capabilities of larger producers and buyers. U.S. assistance will also promote the use of sound practices that achieve long-term economic benefits combined with environmental stewardship that emphasizes alternative and economically attractive uses for forests.

Linkages with the Millennium Challenge Corporation

Over the last two years, the Millennium Challenge Corporation (MCC) Threshold Program worked directly with government ministries, national police, and the judiciary to strengthen government the "MCC

Threshold Program" institutions, reduce corruption, and support the rule of law. With the technical support of the program, the Paraguayan government has achieved significant results such as historically high revenue levels collected by GOP Customs, a more transparent and objective admission system and a new program of study for the National Police, an effective internal control system for the judiciary, and a new procurement system at the Ministry of Health.

In FY 2013, the USAID Democracy and Governance program will build upon the successful achievements of the MCC Threshold Program and contribute to their sustainability by strengthening the judicial ethics system, improving internal controls of public institutions, and advancing the disciplinary system - all activities that further judicial transparency and accountability. In addition, the Democracy and Governance program will significantly contribute to the sustainability of results achieved during the Threshold Program in the area of internal control and budget execution by supporting the expansion of the standardized model for internal control for public institutions and by working with the Ministry of Finance in results-based budget and evaluation.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In FY 2011, the USAID Mission conducted portfolio reviews for Democracy and Governance, Health, Economic Growth, and Environment, and the MCC Threshold Program. The portfolio reviews supplemented ongoing monitoring of U.S. Mission programs that focus on tracking costs and accomplishing goals. The USAID Economic Growth office also completed a midpoint evaluation of the "Paraguay Productivo" project in 2011. Paraguay Productivo is set to conclude at the end of FY 2012 and the new project design process for the next Economic Growth activity is underway. The findings from the midpoint evaluation will be incorporated into the new project design.

In FY 2011, USAID conducted a gender assessment of the entire Mission portfolio. The analysis identified gender gaps and opportunities and suggested improved methods to integrate gender into U.S. programming.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The U.S. Mission used the aforementioned portfolio reviews to examine strategic and operational issues, and determine whether activities were leading to expected results. While program adjustments were made, no significant issues were identified during the portfolio review process. The review of Democracy and Governance programs underscored that while significant challenges remain, continued support for key reforms in governance is leading to transformational change.

The findings from evaluations conducted in FY 2011 are guiding current and future programs. The Economic Growth evaluation found that the project contributed significantly to increased sales, exports, employment, and other benefits accruing to beneficiaries. Consistent monitoring of Economic Growth program activities have kept the project focused on achieving its long-term mandate. This is particularly relevant for women producers and economic opportunities for women.

The gender assessment will allow the Mission to incorporate more gender conscious considerations into the new Economic Growth activity and the new Democracy and Governance project design process in FY 2013.

Relating Past Performance to FY 2013 Plans: The Democracy and Governance team built on the foundation of reforms supported by the MCC Threshold Program when designing and starting implementation of new

Democracy and Governance activities in FY 2011. The efforts to improve civil society's influence in the political process, has made the judicial system more efficient and accountable. Improved management practices in selected ministries can be linked closely to the work of the MCC Threshold Program.

The economic growth sector expects continued success in leveraging program funds by partnering with the private sector in various activities, many of which are based on Development Credit Authority and the Global Development Alliance methodology. The Economic Growth team has incorporated best practices and lessons learned from ongoing projects into the analysis and design of a new activity, intended to result in a more cost effective and beneficiary-focused project. The new activity will continue to focus on maximizing employment opportunities for the rural poor and family income generation.

Peru

Foreign Assistance Program Overview

Peru, a key U.S. partner in Latin America, has enjoyed many years of sustained economic growth, poverty reduction, and broad support for democracy. Yet, many Peruvians, particularly outside of the coastal urban areas, receive inadequate basic services from the government and do not have incomes commensurate with the country's growing economy. With limited economic opportunities and little trust in government, some have resorted to drug trafficking and/or environmentally hazardous livelihoods. Drug trafficking, illegal logging/mining, environmental degradation, conflicts related to natural resources and terrorism fueled by narcotics trafficking could threaten Peru's economic and political future, destabilizing one of the United States' strongest democratic partners in the region. To strengthen democracy and maintain trade-led economic growth, Peru must broaden economic opportunities and strengthen government capacity to provide social services in environmentally sensitive and coca-vulnerable areas. U.S. assistance seeks to strengthen Peru's stability and democracy through increased social and economic inclusion, improved governance, and sound environmental stewardship.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**96,581**	**83,550**	**73,665**	**-9,885**
Development Assistance	49,789	45,000	47,300	2,300
Foreign Military Financing	3,500	1,980	1,980	-
Global Health Programs - State	50	-	-	-
Global Health Programs - USAID	9,123	5,000	-	-5,000
International Military Education and Training	619	620	585	-35
International Narcotics Control and Law Enforcement	31,500	28,950	23,300	-5,650
Nonproliferation, Antiterrorism, Demining and Related Programs	2,000	2,000	500	-1,500

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Peru	**96,581**	**83,550**	**73,665**	**-9,885**
1 Peace and Security	**62,408**	**53,550**	**51,365**	**-2,185**
Development Assistance	**24,789**	**20,000**	**25,000**	**5,000**
1.4 Counter-Narcotics	24,789	20,000	25,000	5,000
Foreign Military Financing	**3,500**	**1,980**	**1,980**	**-**
1.3 Stabilization Operations and Security Sector Reform	3,500	1,980	1,980	-
International Military Education and Training	**619**	**620**	**585**	**-35**
1.3 Stabilization Operations and Security Sector Reform	619	620	585	-35

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
International Narcotics Control and Law Enforcement	**31,500**	**28,950**	**23,300**	**-5,650**
1.4 Counter-Narcotics	30,750	28,200	22,250	-5,950
1.5 Transnational Crime	750	750	1,050	300
Nonproliferation, Antiterrorism, Demining and Related Programs	**2,000**	**2,000**	**500**	**-1,500**
1.3 Stabilization Operations and Security Sector Reform	2,000	2,000	500	-1,500
2 Governing Justly and Democratically	**8,000**	**4,750**	**6,000**	**1,250**
Development Assistance	**8,000**	**4,750**	**6,000**	**1,250**
2.1 Rule of Law and Human Rights	-	-	2,000	2,000
2.2 Good Governance	2,565	4,750	3,000	-1,750
2.3 Political Competition and Consensus-Building	5,435	-	-	-
2.4 Civil Society	-	-	1,000	1,000
3 Investing in People	**9,173**	**10,500**	**1,000**	**-9,500**
Development Assistance	**-**	**5,500**	**1,000**	**-4,500**
3.2 Education	-	5,500	1,000	-4,500
Global Health Programs - State	**50**	**-**	**-**	**-**
3.1 Health	50	-	-	-
Global Health Programs - USAID	**9,123**	**5,000**	**-**	**-5,000**
3.1 Health	9,123	5,000	-	-5,000
4 Economic Growth	**17,000**	**14,750**	**15,300**	**550**
Development Assistance	**17,000**	**14,750**	**15,300**	**550**
4.2 Trade and Investment	-	1,763	-	-1,763
4.6 Private Sector Competitiveness	-	987	1,000	13
4.8 Environment	17,000	12,000	14,300	2,300

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Peru	**96,581**	**83,550**	**73,665**	**-9,885**
1 Peace and Security	**62,408**	**53,550**	**51,365**	**-2,185**
1.3 Stabilization Operations and Security Sector Reform	6,119	4,600	3,065	-1,535
1.4 Counter-Narcotics	55,539	48,200	47,250	-950
1.5 Transnational Crime	750	750	1,050	300
2 Governing Justly and Democratically	**8,000**	**4,750**	**6,000**	**1,250**
2.1 Rule of Law and Human Rights	-	-	2,000	2,000
2.2 Good Governance	2,565	4,750	3,000	-1,750
2.3 Political Competition and Consensus-Building	5,435	-	-	-

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
2.4 Civil Society	-	-	1,000	1,000
3 Investing in People	**9,173**	**10,500**	**1,000**	**-9,500**
3.1 Health	9,173	5,000	-	-5,000
3.2 Education	-	5,500	1,000	-4,500
4 Economic Growth	**17,000**	**14,750**	**15,300**	**550**
4.2 Trade and Investment	-	1,763	-	-1,763
4.6 Private Sector Competitiveness	-	987	1,000	13
4.8 Environment	17,000	12,000	14,300	2,300
of which: Objective 6	**7,189**	**10,070**	**9,130**	**-940**
6.1 Program Design and Learning	144	1,780	1,130	-650
6.2 Administration and Oversight	7,045	8,290	8,000	-290

Peace and Security

Peru is one of the world's leading cocaine exporters and is the leading producer of counterfeit U.S. currency. To address drug trafficking and related money laundering by foreign narcotics/terrorist groups like the Mexican and Colombian drug cartels and the FARC (Revolutionary Armed Forces of Colombia), U.S. assistance promotes viable, licit agricultural production while strengthening law enforcement in coca-vulnerable areas. The three-pronged approach of eradication, interdiction, and alternative development—which the Government of Peru (GOP) is implementing with U.S. assistance—has been a success in the San Martin region, once one of the world's major coca-producing regions, but now a global source of licit, high-value cacao and coffee. Despite major success in San Martin, illicit coca cultivation has continued, and even expanded, in poverty-ridden rural areas—particularly in the Peruvian Amazon Basin—where state presence and law enforcement are limited.

Development Assistance (DA): The USAID alternative development program invests in licit crops; provides technical assistance for farmers; strengthens farmer cooperatives; links farmers to global markets and private sector investment; and supports activities that increase trust between the population and their local government, including improving health and education services. Under this model, coca cultivation in San Martin was reduced by 89 percent between 1996 and 2010, while poverty declined significantly and government efficiency improved. U.S assistance will expand this model in the neighboring Ucayali and Huanuco regions. In FY 2011, U.S. assistance in San Martin, Ucayali, and Huanuco helped maintain or plant over 37,000 hectares of licit crops (including cacao, coffee, and oil palm), directly benefitting approximately 23,000 families and generating more than 16,000 equivalent full-time jobs, 18 percent of which are held by women. U.S. assistance in FY 2013 will increase licit economic opportunities in these areas by strengthening producer organization capacity to access viable commercial markets and attract private investment. Funds will also be used to support government investment in productive infrastructure and ability to manage and expand alternative development activities nationwide.

Foreign Military Financing (FMF): U.S. programs will assist in the development of the Peruvian Government's vision of a modern Peruvian military: one capable of increasing an effective, visible, and competent state presence throughout the country, in order to combat the illegal activity of transnational criminal organizations, terrorists, and insurgents in largely ungoverned areas. U.S. assistance will provide support to the Peruvian Army to increase its operational readiness for units performing missions in remote areas; spare parts, training and technical assistance for aircraft to increase airlift capability; and riverine boats and spare parts, as well as technical assistance for interdiction operations. U.S. programs will also

support enhancements to the maintenance and logistics capabilities and the continuing professionalization of the Peruvian military.

International Military Education and Training (IMET): U.S. assistance will provide professional military education, resource management courses, and technical training that will help strengthen the Peruvian military's ability to achieve strategic security objectives, adhere to civilian authority, and further strategic and tactical planning and execution capabilities, as well as improve interoperability with the United States' military. U.S. programs will continue to focus on training mid-level and junior Peruvian military members.

International Narcotics Control and Law Enforcement (INCLE): U.S. programs will focus on increasing interdiction capabilities in production and transit regions, as well as eradicating illicit crops. U.S. assistance will also help the GOP improve anti-money-laundering efforts, strengthen its judicial system, and reduce rising drug use in Peru. In 2011, with the aid of U.S. assistance, GOP authorities eradicated 10,290 hectares of illicit coca, seized 13.8 metric tons (MT) of cocaine paste and 10.7 MT of cocaine hydrochloride (HCl), and destroyed 19 HCl and 1,498 cocaine laboratories. In FY 2013, eradication operations are scheduled for the Loreto and Huanuco Departments and will replicate the successful San Martin model in the Monzon Valley, one of Peru's largest coca cultivation areas.

Governing Justly and Democratically

In FY 2011, Peruvian national elections resulted in the third consecutive peaceful transition to a democratically elected, civilian president. The new president, Ollanta Humala, and his administration are committed to expanding the benefits of Peru's growing economy to traditionally marginalized communities, particularly in the Andes and Amazon Basin, where public services have not expanded at the same level as Peru's macro-economic growth. Lack of an effective state presence, limited economic opportunity, and sharply divided views about natural resource use have fueled illegal activity and social conflict in some areas of the country. Extending state presence and services to these areas, many of which are sparsely populated and difficult to access, has proven challenging. In addition, traditionally marginalized populations, specifically women and indigenous groups, remain disconnected from government representation and service delivery. Improvements in public service delivery cannot be realized without continued progress in the country's decentralization process and effective citizen participation and oversight, which will foster services that match citizen needs and are managed so as to mitigate and prevent fraud, waste, and abuse.

Development Assistance (DA):U.S. assistance will fortify decentralization, particularly in the Amazon Basin regions, by strengthening sub-national government capacity to plan and manage social services such as health and education, improving citizen access to information and ability to articulate needs, and enhancing government and citizen capacity to prevent, manage and mitigate conflict. Specifically, U.S. assistance will help provide training and technical assistance to national and sub-national institutions on rule of law, transparency, strategic planning, budgeting, tax collection, evidence-based decision making, procurement, and conflict prevention and mitigation. Resources will also help civil society groups become more adept at organizing, budgeting, and engaging with the government. Activities will build the capacity of local institutions to implement and management a range of development activities. These efforts are expected to result in improved transparency, rule of law, local budget execution, public access to quality social services, responsiveness to citizen priorities and needs, civic engagement in government decision making, as well as a reduction in social conflict in target regions.

Investing in People

Peru is close to meeting its goal of universal access to primary education; however, the quality of the education provided is so poor that, according to the Ministry of Education, in 2010 less than eight percent of second-graders in rural areas were reading at grade level. Peru's primary education system is among the worst in the world; it ranked 135th out of 142 countries in the World Economic Forum's 2010 Global

Competitiveness Report. Significant disparity based on socio-economic status, rural/urban residence, and ethnicity or cultural identity persists.

Development Assistance (DA): U.S. assistance supports systemic reforms in basic education that focus on improving management capacity and teaching quality. U.S. assistance will help regional governments—particularly in targeted Amazon Basin regions—increase access to basic education and improve reading proficiency by obtaining and managing funds for public education and expanding successful approaches for improved teaching quality that were previously supported by the United States. As FY 2013 will be the final year of U.S. funding for education in Peru, the program will build local capacity and work with the Ministry of Education to identify weaknesses in laws and regulations and to improve teaching quality by replicating proven curricula and teaching methodologies. USAID will respond to the requests of the Peruvian Government for assistance to improve the primary school reading skills of indigenous, multi-lingual/multi-cultural children.

Economic Growth

Extensive informal and, often, illicit extractive activities continue to undermine Peru's economic foundations and seriously threaten its unique ecosystems. Home to 64.6 million hectares of tropical forest, Peru has the fourth-largest tract of tropical forest in the world. Illegal logging and mining activities compounded by weak forest management are compromising Peru's reputation as a country with a low rate of deforestation. New roads, weak forest governance, and the expansion of the agricultural frontier are placing increased pressure on Peru's environment. Informal mining activities in the Amazon Basin have further resulted in significant environmental degradation (including mercury contamination), public health issues, human rights abuses, and conflicts that threaten to destabilize large sections of the country.

For more than a decade, Peru has experienced impressive economic growth and democratic progress, which have helped the country meet the Millennium Development Goal of reducing the proportion of people living in extreme poverty at the national level. This national average, however, masks the concentration of impoverished populations in the Andes and Amazon Basin (in 2010, the urban poverty rate had dropped to 19 percent but remained at 54 percent in rural areas), which have yet to see tangible benefits from the country's economic advances and been plagued by conflict.

Development Assistance (DA): U.S. assistance aims to conserve natural resources of regional and global significance (notably Andean tropical glaciers and the Amazon Rainforest) located within Peru's borders, while promoting sustainable livelihoods for populations in these areas. Recognizing that illegal loggers and miners often face the same difficult choices that coca cultivators face, the United States will adapt its successful integrated alternative development approach to support improved licit and sustainable economic activities along with reliable social services in environmentally sensitive regions. Proposed activities will support a lower emissions development pathway for Peru. These activities will be coordinated with GOP forest authorities, the Ministry of Environment, and the World Bank Forest Carbon Partnership Facility, and will assist the GOP in implementing its Readiness Preparation Proposal for "Reducing Emissions from Deforestation and Forest Degradation" (REDD) programs and other national climate change initiatives. These activities directly support U.S. Congressional priorities reflected in the United States-Peru Trade Promotion Agreement's Environmental Chapter and Forestry Annex.

With regard to poverty alleviation, U.S. assistance seeks to consolidate gains in promoting private sector competitiveness and economic opportunities in rural areas prone to poverty. FY 2013 will be the final year of U.S. funding for direct poverty alleviation activities, which will be transferred to the GOP. Given the current national priority to promote social and economic inclusion, especially among disadvantaged and vulnerable populations, the United States will advocate for the GOP to adopt a proven successful model of supporting small and medium enterprises in rural areas to competitively sell their products in local and international markets.

Linkages with the Millennium Challenge Corporation

In June 2008, USAID signed a bilateral agreement with the GOP to implement Peru's $35.6 million Threshold Country Program proposal designed to reduce corruption in public administration and improve nationwide immunization coverage. The nationwide immunization program is complete and the anti-corruption program is virtually complete, with the exception of one activity. While no FY 2013 funding is expected to support MCC programs in Peru, MCC has agreed to extend the end date of the program until September 2012, to allow for the completion of this activity. This ongoing activity will support the Peruvian Ministry of Internal Affairs to develop a system to track corruption allegations and other misconduct by judges. This activity is linked to USAID/Peru's efforts to promote transparency and accountability. The MCC anti-corruption program has played an important role addressing corruption, not only by improving citizen awareness, but also by promoting transparency, accountability, and responsible oversight of public funds. Assistance was provided to government institutions and civil society organizations. During the remainder of FY 2012 and likely into FY 2013, USAID is planning to incorporate Threshold Country Program activities into USAID Health and Governing Justly and Democratically programs.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: With joint U.S.-GOP programmatic review and budgetary oversight, the Peruvian narcotics eradication agency has achieved a high level of efficiency in its operations, with institutional planning, budgeting, and execution that follow U.S. methodology and rules, enabling it to meet or exceed the annual narcotics eradication goal the last five years. The Humala administration is taking a strong stance on counternarcotics. Since Humala took office, Peruvian authorities increased their average cocaine seizures by approximately 1MT per month and tripled their average seizures of precursor chemicals (as of the end of 2011). The reduced FY13 budget request reflects cost savings realized from ongoing efforts to nationalize INCLE-funded programming and allows the U.S. government to continue its active engagement with Peru.

In FY 2011, USAID undertook a number of monitoring and evaluation activities. A monitoring exercise conducted with Peru's national drug control agency, DEVIDA, aimed to verify alternative development program results, and a survey of families who received alternative development assistance attempted to determine how their quality of life had improved including what factors influenced their decision to remain coca-free. A case study and baseline reconstruction of the "San Martin model" was completed and will be used to replicate the successful alternative development methodology in the Ucayali region.

USAID also conducted a performance evaluation of the Comun@s project, which established interactive computer kiosks in communities to increase access to government information. Studies on the effectiveness of communication campaigns, citizen participation, and perceptions of candidates during the 2010-2011 election seasons were done and the results were shared with candidates and newly elected leaders to help them better represent constituents. In addition, the local judiciary requested an assessment of the effectiveness of Peru's new Criminal Procedure Code, the results of which will help strengthen code implementation.

In FY 2012, USAID will carry out four performance evaluations of health, alternative development, and governance activities. These evaluations will directly influence programmatic and budget decisions for alternative development and governance and will help inform the design of follow-on activities. The health evaluations will help the Peruvian government adopt and replicate successful U.S.-supported programs as USAID phases out its assistance in this sector.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Assessments revealed excellent management by the Peruvian election authorities and helped inform the phase-out of U.S. elections support. The assessment of families receiving alternative development assistance helped USAID focus its support on three main agricultural products with strong markets and high global prices, rather than a wide range of less profitable crops. Data collected also helped USAID tailor its approach to the Ucayali region. The evaluation of the Comun@s activity found that it was a cost-effective way to use information technology to increase transparency. Accordingly, a similar approach will be incorporated into new activities designed to increase government transparency and citizen participation at the local level.

Relating Past Performance to FY 2013 Plans: USAID's integrated alternative development approach—focused on increasing viable, licit economic opportunities and improving local government capacity to provide social services—helped significantly reduce coca cultivation and poverty in San Martin. Using monitoring and evaluation data, USAID plans to continue efforts to expand this model in the Ucayali and Huanuco regions and adopt it in other Amazon Basin regions vulnerable to illegal mining and logging. USAID's strategic plan will likely focus on five regions of the Amazon Basin that are vulnerable to illegal and environmentally threatening activities and conflicts. Efforts in all sectors will build on past successes and lessons learned to improve decentralized service provision, increase licit economic opportunities, and protect natural resources.

Suriname

Foreign Assistance Program Overview

The Government of Suriname has demonstrated a continued commitment to fighting transnational crime, the principal threat to the security of Suriname and the Caribbean. The Government of Suriname is publicly committed to the fight against narcotrafficking and is an active participant in counternarcotics efforts at the domestic, bilateral, and multilateral levels. U.S. foreign assistance to Suriname focuses on developing and strengthening the capacity of Suriname's defense, law enforcement, and justice sector institutions to combat the growing threat of transnational crime, including movement of illicit drugs, human trafficking, small arms trafficking, and inadequate border security. The Caribbean Basin Security Initiative will complement and enhance bilateral programs in Suriname and will provide additional assistance for law enforcement, border security, at-risk youth, and rule-of-law programs.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**251**	**240**	**225**	**-15**
International Military Education and Training	251	240	225	-15

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Suriname	**251**	**240**	**225**	**-15**
1 Peace and Security	**251**	**240**	**225**	**-15**
International Military Education and Training	**251**	**240**	**225**	**-15**
1.3 Stabilization Operations and Security Sector Reform	251	240	225	-15

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Suriname	**251**	**240**	**225**	**-15**
1 Peace and Security	**251**	**240**	**225**	**-15**
1.3 Stabilization Operations and Security Sector Reform	251	240	225	-15

Peace and Security

U.S. assistance programs will promote the rule of law; provide training for prosecutors, police, and judges; improve information sharing between law enforcement agencies; provide non-lethal equipment to improve the capabilities and effectiveness of law enforcement and the military; and professionalize the military.

International Military Education and Training (IMET): This funding will assist the Suriname Defense Force (SDF) in developing and maintaining the capabilities necessary to carry-out combat and humanitarian operations throughout the country, to guard against transnational threats, and to react to humanitarian disasters including widespread flooding and communicable diseases. SDF personnel will participate in IMET-funded courses to increase their professionalism and confidence in combating terrorism and violent extremist organizations, and their ability to interdict narcotics traffickers. The IMET program cements our relationship with the Government of Suriname and opens additional avenues for future cooperation with civilian leaders and military officials.

The Bahamas

Foreign Assistance Program Overview

United States foreign assistance to The Bahamas supports the key goals of bolstering law enforcement and counternarcotics efforts, including demand reduction, strengthening the criminal justice system, and improving interdiction capabilities. The Caribbean Basin Security Initiative regional programs will complement bilateral programs in The Bahamas and provide additional assistance for law enforcement, citizen safety, and rule-of-law programs. The Bahamas will also receive support to provide integrated prevention, care, and rehabilitation programs for at-risk populations to help reduce new criminal activity and recidivism.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**201**	**190**	**180**	**-10**
International Military Education and Training	201	190	180	-10

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
The Bahamas	**201**	**190**	**180**	**-10**
1 Peace and Security	**201**	**190**	**180**	**-10**
International Military Education and Training	**201**	**190**	**180**	**-10**
1.3 Stabilization Operations and Security Sector Reform	201	190	180	-10

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
The Bahamas	**201**	**190**	**180**	**-10**
1 Peace and Security	**201**	**190**	**180**	**-10**
1.3 Stabilization Operations and Security Sector Reform	201	190	180	-10

Peace and Security

U.S. assistance will support the professionalization of Bahamian security personnel by providing them with needed equipment and training. These programs will strengthen the Government of The Bahamas' ability to improve the security of its citizens by enhancing its law enforcement and interdiction capabilities and by reducing the amount of illicit trafficking through its archipelago. U.S. assistance will also support the development and implementation of robust counter-Trafficking in Persons (TIP) programs and training.

International Military Education and Training (IMET): These funds will be used for the continued professionalization of Bahamian security forces and civilian defense officials. U.S. assistance will be used for professional military education and the technical training required for the Royal Bahamas Defense Force's equipment sustainment program.

Trinidad and Tobago

Foreign Assistance Program Overview

A regional economic hub, Trinidad and Tobago is considered a high-income country. Despite its relative wealth, however, Trinidad and Tobago continues to suffer from high crime, underdevelopment, and pockets of significant poverty. U.S. assistance to Trinidad and Tobago focuses on enabling local security and law enforcement bodies to counter the growing national and transnational crime threat. U.S. assistance also aims to bolster the drug interdiction and regional security capabilities of Trinidad and Tobago through the Caribbean Basin Security Initiative (CBSI). CBSI programs in Trinidad and Tobago will provide assistance for law enforcement, citizen safety, social justice and rule-of-law programs.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**253**	**180**	**180**	**-**
International Military Education and Training	253	180	180	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Trinidad and Tobago	**253**	**180**	**180**	**-**
1 Peace and Security	**253**	**180**	**180**	**-**
International Military Education and Training	**253**	**180**	**180**	**-**
1.3 Stabilization Operations and Security Sector Reform	253	180	180	-

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Trinidad and Tobago	**253**	**180**	**180**	**-**
1 Peace and Security	**253**	**180**	**180**	**-**
1.3 Stabilization Operations and Security Sector Reform	253	180	180	-

Peace and Security

The United States will provide Trinidad and Tobago's military and security organizations with training and technical assistance. Programs will focus on the development of professional military and security forces dedicated to the rule of law, an increased level of accountability and interagency cooperation, and improved maritime safety and border security. Security assistance will enhance the ability of the Trinidad and Tobago Defense Force to secure its national territory, to develop its maritime interdiction capabilities, and to increase its capacity to conduct counternarcotics and counterterrorism operations.

International Military Education and Training (IMET): U. S. assistance will support the professional development of mid and junior-level officers and enlisted personnel by providing training to enhance defense resource management and increase mission operational capabilities for maritime security operations.

Uruguay

Foreign Assistance Program Overview

U.S. assistance encourages constructive Uruguayan engagement in international affairs and improves Uruguay's ability to combat terrorism and international crime. Uruguay has a remarkable record as a contributor nation to peacekeeping operations. Uruguay remains one of the top troop and police contributors per capita to United Nations (U.N.) peacekeeping overall and the fourth largest contributor to the U.N. Stabilization Mission in Haiti. Uruguay often serves as a consensus builder and mediator in international contexts. U.S. assistance to Uruguay strengthens and maintains the Uruguayan military's peacekeeping and disaster response capabilities. U.S. assistance also promotes increased cooperation in law enforcement and in the fight against terrorism and illegal trafficking of persons, materials, and drugs.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**989**	**465**	**450**	**-15**
Foreign Military Financing	399	-	-	-
International Military Education and Training	590	465	450	-15

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Uruguay	**989**	**465**	**450**	**-15**
1 Peace and Security	**989**	**465**	**450**	**-15**
Foreign Military Financing	**399**	**-**	**-**	**-**
1.3 Stabilization Operations and Security Sector Reform	399	-	-	-
International Military Education and Training	**590**	**465**	**450**	**-15**
1.3 Stabilization Operations and Security Sector Reform	590	465	450	-15

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Uruguay	**989**	**465**	**450**	**-15**
1 Peace and Security	**989**	**465**	**450**	**-15**
1.3 Stabilization Operations and Security Sector Reform	989	465	450	-15

Peace and Security

IMET: U.S. assistance will allow Uruguayan mid-to-senior grade officers and government officials to participate in professional development, technical, and management training courses. The training is

intended to improve Uruguay's interoperability with the United States and international forces in order to participate in peacekeeping, humanitarian, and other multinational operations. In FY 2013, the focus will be on professional military education and technical training, which in the past has significantly strengthened bilateral ties between Uruguay and the United States. Former participants in professional military education are currently serving at command posts, and participants previous experience and training with the U.S. military has led them to increase Uruguayan military participation in U.S.-sponsored courses and operations, in turn strengthening the bilateral relationship. As a regional leader in peacekeeping operations, Uruguayan forces have leveraged this experience to train other Latin American militaries, thereby multiplying the training investment.

Venezuela

Foreign Assistance Program Overview

United States assistance to Venezuela supports civil society efforts to protect democratic freedoms and promote human rights.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**5,000**	**5,000**	**3,000**	**-2,000**
Economic Support Fund	5,000	5,000	3,000	-2,000

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Venezuela	**5,000**	**5,000**	**3,000**	**-2,000**
2 Governing Justly and Democratically	**5,000**	**5,000**	**3,000**	**-2,000**
Economic Support Fund	**5,000**	**5,000**	**3,000**	**-2,000**
2.1 Rule of Law and Human Rights	350	350	500	150
2.3 Political Competition and Consensus-Building	1,000	1,000	-	-1,000
2.4 Civil Society	3,650	3,650	2,500	-1,150

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Venezuela	**5,000**	**5,000**	**3,000**	**-2,000**
2 Governing Justly and Democratically	**5,000**	**5,000**	**3,000**	**-2,000**
2.1 Rule of Law and Human Rights	350	350	500	150
2.3 Political Competition and Consensus-Building	1,000	1,000	-	-1,000
2.4 Civil Society	3,650	3,650	2,500	-1,150
of which: Objective 6	**890**	**900**	**600**	**-300**
6.1 Program Design and Learning	-	50	-	-50
6.2 Administration and Oversight	890	850	600	-250

Governing Justly and Democratically

The Venezuela program will work with civil society to enhance access to information, encourage peaceful debate of key issues, provide support to democratic institutions, and promote citizen participation and democratic leadership. U.S. programs are inclusive and seek to promote wide participation in the democratic process.

Economic Support Funds (ESF): U.S. programs will work to promote good governance, raise awareness about social issues, increase confidence in the democratic process, and encourage citizen participation. Activities will serve to motivate public participation in the democratic process and promote the basic values of representative democracy.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: USAID will continue to conduct routine assessments to evaluate programmatic and financial performance.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: USAID will conduct regular performance reviews during the course program management. A previous performance review to examine progress and inform out-year plans was conducted in FY 2010. USAID regularly monitors activities of implementing partners in order to inform decision-making.

Relating Past Performance to FY 2013 Plans: USAID conducts regular strategy reviews that include an analysis of performance to date, a review of the strengths and capacities of existing implementing partners, identification of options, and selection of a viable program strategy that supports U.S. foreign policy and furthers the program goals. The FY 2013 budget request is directly tied to this program performance process.

Barbados and Eastern Caribbean

Foreign Assistance Program Overview

The Eastern Caribbean encompasses a wide swath of the vulnerable "third border" of the United States, and in addition to Barbados, includes the six independent countries of the Organization of Eastern Caribbean States (OECS): Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines. The United States and the countries of the Eastern Caribbean share a commitment to democracy and the rule of law, as well as common interests in combating drug trafficking, crime, and terrorism, and promoting economic prosperity, free trade, and energy security. The United States has sought to re-energize its partnership with the countries of the Eastern Caribbean to meet three critical priorities facing the region: promoting equitable social and economic opportunity and development, including energy security; ensuring the health and safety of all citizens; and strengthening institutions of democratic governance, respect for human rights, and accountability.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**32,337**	**34,240**	**35,200**	**960**
Development Assistance	11,231	11,640	12,600	960
Global Health Programs - State	14,550	14,850	14,850	-
Global Health Programs - USAID	5,750	6,950	6,950	-
International Military Education and Training	806	800	800	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Barbados and Eastern Caribbean	**32,337**	**34,240**	**35,200**	**960**
1 Peace and Security	**806**	**800**	**800**	**-**
International Military Education and Training	**806**	**800**	**800**	**-**
1.3 Stabilization Operations and Security Sector Reform	806	800	800	-
2 Governing Justly and Democratically	**1,035**	**-**	**2,500**	**2,500**
Development Assistance	**1,035**	**-**	**2,500**	**2,500**
2.1 Rule of Law and Human Rights	1,035	-	2,500	2,500
3 Investing in People	**22,300**	**25,800**	**23,800**	**-2,000**
Development Assistance	**2,000**	**4,000**	**2,000**	**-2,000**
3.2 Education	2,000	4,000	2,000	-2,000
Global Health Programs - State	**14,550**	**14,850**	**14,850**	**-**
3.1 Health	14,550	14,850	14,850	-
Global Health Programs - USAID	**5,750**	**6,950**	**6,950**	**-**

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
3.1 Health	5,750	6,950	6,950	-
4 Economic Growth	**8,196**	**7,640**	**8,100**	**460**
Development Assistance	**8,196**	**7,640**	**8,100**	**460**
4.6 Private Sector Competitiveness	2,696	2,400	1,100	-1,300
4.7 Economic Opportunity	-	740	1,500	760
4.8 Environment	5,500	4,500	5,500	1,000

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Barbados and Eastern Caribbean	**32,337**	**34,240**	**35,200**	**960**
1 Peace and Security	**806**	**800**	**800**	**-**
1.3 Stabilization Operations and Security Sector Reform	806	800	800	-
2 Governing Justly and Democratically	**1,035**	**-**	**2,500**	**2,500**
2.1 Rule of Law and Human Rights	1,035	-	2,500	2,500
3 Investing in People	**22,300**	**25,800**	**23,800**	**-2,000**
3.1 Health	20,300	21,800	21,800	-
3.2 Education	2,000	4,000	2,000	-2,000
4 Economic Growth	**8,196**	**7,640**	**8,100**	**460**
4.6 Private Sector Competitiveness	2,696	2,400	1,100	-1,300
4.7 Economic Opportunity	-	740	1,500	760
4.8 Environment	5,500	4,500	5,500	1,000
of which: Objective 6	**3,115**	**650**	**-**	**-650**
6.1 Program Design and Learning	1,210	50	-	-50
6.2 Administration and Oversight	1,905	600	-	-600

Peace and Security

The closely related goals of combating international crime and illicit drug trafficking and bolstering counterterrorism efforts require sustained engagement with the seven countries and 10 territories whose porous borders directly affect U.S. national security. Ineffective border control threatens U.S. border security because vulnerabilities can be exploited by terrorists, narco-traffickers, and other criminals. Criminal activity on the islands has blossomed, fueled in large part by the drug trade. The twin challenges of narcotics trafficking and money laundering pose vital challenges to the stability and prosperity of countries in the region. Experiences around the world have shown that terrorist financing and logistics often parallel or use existing criminal and narcotrafficking infrastructure. The United States will continue to focus its assistance on enhancing the region's capacity to disrupt and deter narcotics trafficking, terrorism financing, money laundering operations, and other financial crimes. In addition, U.S. assistance, primarily through the Caribbean Basin Security Initiative (CBSI), will contribute to strengthening judicial and legislative mechanisms that improve law enforcement capability through technical assistance, provision of equipment, training programs, small grants, and infrastructure improvements.

International Military Education and Training (IMET): U.S. assistance in this sector supports professional military education and training for the defense and maritime security forces of the seven island nations. Training will include both professional development and technical courses. The courses will enhance the maritime security capability of the Eastern Caribbean nations, while promoting human rights and democratic values. Most training is offered through the U.S. Coast Guard and helps to further interoperability for joint missions.

Governing Justly and Democratically

A reduction in the number of at-risk youth engaged in crime and violence supports the U.S. Government's security interest in the region. Juvenile justice systems in the Eastern Caribbean countries lack appropriate support to assist in the positive reintegration of at-risk youth into society. Juveniles are often incarcerated with adults and recidivism rates are high. Youth who are sent through a reformed juvenile justice system would have greater opportunities for rehabilitation and to assist in the growth of their country. The United States Agency for International Development (USAID) programs, complemented by resources from the Caribbean Basin Security Initiative (CBSI) will strengthen the juvenile justice systems in the region. The strengthening of the juvenile justice sector also complements other U.S. Government programs targeting youth, including vocational training, and job opportunities that provide alternatives to criminal lifestyles.

Development Assistance (DA): U.S. assistance supports the strengthening of rule of law and human rights in the juvenile justice system in the countries of the Eastern Caribbean, Trinidad & Tobago and Suriname. The program targets the following areas of the juvenile justice system: improving the legal and regulatory environment; building capacity for effective administration of the juvenile justice process; reforming practices around detention and rehabilitation, and providing alternatives to the formal system for petty and first-time offenders; and enhanced linkages with entities that indirectly support the juvenile justice system, building advocacy for the reform process. A recently conducted Juvenile Justice Assessment will guide the program, which will support both regional and national initiatives, and draw on best practices within and outside the region to establish the most effective measures for protecting juvenile rights.

Investing in People

The Eastern Caribbean countries have economies that are heavily dependent on a few sectors, including tourism, agriculture, and financial services. These fragile economies are increasingly threatened by rising unemployment, reduced incomes, high incidence of HIV/AIDS, and escalating crime, particularly among at-risk youth. The United States will support programs under this objective to address the HIV/AIDS pandemic, and target select communities to address issues of poverty, neglect, health, at-risk youth, basic education, and economic empowerment.

Global Health Programs (GHP) - State and USAID: HIV/AIDS: In the Caribbean region, HIV/AIDS remains one of the leading causes of death among people aged 25 to 44 years old. U.S. assistance is critical to combating the disease, as the Eastern Caribbean nations, Guyana, and Trinidad and Tobago have limited resources and capacity, and other bilateral donor support has been sharply reduced.

Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR): The Barbados and Eastern Caribbean Program will receive significant support to build partnerships to provide integrated prevention, care, and treatment programs throughout the region and support orphans and vulnerable children.

Through PEPFAR, USAID will manage activities under the United States-Caribbean Regional HIV/AIDS Partnership Framework. The Partnership Framework will strengthen national and regional efforts to address HIV/AIDS issues and the integration of HIV/AIDS funding and programs into broader national

programs through critical support to key institutions and authorities. Programs will also seek to address vulnerabilities within Caribbean countries through focused technical assistance, mentoring, and capacity building of people and health systems. This package of assistance to 12 Caribbean governments and two regional entities has become a model of multi-partner technical support.

The USAID mission in Barbados and the Eastern Caribbean will manage FY 2013 funding and programs for HIV/AIDS programs in Guyana, Suriname, and Trinidad and Tobago. These geographic additions more than quadruple the program's target population.

Economic Growth

The United States shifted the focus of its economic growth program in Barbados and the Eastern Caribbean away from direct interventions with the private sector toward youth programming. Caribbean youth face urgent problems, including a lack of readiness to enter the formal economy and limited livelihood opportunities as an alternative to criminal activity. U.S. assistance will continue to support youth workforce development and entrepreneurship activities in all six OECS countries. The United States Government is also providing resources under the Economic Growth Objective to address climate change adaptation measures. Climate change initiatives will be implemented at the country level as well as through regional mechanisms.

Development Assistance (DA): U.S. assistance programs will empower youth to enter the job market or create businesses, thereby contributing to economic growth, a reduction in crime and ultimately improvements in regional security. These outcomes will be accomplished through workforce development and entrepreneurship activities that include training in basic literacy, numeracy, and technical, vocational, and life skills, as well as hands-on business and financial literacy programs. Internships and job placement will also be a continuing feature of the program. Activities will be developed in partnership with country representatives and consistent with national strategies and market assessments. The United States will also help strengthen the capability of regional and national institutions to boost the economic well-being of young people.

Programs will include curriculum support, primarily targeting those leaving the secondary school level; efforts to streamline or harmonize regional qualifications; and the incorporation of the private sector into the process. CBSI resources will complement USAID's youth program, enabling expanded programming in the OECS countries and new initiatives in Trinidad and Tobago, and Suriname.

The United States will further support the Global Climate Change Initiative (GCCI) through a two-pronged approach, supporting regional- and country-level initiatives consistent with national adaptation strategies. Funds in support of GCCI will improve the regulatory environment, build public awareness and education on climate variability and adaptation to changes, and improve science and data systems for better decision-making in the public sector and civil society. U.S. assistance will have a significant focus on the critical areas of freshwater resilience and coastal and marine management.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In FY 2012, USAID/Barbados updated its Performance Management Plan to assess progress toward program objectives, take corrective action when necessary, and inform management decisions. The PEPFAR program will conduct a mid-term evaluation of the Caribbean Regional Program in FY 2012, to ascertain if the PEPFAR Program is helping countries to reach a sustainable national AIDS program model and to identify the key factors contributing to or impeding project results.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: USAID completes an annual portfolio review to identify potential areas of duplication, inefficiencies, and poor performance prior to making out year budget and program decisions. USAID requires rigorous pipeline information and spending analysis and uses this information to adjust budgets and activities. Additionally, PEPFAR undertook a Staffing for Results exercise in the first quarter of 2012. This exercise identified performance issues and will be incorporated into the FY 2013 planning cycle.

Relating Past Performance to FY 2013 Plans: USAID HIV/AIDS-related activities in FY 2013 will continue to be in alignment with the goals and objectives of the US-Caribbean Regional HIV/AIDS Partnership Framework (PF) 2010-2015. During FY 2012, a mid-term evaluation of the PF will be undertaken. This will inform any substantive programmatic adjustments which need to be taken to enable a more effective and robust delivery of technical assistance to the countries covered by the PF. USAID is committed to ensuring the delivery of sustainable, evidence-based programming which can maximize and capitalize on U.S. Government investments in the HIV/AIDS response in this region.

The current success of youth development training programs in the region confirms their importance to economic growth and crime prevention. To help ensure the sustainability of such programs it is imperative to support training providers and their program offerings through existing mechanisms such as the Caribbean Examinations Council.

State Western Hemisphere Regional (WHA)

Foreign Assistance Program Overview

U.S. assistance for the Western Hemisphere seeks to counter rising threats to the safety of the hemisphere's citizens, strengthen the rule of law and democratic institutions, leverage the region's strengths, foster economic opportunity for all, and promote clean energy security and mitigate the effects of global climate change. The State Western Hemisphere Regional request includes funding for key hemispheric initiatives that address citizen safety threats that directly affect U.S. national security. U.S. assistance takes advantage of the region's emerging economic potential and growth opportunities to benefit U.S. trade in the region.

Central American Regional Security Initiative (CARSI): CARSI seeks to partner with Central American governments to address the severe levels of crime and violence facing Central America from narcotics traffickers, organized crime, and transnational gangs. On both a bilateral and regional basis, CARSI is designed to assist partner nations in stemming the flow of narcotics, arms, weapons, and bulk cash generated by illicit drug sales, confront gangs and criminal organizations, strengthen law enforcement and justice sector institutions, and improve social and economic opportunities for at-risk populations in Central America. CARSI, in coordination with the Mérida Initiative for Mexico and Caribbean Basin Security Initiative (CBSI), seeks to strengthen and integrate security efforts from the U.S. southwest border to Panama, including trafficking routes throughout the Caribbean. CARSI assistance aims to produce a safer and more secure Central America in which criminal organizations no longer wield the power to destabilize governments or threaten national and regional security. It seeks to prevent the entry and spread of illicit drugs, violence, and transnational threats to countries throughout the hemisphere and to the United States.

Caribbean Basin Security Initiative (CBSI): The Caribbean Basin Security Initiative seeks to address increasing crime and violence impacting shared U.S. and Caribbean security interests. Transnational crime and illicit trafficking in drugs continues to have an increasingly destabilizing effect on Caribbean countries, where well-funded transnational criminal elements take advantage of weak national and regional law enforcement and security systems and exploit porous maritime and land borders. CBSI reflects an expanding rule of law partnership between the United States and the nations of the Caribbean to combat the illicit trafficking and other transnational crime that threaten regional security. FY 2013 assistance will build upon prior year progress by focusing on the critical tasks of substantially reducing illicit trafficking, improving public safety, and promoting social justice in the region. The geographic reach and small size of the majority of Caribbean nations present unique challenges to combined efforts to counter illicit trafficking. In light of this, programs will support improved capabilities to share security and law enforcement information and to effectively act upon that information in a coordinated manner. Assistance will also focus on continued justice sector improvements and address root causes of crime through expanded economic opportunities and education for at-risk youth and vulnerable populations.

Energy and Climate Partnership of the Americas (ECPA): Energy security and climate change are urgent global challenges, and promoting clean energy, low-carbon development, and climate-resilient economic growth are key priorities for U.S. diplomacy and development. Launched by President Obama at the April 2009 Summit of the Americas, ECPA is the United States' strategic regional partnership with countries and organizations of the Western Hemisphere to promote energy security and self-sufficiency as well as mitigate the impacts of climate change. Since ECPA's launch, more than 40 ECPA initiatives are now underway, some led or supported by the United States as well as other governments of the hemisphere. Requested funding will continue to support ECPA implementation related to clean energy, energy efficiency, cross border trade in electricity, reducing emissions from deforestation, and enhancing country-capacity for climate change adaptation, which leverages resources from the multilateral development banks, private sector, civil society, and other governments of the hemisphere.

Pathways to Prosperity in the Americas: Increasing economic growth and inclusive prosperity in the Americas are key elements to achieving the full potential of the hemisphere. The Pathways initiative promotes economic growth and opportunity, particularly for historically marginalized groups such as indigenous peoples, women, and Afro-descendants. Pathways to Prosperity seeks to ensure the benefits of trade are more equitably shared amongst all segments of the population. Requested U.S. assistance will advance the four specific pillars of the Pathways initiative: empowering small business; facilitating trade; building a modern workforce; and promoting sustainable practices and environmental cooperation.

Summit of the Americas: Funds will be used to support commitments pertaining to U.S. participation in the Sixth Summit of the Americas, to be held in Cartagena, Colombia.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**213,579**	**190,850**	**180,885**	**-9,965**
Economic Support Fund	76,704	79,000	85,200	6,200
Foreign Military Financing	16,467	15,000	10,000	-5,000
International Narcotics Control and Law Enforcement	109,008	90,000	81,000	-9,000
Nonproliferation, Antiterrorism, Demining and Related Programs	11,400	6,850	4,685	-2,165

Request by Program by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
State Western Hemisphere Regional (WHA)	**213,579**	**190,850**	**180,885**	**-9,965**
Caribbean Basin Security Initiative (CBSI)	**77,367**	**64,000**	**59,000**	**-5,000**
Economic Support Fund	17,000	17,000	26,200	9,200
Foreign Military Financing	16,467	15,000	10,000	-5,000
International Narcotics Control and Law Enforcement	37,500	30,000	21,000	-9,000
Nonproliferation, Antiterrorism, Demining and Related Programs	6,400	2,000	1,800	-200
Central America Regional Security Initiative (CARSI)	**101,508**	**105,000**	**107,500**	**2,500**
Economic Support Fund	30,000	45,000	47,500	2,500
International Narcotics Control and Law Enforcement	71,508	60,000	60,000	-
Economic Policy	**26,500**	**16,000**	**9,500**	**-6,500**
Economic Support Fund	26,500	16,000	9,500	-6,500
Summit of Americas Commitments	**3,204**	**1,000**	**2,000**	**1,000**
Economic Support Fund	3,204	1,000	2,000	1,000
Other Programs	**5,000**	**4,850**	**2,885**	**-1,965**
Nonproliferation, Antiterrorism, Demining and Related Programs	5,000	4,850	2,885	-1,965

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
State Western Hemisphere Regional (WHA)	**213,579**	**190,850**	**180,885**	**-9,965**
1 Peace and Security	**114,276**	**78,800**	**73,285**	**-5,515**
Foreign Military Financing	**16,467**	**15,000**	**10,000**	**-5,000**
1.3 Stabilization Operations and Security Sector Reform	16,467	15,000	10,000	-5,000
International Narcotics Control and Law Enforcement	**86,409**	**56,950**	**58,600**	**1,650**
1.3 Stabilization Operations and Security Sector Reform	16,895	15,900	10,670	-5,230
1.4 Counter-Narcotics	37,814	27,450	25,530	-1,920
1.5 Transnational Crime	31,700	13,600	22,400	8,800
Nonproliferation, Antiterrorism, Demining and Related Programs	**11,400**	**6,850**	**4,685**	**-2,165**
1.1 Counter-Terrorism	6,000	5,850	3,935	-1,915
1.2 Combating Weapons of Mass Destruction (WMD)	5,400	1,000	750	-250
2 Governing Justly and Democratically	**59,912**	**84,722**	**78,870**	**-5,852**
Economic Support Fund	**37,313**	**51,672**	**56,470**	**4,798**
2.1 Rule of Law and Human Rights	10,143	26,452	13,955	-12,497
2.2 Good Governance	27,170	25,220	42,515	17,295
International Narcotics Control and Law Enforcement	**22,599**	**33,050**	**22,400**	**-10,650**
2.1 Rule of Law and Human Rights	22,599	33,050	22,400	-10,650
3 Investing in People	**8,033**	**6,228**	**10,620**	**4,392**
Economic Support Fund	**8,033**	**6,228**	**10,620**	**4,392**
3.2 Education	4,829	5,228	5,810	582
3.3 Social and Economic Services and Protection for Vulnerable Populations	3,204	1,000	4,810	3,810
4 Economic Growth	**31,358**	**21,100**	**18,110**	**-2,990**
Economic Support Fund	**31,358**	**21,100**	**18,110**	**-2,990**
4.2 Trade and Investment	12,500	10,000	4,500	-5,500
4.4 Infrastructure	2,500	-	-	-
4.6 Private Sector Competitiveness	4,858	5,100	7,670	2,570
4.7 Economic Opportunity	2,500	-	940	940
4.8 Environment	9,000	6,000	5,000	-1,000

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
State Western Hemisphere Regional (WHA)	**213,579**	**190,850**	**180,885**	**-9,965**
1 Peace and Security	**114,276**	**78,800**	**73,285**	**-5,515**
1.1 Counter-Terrorism	6,000	5,850	3,935	-1,915

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1.2 Combating Weapons of Mass Destruction (WMD)	5,400	1,000	750	-250
1.3 Stabilization Operations and Security Sector Reform	33,362	30,900	20,670	-10,230
1.4 Counter-Narcotics	37,814	27,450	25,530	-1,920
1.5 Transnational Crime	31,700	13,600	22,400	8,800
2 Governing Justly and Democratically	**59,912**	**84,722**	**78,870**	**-5,852**
2.1 Rule of Law and Human Rights	32,742	59,502	36,355	-23,147
2.2 Good Governance	27,170	25,220	42,515	17,295
3 Investing in People	**8,033**	**6,228**	**10,620**	**4,392**
3.2 Education	4,829	5,228	5,810	582
3.3 Social and Economic Services and Protection for Vulnerable Populations	3,204	1,000	4,810	3,810
4 Economic Growth	**31,358**	**21,100**	**18,110**	**-2,990**
4.2 Trade and Investment	12,500	10,000	4,500	-5,500
4.4 Infrastructure	2,500	-	-	-
4.6 Private Sector Competitiveness	4,858	5,100	7,670	2,570
4.7 Economic Opportunity	2,500	-	940	940
4.8 Environment	9,000	6,000	5,000	-1,000
of which: Objective 6	**10,414**	**28,974**	**23,900**	**-5,074**
6.1 Program Design and Learning	-	-	300	300
6.2 Administration and Oversight	10,414	28,974	23,600	-5,374

Peace and Security

Funds will support programming intended to weaken the structure and diminish the influence and violence of drug cartels, arms traffickers, gangs, and other transnational criminal organizations operating in the region. Assistance will build host-nation security and rule-of-law institutional capacity to enable governments to exercise control over territory, borders, and ports; reduce the prevalence and impact of crime and violence throughout the region; deter the corrosive influence of corruption; foster regional cooperation and operations; and create enhanced levels of citizen safety to provide space for expanded economic and social opportunities. CARSI law enforcement assistance is designed to make sustainable impacts on crime, gangs and illicit trafficking by rebuilding the capabilities of police and security services, reforming police academies, and strengthening border inspection capabilities. For CBSI, funds will support efforts to deepen regional security cooperation, increase detection and monitoring capabilities, improve information sharing, and build long-term sustainment capability. CBSI programming will also strengthen host nation capacity to combat rising transnational and related domestic crime, violence, and national security threats through equipment and training for law enforcement personnel, expanded border and port security, prison reform, improved cyber forensic capability, and continued development of regional counterterrorism infrastructures. Assistance will improve the capacity of domestic and regional law enforcement and defense institutions, including the Regional Security System and the CARICOM security agencies. Separately from CBSI, antiterrorism assistance will fund efforts to combat terrorism and support nonproliferation.

Foreign Military Financing (FMF):

- CBSI: U.S. assistance will support stabilization operations and security sector reform. Resources will primarily focus on maritime security, given the region's geography and the importance of transnational crime, especially smuggling, as a key threat throughout the Caribbean. Countries and regional institutions, participating under a regional security strategy, will receive assistance to strengthen capability to execute maritime security operations, maintain regional domain awareness, and conduct training and maintenance. U.S. assistance will specifically help partners enhance their patrolling and interdiction capability; gather, analyze, and share information to increase domain awareness; and strengthen unified training and maintenance capabilities throughout the region.

International Narcotics Control and Law Enforcement (INCLE):

- CARSI: Through CARSI, U.S. assistance will support governments in their efforts to counter rising rates of violent crime and the corrosive impact of narcotics and arms trafficking, gangs, and organized crime on citizen safety in Central America. CARSI programs address the significant systemic capacity deficits that plague government law-enforcement agencies across the region. Among other programs, investments in programs such as maritime and land interdiction, vetted and special investigative units, asset forfeiture, money laundering and firearms interdiction assistance, transnational anti-gang units, and support for border security enhancements will serve to build host-nation capacity, thereby bolstering the attempts of Central American governments to provide enhanced levels of citizen safety, and corresponding levels of economic and social opportunities to their citizens.

- CBSI: U.S. assistance will develop integrated, region-wide approaches to combat illicit trafficking in drugs, weapons, people, and money. U.S. assistance will fund provision of basic and advanced equipment, logistics support for operations, and capacity-building training to strengthen government law-enforcement agencies throughout the region. The United States will also support programs to increase the proficiency of host nation corrections personnel and improve border and port security operations. Assistance will promote shared use of law enforcement information and intelligence and improve the tracking of illicit firearms.

Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR):

- CBSI: These antiterrorism assistance funds will assist partner nations in building advanced, self-sustaining counterterrorism capacity. Training and equipment will focus on enhancing law enforcement investigation skills, securing land, air and maritime borders to prevent terrorist transit, and protecting critical infrastructure. More specifically, NADR/ATA funds will be used to strengthen computer investigations and computer forensics capabilities, promote regional training among partner nations, and prevent the establishment of safe havens.

- Hemisphere-wide: These funds will support antiterrorism assistance, counterterrorism finance, export control, border security, and terrorist interdiction efforts.

Governing Justly and Democratically

CARSI rule of law programs are building the capacity of judicial actors, bolstering prosecutorial capacity, and enhancing the effectiveness of courts and prisons. CARSI programming will support host-nation efforts to re-establish effective state presence in areas at risk by supporting municipal and community-based crime prevention plans, policy formulation on prevention and juvenile justice reform, community policing and crime prediction tools, economic and social alternatives for at-risk youth, and workforce development and vocational training to break the cycle of poverty that yields a steady stream of recruits for gangs, traffickers, and organized crime throughout the region. CARSI resources will also be used to engage with the private sector through partnership agreements and corporate social responsibility efforts that support prevention

initiatives. Under CBSI, U.S. assistance will support efforts to expand and build capacity within governments' justice sectors to investigate and manage prosecutions adequately and build effective oversight mechanisms to expose corruption of government officials. U.S. resources will also support programs in juvenile justice reform and community-based policing.

Economic Support Fund (ESF):

- CARSI: Programs will support a range of rule-of-law and governance programs that support municipal and community-based crime prevention strategies, economic and social development efforts, community policing and crime prediction tools, social service delivery for at-risk youth, and a range of good governance activities in low-income areas, including urban and rural communities vulnerable to drug trafficking, gangs, and organized crime. More broadly, these funds will be used to strengthen the overall coordination of local stakeholders working on crime prevention, support justice systems in Central America to reform and implement criminal procedure codes, build regional coordination on crime prevention and citizen safety strategies, and promote economic and social development to effectively target the root causes and risk factors leading youth into gangs and drug trafficking in the region. Funds will also be used to improve coordination across countries and assist in the formulation of policies on prevention and juvenile justice.

- CBSI: Funding will support more effective administration of the rule of law in the Caribbean. U. S. assistance will support institutional capacity for juvenile justice institutions and improved legal frameworks and practices, enhance regional anticorruption efforts, and support community policing programs. Juvenile justice programming will focus on early intervention programs for at-risk youth, alternative sentencing, and rehabilitation, complementing other CBSI programs focused on fostering greater educational, social, and economic opportunity for at-risk youth. Anticorruption technical assistance will build host-nation capacity to operate and administer services and functions more effectively. Community policing programs will facilitate partnerships between police and their communities to reduce crime. U.S. assistance will also support rigorous monitoring and evaluation of CBSI programs to enhance effectiveness.

International Narcotics Control and Law Enforcement (INCLE):

- CARSI: Funds will sustain vital rule-of-law capacity assistance programs to enable Central American governments to investigate, prosecute, and incarcerate criminals and dismantle criminal organizations effectively. U.S. assistance will focus on the training of police investigators, prosecutors, judges, and prison officials to provide them with the skills and competencies needed to counter the increasingly sophisticated and transnational nature of crimes being committed in the region, while building trust and cooperation among law enforcement elements through joint trainings and workshops. Funds will provide community policing training and support to model precincts, improved prison management mentoring and support, police-academy curriculum development and police reform, and other support.

- CBSI: U.S. assistance will support efforts to strengthen justice sector institutional capacity, independence, transparency, and accountability. Funds will also support educational and training programs for justice sector entities, including police, prosecutors, and judges. Among other efforts, U.S. assistance will improve the efficiency and effectiveness of judicial administrative systems and support the development of investigative and judicial efforts to prosecute criminals.

Investing in People

U.S. assistance will support CBSI efforts to reduce crime and violence in the Caribbean by improving job-related skills and increasing educational and economic opportunities for at-risk populations. Programs will provide alternatives for at-risk youth, such as formal and informal education initiatives and training and

employment opportunities, while fostering community and government partnerships for prevention efforts. Secondly, funds will support U.S.-related commitments stemming from the Sixth Summit of the Americas.

Economic Support Fund (ESF):

- CBSI - Basic Education: U.S. assistance will support educational programming for vulnerable populations, particularly at-risk-youth. Assistance will support specific educational and prevention programs to steer youth away from crime, violence, and other risky behavior via vocational training, rehabilitation, and professional development. Programs will focus on improving basic literacy and numeracy, supporting the reintegration of youth back into a formal school setting, and providing remedial education for young adults. Education programs will complement workforce development and youth entrepreneurship programs.

- Social and Economic Services and Protection for Vulnerable Populations: Funding will support initiatives that promote economic growth and social inclusion through the strengthening of existing economic, democratic, and cultural connections in the region.

Economic Growth

U.S. resources will support CBSI efforts to provide at-risk youth with alternatives to illicit economic activities by offering job skills related training. Such efforts will enable youth to enter the job market more successfully or create their own sustainable businesses, thereby contributing to economic growth and regional security. Secondly, funds will support programming pertaining to the Pathways to Prosperity in the Americas initiative and the Energy and Climate Partnership of the Americas (ECPA) to advance regional integration of open economies, clean energy deployment, energy security and hemispheric climate change issues.

Economic Support Fund (ESF):

- CBSI: Programs will provide at-risk youth and other vulnerable populations opportunities for economic advancement and, as a result, an alternative to crime. U.S. assistance will support workforce development programs that facilitate school-to-work transition, train youth in entrepreneurship, and link youth to employment opportunities.

- ECPA: U.S. assistance will address the clean energy, sustainable landscapes, and adaptation pillars. In particular, funds are expected to support regional energy cooperation pertaining to energy efficiency, renewable energy, cleaner fossil fuels, energy infrastructure, and energy poverty. Funds will also support regional climate change cooperation including sustainable land use and forestry and adaptation efforts. U.S. assistance will also leverage voluntary initiatives by the region's governments and civil society on energy and climate and promote sharing of best practices across the hemisphere. Funding will also advance public policies that foster transitions toward low carbon economies. Such efforts will reduce carbon emissions, increase access to clean energy, and foster sustainable development practices that allow countries to plan for and adapt to the impacts of climate change in the region.

- Pathways to Prosperity in the Americas: U.S. assistance will support implementation of the Pathways regional partnership to foster broad-based U.S. and hemispheric economic growth through small business development, financial reform, environmental cooperation, workforce and entrepreneurial development, labor protections and customs modernization. Program goals are expected to include small business development and access to credit efforts; financial inclusion through regulatory reforms; trade infrastructure modernization and customs training; improving workforce education and development; public participation in environmental decision-making; labor protections efforts and support for cleaner production practices through universities and market access programs.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: Monitoring and Evaluation (M&E) activities have informed the State Western Hemisphere's program development, design, and implementation. Monitoring and evaluation efforts are tailored to specific programs and initiatives as appropriate. Both CARSI and CBSI include a regular reporting and monitoring component. Caribbean posts provide Washington with quarterly whole-of-government reporting on implementation and results, while CARSI countries provide monthly reports. These reports inform on-going program implementation, out-year planning, and funding prioritization. For CARSI, justice sector, border control, and firearms assessments continued in FY 2011. A USAID CARSI assessment of at-risk youth and crime prevention efforts produced preliminary results in FY 2011 and further data is expected in FY 2012. The initial findings of these assessments are being used to target U.S. assistance where it is expected to achieve greatest impact. CBSI established an ongoing cooperative dialogue through technical working groups to further refine regional security priorities, coordinate implementation, and promote sharing of best practices. These technical meetings inform an annual, high-level ministerial forum that reviews progress and determines future programming priorities, the most recent of which was held in November 2011 in The Bahamas. Additionally, a CBSI interagency Performance Management Plan, composed of mutually agreed upon goals, objectives, and targets, guides implementation of the strategic framework established with Caribbean partner nations. For prior year CAFTA-DR trade capacity programs, an independent evaluation of the labor component concluded that assistance contained flaws in program design and much of the funds remained unspent, both factors that limited program effectiveness.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: For CARSI, U.S. assistance programs will be targeted at areas and regions of Central America most at risk from security threats posed by trafficking and transitional crime. CBSI activities address three key areas of United States-Caribbean cooperation: reduction in illicit trafficking, greater public safety, and social justice. In FY 2012, baseline data, consistent with the CBSI Performance Management Plan, will be collected, which will serve as the basis for future assessments of performance and inform future CBSI programming decisions.

Relating Past Performance to FY 2013 Plans: For Central America, requested CARSI funding continues to represent the minimum levels needed to counter threats to regional security and bolster weak law-enforcement and justice-sector institutions. Central American governments have limited funds to contribute to citizen safety, and must do more with their own resources. The private sector must also be pressed to invest more aggressively in citizen safety and crime prevention initiatives. As CARSI program implementation progresses, full funding for FY 2013 is vital to sustain partnerships established thus far and meet Central America's citizen safety challenges. However, these resources must complement and be coordinated with an array of other actors - host nations, international organizations, third-country donors, and the private sector - as U.S. resources alone are insufficient to meet the institutional and political challenges in Central America. For CBSI, the FY 2013 request is based on the previously mentioned Caribbean, Embassy, and interagency reporting and assessments. CBSI funding will continue to take advantage of the political consensus among Caribbean nations to address citizen safety challenges within a regional partnership framework. For Pathways to Prosperity, assistance programs will carry forward demonstrated CAFTA-DR best results and practices, particularly for environment funding.

USAID Central America Regional

Foreign Assistance Program Overview

Through the USAID Central America Regional program, the United States will continue to support key regional objectives and priorities, including crime prevention, trade, climate change, food security, and HIV/AIDS. The Regional Program will continue support for meeting CAFTA-DR and Pathways to Prosperity goals by directly engaging with the Secretariat for Central American Integration (SICA) and supporting the regional harmonization and integration agenda. U.S. assistance will seek to reduce trade barriers by strengthening key regional inter-governmental and national government institutions. Programs will also address trade and food security issues, and will continue biodiversity activities, specifically coastal marine management and fisheries, with a focus on important trans-boundary coastal resources and critical ecosystems. Additionally, HIV/AIDS activities in Central America will support the goals of the President's Emergency Plan for AIDS Relief (PEPFAR). The PEPFAR Partnership Framework, signed in March 2010, will continue guiding HIV/AIDS interventions in the region.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**28,562**	**32,089**	**29,711**	**-2,378**
Development Assistance	17,000	15,500	13,500	-2,000
Global Health Programs - State	6,171	11,198	10,820	-378
Global Health Programs - USAID	5,391	5,391	5,391	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
USAID Central America Regional	**28,562**	**32,089**	**29,711**	**-2,378**
2 Governing Justly and Democratically	**2,000**	**50**	**-**	**-50**
Development Assistance	**2,000**	**50**	**-**	**-50**
2.2 Good Governance	2,000	50	-	-50
3 Investing in People	**11,562**	**16,589**	**16,211**	**-378**
Global Health Programs - State	**6,171**	**11,198**	**10,820**	**-378**
3.1 Health	6,171	11,198	10,820	-378
Global Health Programs - USAID	**5,391**	**5,391**	**5,391**	**-**
3.1 Health	5,391	5,391	5,391	-
4 Economic Growth	**15,000**	**15,450**	**13,500**	**-1,950**
Development Assistance	**15,000**	**15,450**	**13,500**	**-1,950**
4.2 Trade and Investment	5,000	4,450	3,000	-1,450
4.5 Agriculture	3,000	1,500	1,500	-
4.8 Environment	7,000	9,500	9,000	-500

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
USAID Central America Regional	**28,562**	**32,089**	**29,711**	**-2,378**
2 Governing Justly and Democratically	**2,000**	**50**	**-**	**-50**
2.2 Good Governance	2,000	50	-	-50
3 Investing in People	**11,562**	**16,589**	**16,211**	**-378**
3.1 Health	11,562	16,589	16,211	-378
4 Economic Growth	**15,000**	**15,450**	**13,500**	**-1,950**
4.2 Trade and Investment	5,000	4,450	3,000	-1,450
4.5 Agriculture	3,000	1,500	1,500	-
4.8 Environment	7,000	9,500	9,000	-500
of which: Objective 6	**2,266**	**1,986**	**1,760**	**-226**
6.1 Program Design and Learning	632	220	350	130
6.2 Administration and Oversight	1,634	1,766	1,410	-356

Investing in People

The Regional HIV/AIDS Program seeks to enhance coordinated, national, and regional responses to address HIV/AIDS. The Regional HIV/AIDS Program works to reduce the transmission of HIV/AIDS in Central America and improve the lives of those living with HIV/AIDS. The program supports the development and implementation of policies and practices that address HIV/AIDS prevention, care, and treatment, as well as the generation of new strategic information for evidence-based decision making. USAID will work to implement prevention activities and services targeted to most at-risk populations while also strengthening the health systems within the region to support better access to quality care and treatment for those living with HIV/AIDS.

Global Health Programs (GHP):
USAID will support Guatemala, El Salvador, Nicaragua, Panama, Belize, and Costa Rica to provide integrated HIV/AIDS prevention, care, and treatment programs throughout the Central America region.

Economic Growth

The United States assists Central American countries to achieve faster, broader economic growth and regional integration by improving coordination among the countries. In addition, USAID supports U.S. commitments to the Pathways to Prosperity initiative by working in the region to facilitate, mainstream, and broaden the benefits of international and regional trade. U.S. assistance promotes broad-based economic growth through reduced trade barriers, regional harmonization and integration, regional institutional capacity building, food safety standard requirements, and improved information systems. USAID will also continue interventions in the area of biodiversity, specifically supporting coastal marine management and fisheries and will support programs in all three pillars of the Global Climate Change Initiative (GCC): Adaptation, Sustainable Landscapes, and Clean Energy. In addition, USAID will provide assistance to improve regional food security through integrated markets and increased access to food.

Development Assistance (DA):

- U.S. assistance will support new regional activities that will address trade and food security, food security policy effectiveness, and sustainable agricultural efforts by: (1) facilitating, mainstreaming and broadening the benefits of international and regional trade to promote a more open and diversified economy in the region; (2) building and strengthening value-added supply chains that increase rural income and support the President's Global Hunger and Food Security Initiative – Feed the Future; and (3) enhancing policy effectiveness and sustainable agricultural practices.
- U.S. assistance will support sanitary and phytosanitary standards and market information systems for the Central American countries and the Dominican Republic. This program, implemented through the U.S. Department of Agriculture (USDA), seeks to harmonize trade regulations with international standards to facilitate regional and U.S. trade.
- The United States will use biodiversity funding to strengthen Central American coastal and marine resources management in order to reduce environmental threats, augment ecosystem productivity, conserve biodiversity, and improve livelihoods. U.S. assistance will also promote compliance with fisheries legislation and create incentives for best fisheries and management practices to increase incomes and to reduce the degradation of the natural systems that provide food, water, and other environmental services.
- U.S. assistance will support a new GCC Adaptation and Sustainable Landscape Program to help Central American countries reduce the vulnerability of people, places, and livelihoods from negative impacts of climate change. This assistance will integrate effective adaptive strategies and establish a clearinghouse that will collect data from a variety of sources, including NASA, USGS, and NOAA. This data will be available to end users and the program will provide the necessary tools and training for effective use of the data. Furthermore, GCC funds will help reduce emissions and sequester carbon through Reducing Emissions from Deforestation and Forest Degradation (REDD) mechanisms to sustain and preserve four largely untouched tropical forests in the region. Resources will also help to begin a second phase of the clean energy initiative, which will facilitate investments in clean energy production and reduce energy consumption in the region.

USAID is coordinating closely with other donors (International Finance Corporation, Food and Agriculture Organization, German Society for International Cooperation, and others), working in the same sectors and areas to complement interventions and avoid duplication of efforts.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: As part of its regional performance management efforts in FY 2011, USAID conducted a final performance evaluation on its three regional CAFTA-DR trade implementation projects. The evaluation identified the efficiency of program implementation, as well as best practices and lessons learned. USAID also developed a situational analysis of Central American countries to inform the drafting a public policy to improve the criminal juvenile system and enhance the rehabilitation of juvenile offenders.

USAID also conducted a number of program evaluations and assessments related to the Regional HIV/AIDS Program in FY 2011. Results informed the FY 2013 budget and planning decisions.

Semi-annual portfolio reviews for all programs took place in May and November 2011, focusing on pipeline and financial issues and results to determine areas of action for strategic, management, and operational decision-making.

For FY 2012, USAID plans to begin collecting baseline data for the regional Feed the Future program, which will be used for mid-term and final evaluations of the program.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The final performance evaluation on the CAFTA-DR trade projects offered specific recommendations for future programming in the area of trade and its relation to improving food security and nutrition in the CAFTA-DR countries. The evaluation of the USAID/USDA program on sanitary and phytosanitary standards was particularly useful in designing a second phase of the program, which began in FY 2012 and forms part of the regional Feed the Future strategy and program.

Based on the AIDS Expenditures Assessments results, USAID saw the need to continue its current programs (i.e., prevention, supply chain management, and continuum of care). Additionally, the information in the assessments supports USAID's decision to sustain a policy project across the region that addresses the structural barriers for those most at risk or living with HIV/AIDS. The identification of potential partners and target geographical areas are based on the "Situation and Response of HIV-AIDS" assessment. A qualitative study about stigma and discrimination against most-at-risk-populations, combined with the results of the bi-annual CID-Gallup stigma and discrimination measurement will be used to design a new "Social Movement" in coordination with UNAIDS. The most recent Condom Distribution Assessment provided information about the need in some countries to renegotiate strategies with the private sector for a Condom Total Market Approach.

Relating Past Performance to FY 2013 Plans: Regional plans for FY 2013 focus on institutional strengthening to improve food security and biodiversity, sustainable landscapes, adaptation and clean energy projects. Furthermore, FY 2013 funds will help to begin a second phase of the clean energy initiative, which will facilitate investments in clean energy production in the region.
Evaluations provide valuable information that will be used to inform project development, program implementation, and strategic use of resources.

The PEPFAR Central America Program also conducted an Interagency Portfolio Review and a separate planning retreat in FY 2011. All USG agencies working on HIV/AIDS in the region participated in discussions on progress and planning. New data and evaluation findings enable USAID to make targeted shifts to better focus the program.

USAID Latin America and Caribbean Regional (LAC)

Foreign Assistance Program Overview

The Latin America and Caribbean (LAC) region is an important partner for the United States, with regional development goals directly impacting U.S. national interests. Safe and prosperous societies in LAC mean that U.S. borders are secure, and migration is both legal and not undertaken to escape crime and poverty at home. The hemisphere is also our largest trading partner and stable and productive partnerships in the region mean more investment, and better jobs, products, and services here in the United States.

In the Western Hemisphere, through our continued, vigorous engagement, the USAID/LAC Regional Program will leverage our partnerships to advance a focused agenda that advances critical U.S. interests. This cooperative agenda focuses on five closely interconnected priorities: (1) improve regional transnational efforts to prevent crime and violence; (2) strengthen basic education and health care systems in targeted countries; (3) help countries take advantage of economic opportunities; (4) promote country-led food security investments; and (5) mitigate and adapt to global climate change.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**52,835**	**44,900**	**45,738**	**838**
Development Assistance	47,445	37,100	38,213	1,113
Global Health Programs - USAID	5,390	7,800	7,525	-275

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
USAID Latin America and Caribbean Regional (LAC)	**52,835**	**44,900**	**45,738**	**838**
2 Governing Justly and Democratically	**2,230**	**3,100**	**3,000**	**-100**
Development Assistance	**2,230**	**3,100**	**3,000**	**-100**
2.1 Rule of Law and Human Rights	450	1,500	1,200	-300
2.3 Political Competition and Consensus-Building	415	-	-	-
2.4 Civil Society	1,365	1,600	1,800	200
3 Investing in People	**24,390**	**28,800**	**23,035**	**-5,765**
Development Assistance	**19,000**	**21,000**	**15,510**	**-5,490**
3.2 Education	19,000	21,000	15,510	-5,490
Global Health Programs - USAID	**5,390**	**7,800**	**7,525**	**-275**
3.1 Health	5,390	7,800	7,525	-275
4 Economic Growth	**26,215**	**13,000**	**19,703**	**6,703**
Development Assistance	**26,215**	**13,000**	**19,703**	**6,703**
4.1 Macroeconomic Foundation for Growth	5,950	-	8,000	8,000

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.2 Trade and Investment	1,000	4,345	3,803	-542
4.5 Agriculture	1,000	1,000	900	-100
4.7 Economic Opportunity	1,515	-	-	-
4.8 Environment	16,750	7,655	7,000	-655

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
USAID Latin America and Caribbean Regional (LAC)	**52,835**	**44,900**	**45,738**	**838**
2 Governing Justly and Democratically	**2,230**	**3,100**	**3,000**	**-100**
2.1 Rule of Law and Human Rights	450	1,500	1,200	-300
2.3 Political Competition and Consensus-Building	415	-	-	-
2.4 Civil Society	1,365	1,600	1,800	200
3 Investing in People	**24,390**	**28,800**	**23,035**	**-5,765**
3.1 Health	5,390	7,800	7,525	-275
3.2 Education	19,000	21,000	15,510	-5,490
4 Economic Growth	**26,215**	**13,000**	**19,703**	**6,703**
4.1 Macroeconomic Foundation for Growth	5,950	-	8,000	8,000
4.2 Trade and Investment	1,000	4,345	3,803	-542
4.5 Agriculture	1,000	1,000	900	-100
4.7 Economic Opportunity	1,515	-	-	-
4.8 Environment	16,750	7,655	7,000	-655
of which: Objective 6	**8,148**	**3,888**	**4,235**	**347**
6.1 Program Design and Learning	3,052	450	1,000	550
6.2 Administration and Oversight	5,096	3,438	3,235	-203

Governing Justly and Democratically

The democratic landscape in much of the Western Hemisphere has improved over the last two decades. Across the region, popular support for universal values such as free elections and freedom of expression, combined with a deepened understanding of the responsibilities of citizenship, have provided a stronger foundation for democracy and good governance. However, this positive trend has not been uniform, and in some countries has reversed course. Democratic institutions have been put at risk by entrenched corruption and wavering commitment to the rule of law, while personalized or authoritarian politics have hollowed out institutional capacity, compromised the separation of powers, and hampered civic expression. Growing crime-and violence is jeopardizing the safety of citizens, as well as their confidence in democratic institutions, as governments and civil institutions in the region are ill-equipped to respond to the threats posed by gang and organized crime activity.

Development Assistance (DA): USAID supports strategic approaches that promote participatory democracies by emphasizing the responsibility of citizens to engage as full partners in creating accountable

governance. The USAID/LAC Regional Program will do this by: (1) providing technical support to USAID Missions to implement evidence-based crime prevention programs consistent with the latest research; (2) enhancing USAID programming to support effective justice and security sector institutions; and (3) supporting regional actors as they work to implement the principles enshrined in the Inter-American Democratic Charter, including freedoms of expression, assembly and democratic checks and balances. The USAID/LAC Regional Program will support the following:

- Citizen Safety: Citizen safety will be addressed through programs that address crime prevention and rule of law institution-building, policy-making assistance, and improved coordination and implementation of related programs. This assistance will directly complement activities carried out under Merida Mexico and the Central America Regional and Caribbean Basin Security Initiatives. To address citizen safety, the USAID/LAC Regional Program will also support the Americas Barometer project at Vanderbilt University and its regional partner institutions throughout the region to conduct surveys measuring citizen perception and experience with democracy and key institutions. The Americas Barometer surveys provide a critical and unique vehicle by which citizens can express their concerns to policymakers. These surveys identify areas/countries of concern for further policy and programmatic attention; priority areas for USG and host-government investment, knowledge gaps, and best practices to be replicated.

- Facilitating South-to-South Best Practices Exchange: The USAID/LAC Regional Program will seek opportunities to improve the quality of partnerships with host governments and citizens in the promotion of human rights, the rule of law, freedom of expression, and democracy - particularly in regions where they are under threat. Additionally, the USAID/LAC Regional Program will support initiatives in concert with other donors and international organizations, as well as regional forums like the Summit of the Americas, on topics such as violence prevention and youth engagement.

Investing in People

Despite steady growth in most LAC economies, much of the region's population remains poor. Inadequate access to education and health services are major obstacles to reducing household poverty that undermine development progress at the community and national levels, and fuel dissatisfaction with governments and institutions. In the education sector, low reading levels remain a significant challenge for basic education in LAC countries. As evidenced by various studies, learning levels in the primary grades across the region are low and mostly stagnant. According to the most recent regional achievement test, one-third of all third grade students in the LAC region are functionally illiterate. Access to higher education for marginalized and rural populations is limited, and the quality of higher education remains poor, with universities often focusing on sectors that do not match labor market demands and country development needs. In the health sector, large disparities persist in health care access and health outcomes between upper and lower income groups in many LAC countries. For poor, rural, and marginalized groups in the LAC region, morbidity and mortality in childbirth and infancy remain high, and health care expenses remain a major cause of impoverishment. Moreover, inadequate capacity to control major infectious diseases in the LAC region remains a challenge - these diseases include tuberculosis, HIV/AIDS, and the potential for pandemic influenza.

The USAID/LAC Regional Program will continue to partner with regional organizations, universities, civil society, the private sector, and bilateral governments to: (1) translate economic growth into poverty reduction and more equitable, productive, and stable societies; (2) accelerate dissemination of best practices and innovation in the education and health sectors; and (3) catalyze South-to-South collaboration, leveraging resources to support broad-based development in the LAC region.

Development Assistance (DA): The USAID/LAC Regional Program will support the following:

- Lagging Literacy: The USAID/LAC Regional Program will focus resources to improve student literacy by increasing the use of evidence-based, cost-effective approaches to improve early grade reading and will focus on best practice models that countries can expand with their own resources. Further, the USAID/LAC Regional Program will engage host-country stakeholders and decision-makers by creating a space for dialogue and supporting evidence-based interventions to improve the long-term sustainability and reach of education programming in the region.

- Higher Education Partnerships: Through partnerships with U.S. institutions, the USAID/LAC Regional Program will help countries meet their need for trained leaders to address development challenges through higher education access for students from disadvantaged rural areas. Building on the findings of a major evidence-based evaluation of USAID's Scholarships for Education and Economic Development (SEED) program in FY 2012, resources will be focused on strengthening human capacity in key sectors that encourage broad-based economic growth and development, technical innovation, and capacity building of local institutions.

Global Health Programs-USAID (GHP-USAID): With the significant improvement of aggregate health indicators in LAC over the last three decades, USAID is concentrating its bilateral health programming in fewer countries and consolidating several key activities in regional programs. Therefore, the USAID/LAC Regional Program will address two important issues with critical implications for LAC countries and for the United States: health disparities and the control of infectious diseases. The USAID/LAC Regional Program targets its activities to reduce disparities by promoting interventions for prevention and treatment of disease and disability, and by strengthening the financing and management of health systems to reduce the out-of-pocket cost of health care. In relation to controlling communicable diseases, the USAID/LAC Regional Program will continue to work with both regional health organizations and ministries of health to strengthen systems essential for thwarting these diseases and preventing their spread to the United States. Consistent with the principles of the Global Health Initiative, the USAID/LAC Regional Program will continue to promote country ownership of all activities and emphasize the central role women and girls play in improving family health. The USAID/LAC Regional Program will also coordinate with the Pan American Health Organization to improve quality and strengthen systems in partnership with ministries of health and promote regional public-private partnerships, organizations of health care professionals, and South-to-South learning. The USAID/LAC Regional Program will implement activities under four specific areas:

- Maternal and Child Health: The LAC Regional Program will improve host country systems that focus on pregnancy, delivery, newborn, and young child care. Partnerships with bilateral and regional institutions will promote the correct implementation of cost- effective, life-saving interventions.

- Family Planning and Reproductive Health: The importance of voluntary family planning services for maternal, child, and family health has been fully embraced in many LAC countries. The LAC Regional Program is phasing-out of bilateral family planning assistance in several countries and strengthening the systems they need to sustain access to quality, affordable services once donor assistance has ended. The LAC Regional Program will limit its support to only three bilateral programs (Bolivia, Guatemala, and Haiti), and to regional organizations to ensure that LAC programs remain up-to-date with global family planning research and standards of practice.

- Tuberculosis (TB): Tuberculosis and drug-resistant tuberculosis are prevalent throughout the LAC region and thus threatens our ability to control TB in the United States. The LAC Regional Program will fund activities implemented through the Pan American Health Organization that provide up-to-date training on prevention, diagnosis, and treatment of the disease for national TB program

staff, and develop TB leaders for the LAC region. With the closing of all USAID bilateral TB programs in the region, together with reduced support from other donor sources, the LAC Regional Program's support is critical for addressing this significant disease.

- HIV/AIDS: The HIV/AIDS epidemic in the LAC region is concentrated primarily in most at risk populations and the President's Emergency Plan for AIDS Relief focuses on improving and expanding services for these communities. The LAC Regional Program focuses on helping local governments and non-governmental organizations reduce the spread of the virus. USAID conducts research and provides technical assistance to improve prevention and treatment services. By working at the policy level with government, for example to establish standards of care, and with NGOs to support their efforts to train HIV/AIDS care providers, USAID aims to reduce the social stigma and discrimination that contribute to the spread of the virus.

Economic Growth

Trade, investment, and growth rates in the region have rebounded since the global financial crisis, in some cases exceeding pre-crisis levels. However, LAC countries are struggling with persistent social exclusion that undermines progress toward sustained economic prosperity, namely: poverty, inequality, food insecurity, growing impacts from climate change, and threats to the natural resource base. Further, many governments lack the ability to mobilize sufficient domestic resources to provide key services, implement policies, and make targeted investments that address vulnerability to climate change, protect biodiversity, promote economic competitiveness, and expand economic opportunity.

Development Assistance (DA): The USAID/LAC Regional Program will partner with host-country stakeholders to address key economic and environmental challenges, particularly in the following three areas: (1) USAID will work with countries to expand economic opportunity and combat food insecurity; (2) USAID will support countries to build their capacity to fund their own development through improved fiscal policy: and (3) USAID will also identify, assess, and disseminate information and best practices to address the negative impacts of climate change, reduce emissions from tropical forest degradation and deforestation, and enhance conservation of biodiversity. Within this context, the USAID/LAC Regional Program will support the following:

- Increasing Economic Opportunity: The LAC Regional Program will work with host governments and private sector stakeholders to implement reforms and make investments that foster an enabling environment where businesses of any size can participate in the formal economy and capitalize on market opportunities;
- Enhancing Fiscal Policy: USAID will assist governments at both the national and sub-national levels to improve public expenditure management and mobilize increased revenues, both through improving tax systems and tapping into capital markets;
- Food Security: As part of the President's Global Hunger and Food Security Initiative, Feed the Future, USAID will address regional challenges by promoting greater access to regional markets, reducing risks associated with drought, disaster, and disease, and building long-term capacity of regional organizations;
- Sustainable Landscapes: The LAC Regional Program will help key countries work to reduce greenhouse gas emissions and enhance sequestration of carbon associated with land use and management. This will facilitate participation in emerging "green" markets that can provide new streams of revenue for cutting-edge products such as forest carbon offsets;
- Adaptation: USAID programs will support the use of better data on weather patterns and new agricultural varieties to reduce the risk of crop loss, bolster food security, and increase competitiveness;

- Conserving Biodiversity: The LAC Regional Program will commission analytical work to identify emerging issues and opportunities for focused, effective USAID conservation investment. The agency will also evaluate key LAC regional biodiversity programs to collect and disseminate lessons learned throughout the region.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: The USAID/LAC Regional Program completed several evaluations in FY 2011 across a number of sectors. For example, a study of the Centers of Excellence for Teacher Training (CETT) measured the program's impact over a two-year period. A separate assessment of the regional basic education program examined models of regional and bilateral education programming. Further, an evaluation of the SEED program in FY 2012 will inform future budgetary decisions as the USAID/LAC Regional Program moves forward with higher education programming. The USAID/LAC Regional Program's health strategy design is being guided by an external assessment of the program's management and performance from 2004-09. In the environment sector, funds will support an assessment of gaps and priorities for biodiversity conservation in the LAC region to inform region-wide planning processes and the development of USAID strategies from 2013-20.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The USAID/LAC regional education program is using findings from the CETT impact study to design new and follow-on interventions to strengthen education quality. The health program assessment identified the widespread inequities in health status and access to services as the appropriate ongoing focus; therefore, strengthening health systems to deliver primary care to the disadvantaged remains the LAC regional health program's central objective. Further, an evaluation of the Public Private Partnership program, 4th Sector Health, to be conducted in FY 2012, will inform future health sector programming and goals. The results of the biodiversity assessment described above will be used to define geographic areas and technical themes where the USAID/LAC Regional Program can most efficiently and effectively engage, either by developing and disseminating needed tools and information, or by implementing targeted regional activities to complement bilateral investments.

Relating Past Performance to FY 2013 Plans: Performance monitoring, evaluations, and results will continue to inform FY 2013 budget and programmatic choices across all sectors of the USAID/LAC Regional Program. Based on very strong Mission and host country demand, the USAID/LAC Regional Program will continue to support the Americas Barometer surveys. The surveys have a demonstrated impact on host country policy-making, and offer unique potential for measurement of USAID program impacts. Additionally, the survey will support an evaluation of community crime-prevention initiatives in Central America, which will produce midpoint data and inform adjustments in bilateral USAID program design and resource allocations. Results from the education evaluations referenced above indicate that large gains in the use of good teaching practice in the classroom contributed to improved student achievement in reading. Building on this performance and the outcome of a series of evaluations, the USAID/LAC Regional Program will continue to fund cost-effective, evidence based activities that increase student achievement in early grade reading and promote well targeted higher education scholarships for technical training and high-quality education. Informed by analysis of past performance and priorities in the region, both of which demonstrated that USAID's program increases local capacity to improve the delivery of health services and fosters exchange among LAC countries by creating South-to-South partnerships, in FY 2013 the LAC regional health program will focus investments on strengthening health systems for sustainable family planning, control of tuberculosis, and maternal and neonatal health services. Promotion of value-chains in rural areas has been a mainstay of USAID economic growth programing; in FY 2013 the USAID/LAC Regional Program will also evaluate the impact of these types of programs in Central America and, additionally, examine the relationship between multinational corporations and small farmers to promote public-private partnerships.

USAID South America Regional

Foreign Assistance Program Overview

In collaboration with host country governments and local institutions, the U.S. Agency for International Development (USAID) provides assistance to South American countries in the health, economic growth, and environment sectors. Addressing infectious diseases, promoting trade-led economic growth, and mitigating the negative effects of global climate change in the Amazon region are all U.S. foreign assistance priorities. USAID works with government and non-government institutions to combat malaria, ensure compliance with international trade norms and free trade agreements, and conserve biodiversity in the resource-rich Andean Amazon.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**9,819**	**14,000**	**13,500**	**-500**
Development Assistance	4,530	10,000	9,500	-500
Global Health Programs - USAID	5,289	4,000	4,000	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
USAID South America Regional	**9,819**	**14,000**	**13,500**	**-500**
3 Investing in People	**5,289**	**4,000**	**4,000**	**-**
Global Health Programs - USAID	**5,289**	**4,000**	**4,000**	**-**
3.1 Health	5,289	4,000	4,000	-
4 Economic Growth	**4,530**	**10,000**	**9,500**	**-500**
Development Assistance	**4,530**	**10,000**	**9,500**	**-500**
4.2 Trade and Investment	530	-	500	500
4.8 Environment	4,000	10,000	9,000	-1,000

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
USAID South America Regional	**9,819**	**14,000**	**13,500**	**-500**
3 Investing in People	**5,289**	**4,000**	**4,000**	**-**
3.1 Health	5,289	4,000	4,000	-
4 Economic Growth	**4,530**	**10,000**	**9,500**	**-500**
4.2 Trade and Investment	530	-	500	500

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.8 Environment	4,000	10,000	9,000	-1,000
of which: Objective 6	**1,113**	**1,070**	**1,770**	**700**
6.1 Program Design and Learning	-	300	420	120
6.2 Administration and Oversight	1,113	770	1,350	580

Investing in People

Through the South America Regional Infectious Diseases Program (SARI), USAID supports the Amazon Malaria Initiative (AMI). The purpose of SARI is to strengthen infectious disease prevention and control at a sub-regional level, and decrease national morbidity and mortality in participating countries. The program supports a combination of technical assistance, training, and South-to-South networks to improve evidence-based decision-making.

Global Health Programs – USAID (GHP-USAID):
Malaria: Through AMI, U.S. assistance will continue to combat malaria in the Amazon region (Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, and Suriname) and selected Central American countries (Belize, Guatemala, Honduras, Nicaragua, and Panama). In FY 2011, AMI monitored anti-malarial efficacy, controlled vectors in a region with areas of high and unstable-low transmission, and assessed malaria control activities, while simultaneously improving local capacity to diagnose and treat the parasite. In FY 2013, USAID will continue ongoing activities to incorporate best practices, innovations, and lessons learned into malaria prevention and control programs. In addition, USAID will help partner countries adapt to health sector trends by decentralizing the health system; improving malaria control; addressing malaria in populations living under special circumstances; and preparing for the potential re-emergence of falciparum malaria.

Additionally, USAID's Global Health programs will simultaneously strengthen health systems and bolster the media's role in the prevention and mitigation of malaria. To ensure the high-quality of drugs that treat malaria, USAID will strengthen regional health systems by promoting South-to-South cooperation aimed at improving the prevention, diagnosis and treatment of malaria. In addition, USAID will strengthen the media's role in raising awareness among policy-makers, public opinion leaders, and the general public of the need to sustain malaria prevention and control efforts. USAID's activities channeled through AMI are critical to building South and Central American government capacity to reduce the impact of malaria.

Economic Growth

Under its South America Regional (SAR) program, USAID promotes economic reforms that include the enforcement of labor standards and intellectual property rights. The program also supports environmental initiatives to address global climate change, biodiversity, and natural resource management in the Andean Amazon.

Development Assistance (DA): Through ongoing programs, U.S. assistance will continue to build the capacity of the public and private sectors in the region to facilitate trade and increase competitiveness. Trade programs will support the implementation of legal, regulatory, and institutional reforms through the Andean Trade Capacity Building (ATCB) program in Bolivia, Colombia, Ecuador, and Peru. The ATCB program promotes economic alternatives to producing and trafficking illegal drugs, and directly contributes to building stable and prosperous democracies throughout the region. Funding will support the implementation of regional activities focused on facilitating trade, the defense of intellectual property rights, the strengthening of labor inspection systems, and the promotion of international certifications as competitiveness tools for small and medium-size enterprises. Additional activities include

communication campaigns to promote the use of trade tools and the development and installation of information and coordination systems. The program may also support reforms to improve implementation or compliance with international trade and investment agreements.

The SAR program also implements the Initiative for Conservation in the Andean Amazon (ICAA). Conserving biodiversity and combating deforestation and forest degradation in the Amazon basin are USG priorities in South America. All environmental programs will focus on improving private sector environmental performance, promoting market-based conservation, protecting biodiversity, and promoting public participation and transparency.

U.S. assistance will continue to promote the responsible management of natural resources in the region. Resources will be used to ensure that USAID programs comply with environmental standards and contribute to sustainable development. The SAR program will work with USAID's bilateral programs to build local and national organizational capacity to address threats to natural resources on which communities depend for jobs, food, potable water, medicine, and building materials. By empowering indigenous peoples and other relevant actors to manage natural resources and achieve sustainable livelihoods, U.S. assistance will both conserve biodiversity and mitigate resource-related conflicts. In harmony with the USG's Global Climate Change Initiative (GCCI), the SAR program will also scale up adaptation efforts to increase resilience for glacier-dependent nations and play related roles in the overall LAC GCCI effort.

Biodiversity and Global Climate Change Initiatives

USAID plans to use FY 2013 biodiversity funds to conserve the sensitive ecosystem in the Andean Amazon. The Amazon is the source and repository of 20 percent of the world's fresh water, the habitat of the planet's largest known diversity of species, and is the home and heritage of numerous indigenous cultures. Through ICAA, USAID will implement two regional biodiversity projects: one will be an area-based project to support conservation efforts in targeted landscapes, while another will focus on strengthening environmental governance, catalyzing economic and policy incentives for Amazon conservation, and promoting greater understanding of key environmental issues by relevant actors.

USAID will use FY 2013 funding in support of the Agency's Climate Change and Development Strategy in South America, including support for regional platforms for carbon inventories and monitoring, reporting, and verifying greenhouse gas emissions. USAID will also fund climate change adaptation activities to improve water management and to address community agricultural vulnerability.

Performance Information in the Budget and Planning Process

Program Monitoring and Evaluation Activities: In FY 2011, USAID undertook a number of monitoring and evaluation activities, including:

- Quarterly financial reviews to promote the discussion of pipeline and other financial issues and provide a venue for making budget allocation and programmatic decisions.
- Semiannual portfolio review meetings to examine in detail USAID's performance, including the achievement of performance management plan targets and shortfalls for each activity.
- During 2011, a performance evaluation of AMI and The Amazon Network for the Surveillance of Antimalarial Drug Resistance (RAVREDA) was performed. The main objective of the evaluation was to assess the effectiveness of the AMI/RAVREDA approach to achieve results while responding to country and regional needs. Evaluation results will be used to guide AMI management and implementation through 2015.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: USAID's SAR program continues to use evaluation data to inform programmatic and resource-allocation decisions. For example, an external evaluation was carried out to assess the effectiveness of the ATCB program. The evaluation examined labor and intellectual property rights (IPR) activities in Bolivia, Colombia, Ecuador, and Peru. As a result of the evaluation's findings, USAID is now implementing new activities to ensure that labor and IPR databases developed with U.S. assistance are available to the public and are used to improve dispute settlement processes.

Relating Past Performance to FY 2013 Plans: Relating Past Performance to FY 2013 Plans: FY 2013 resources for the health program will continue to support national malaria control programs in selected South American countries. Principally, they will strengthen their ability to respond to different malaria transmission levels and adapt to health sector decentralization and integration processes. USAID will continue collaboration with selected countries in Central America to ensure progress. USAID's regional health program will be extended through 2015, and will cover only malaria.

Overseas Contingency Operations Overview

The Administration's FY 2013 International Affairs request includes $8.2 billion for Overseas Contingency Operations (OCO). This title funds the extraordinary, but temporary, costs of the Department of State and the U.S. Agency for International Development (USAID) operations in the Frontline States of Iraq, Afghanistan, and Pakistan. This approach, similar to the Department of Defense request, allows the Department and USAID to clearly identify the exceptional costs of operating in these countries that are focal points of U.S national security policy and require a significant U.S. civilian presence. In addition, it separates OCO costs from the permanent base requirements in the Frontline States, which will endure after OCO funding is phased out. In FY 2013, OCO funds will support security assistance programs transitioned from the Department of Defense and the entirely civilian-led mission in Iraq. OCO will provide resources for our continuing diplomatic platform and foreign assistance programs in Afghanistan, including assistance focused on foundational investments in economic growth, reconciliation and reintegration, and capacity building. And in Pakistan, it will support our goal of developing a responsible partnership to create stability and check the spread of extremism.

Afghanistan - OCO

Foreign Assistance Program Overview

The Overseas Contingency Operations (OCO) foreign assistance request for Afghanistan contributes to U.S. national security by supporting the U.S. Government's efforts to disrupt, dismantle, and defeat al Qaeda in Afghanistan and Pakistan. Programs funded under this heading will help ensure a successful and durable transition of governance and security responsibilities to Afghan lead as well as prevent al-Qaeda's return to Afghanistan by undermining the appeal of the insurgency, strengthening resilient and responsible Afghan government institutions, assisting with reintegration of insurgents, and laying the foundations for inclusive and sustainable economic growth. Programs will support reconciliation by providing economic alternatives to violence, creating opportunities for reintegrated persons to contribute to their communities in a positive manner, and improving the functioning of the legal system for dispute resolution. The OCO and core assistance requests for Afghanistan are carefully coordinated and together represent a strategic approach that is crucial to achieving U.S. Government goals.

The FY 2013 OCO request will fund a combination of projects working to maintain stability in key terrain and other critical districts while at the same time quickly building government capacity to take on increased responsibility after transition. The request includes continued funding for stabilization activities. However, increased emphasis will be placed on building the capacity of the government to identify and address drivers of conflict. One means of accomplishing this in FY 2013 will be to direct OCO funding through the Afghanistan Reconstruction Trust Fund (ARTF). The OCO request also reflects key investments in sectors and areas critical to transition and long-term economic growth, including investments in water and energy infrastructure. Energy programs will continue to receive OCO funding in FY 2013 to support investments in physical infrastructure critical to cultivating private sector growth, including a final push to link northern and southern electrical grids. This latter effort will also improve sustainability by increasing revenue collection. The OCO request will also support essential efforts in alternative livelihoods by providing farmers with economic alternatives to growing poppy, thereby ensuring their increased integration into the licit agricultural economy. In support of a sustainable political transition, OCO resources will also fund programs aimed at improving electoral processes and the environment for political debate to help the government of Afghanistan ensure credible presidential elections in 2014.

Other OCO resources included in the FY 2013 request will focus on reducing supplies of poppy cultivation and promoting alternative crops. The illicit cultivation of narcotics in Afghanistan fuels the insurgency and undermines stability throughout the country. Additionally, OCO funds will support the justice and corrections sectors by laying the groundwork for Afghan ownership and sustainable operation of law enforcement institutions and corrections facilities.

In FY 2013, the Department of State and USAID will continue to operate in a complex environment that requires close cooperation with U.S. and international military partners. Assistance programs, particularly those in OCO, are designed through close civilian-military cooperation to ensure collaboration and coordination of effort. Programs included in the OCO and core assistance budgets factor in and contribute to planning decisions related to programs like the Afghanistan Infrastructure Fund (AIF) and the Commander's Emergency Response Program (CERP). The Department of State and USAID work closely with military colleagues to ensure that programming appropriately balances both short-term counterinsurgency objectives and longer-term development goals, while leveraging the capacity, skills, resources, and authorities of both USAID and the Army Corps of Engineers.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**-**	**2,283,762**	**1,237,871**	**-1,045,891**
Overseas Contingency Operations	**-**	**2,283,762**	**1,237,871**	**-1,045,891**
Economic Support Fund	-	1,936,762	1,037,871	-898,891
International Narcotics Control and Law Enforcement	-	324,000	200,000	-124,000
Nonproliferation, Antiterrorism, Demining and Related Programs	-	23,000	-	-23,000

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Afghanistan	**-**	**2,283,762**	**1,237,871**	**-1,045,891**
1 Peace and Security	**-**	**467,994**	**375,574**	**-92,420**
Economic Support Fund	**-**	**338,362**	**332,871**	**-5,491**
1.4 Counter-Narcotics	-	75,000	65,000	-10,000
1.6 Conflict Mitigation and Reconciliation	-	263,362	267,871	4,509
International Narcotics Control and Law Enforcement	**-**	**106,632**	**42,703**	**-63,929**
1.4 Counter-Narcotics	-	106,632	42,703	-63,929
Nonproliferation, Antiterrorism, Demining and Related Programs	**-**	**23,000**	**-**	**-23,000**
1.1 Counter-Terrorism	-	23,000	-	-23,000
2 Governing Justly and Democratically	**-**	**763,868**	**519,297**	**-244,571**
Economic Support Fund	**-**	**546,500**	**362,000**	**-184,500**
2.1 Rule of Law and Human Rights	-	31,000	-	-31,000
2.2 Good Governance	-	435,500	300,000	-135,500
2.3 Political Competition and Consensus-Building	-	37,000	42,000	5,000
2.4 Civil Society	-	43,000	20,000	-23,000
International Narcotics Control and Law Enforcement	**-**	**217,368**	**157,297**	**-60,071**
2.1 Rule of Law and Human Rights	-	217,368	157,297	-60,071
3 Investing in People	**-**	**341,500**	**53,000**	**-288,500**
Economic Support Fund	**-**	**341,500**	**53,000**	**-288,500**
3.1 Health	-	181,500	10,000	-171,500
3.2 Education	-	138,000	21,000	-117,000
3.3 Social and Economic Services and Protection for Vulnerable Populations	-	22,000	22,000	-
4 Economic Growth	**-**	**710,400**	**290,000**	**-420,400**
Economic Support Fund	**-**	**710,400**	**290,000**	**-420,400**
4.1 Macroeconomic Foundation for Growth	-	35,750	-	-35,750

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
4.2 Trade and Investment	-	31,650	10,000	-21,650
4.3 Financial Sector	-	4,000	10,000	6,000
4.4 Infrastructure	-	416,300	270,000	-146,300
4.5 Agriculture	-	109,800	-	-109,800
4.6 Private Sector Competitiveness	-	83,950	-	-83,950
4.7 Economic Opportunity	-	26,950	-	-26,950
4.8 Environment	-	2,000	-	-2,000

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Afghanistan	**-**	**2,283,762**	**1,237,871**	**-1,045,891**
1 Peace and Security	**-**	**467,994**	**375,574**	**-92,420**
1.1 Counter-Terrorism	-	23,000	-	-23,000
1.4 Counter-Narcotics	-	181,632	107,703	-73,929
1.6 Conflict Mitigation and Reconciliation	-	263,362	267,871	4,509
2 Governing Justly and Democratically	**-**	**763,868**	**519,297**	**-244,571**
2.1 Rule of Law and Human Rights	-	248,368	157,297	-91,071
2.2 Good Governance	-	435,500	300,000	-135,500
2.3 Political Competition and Consensus-Building	-	37,000	42,000	5,000
2.4 Civil Society	-	43,000	20,000	-23,000
3 Investing in People	**-**	**341,500**	**53,000**	**-288,500**
3.1 Health	-	181,500	10,000	-171,500
3.2 Education	-	138,000	21,000	-117,000
3.3 Social and Economic Services and Protection for Vulnerable Populations	-	22,000	22,000	-
4 Economic Growth	**-**	**710,400**	**290,000**	**-420,400**
4.1 Macroeconomic Foundation for Growth	-	35,750	-	-35,750
4.2 Trade and Investment	-	31,650	10,000	-21,650
4.3 Financial Sector	-	4,000	10,000	6,000
4.4 Infrastructure	-	416,300	270,000	-146,300
4.5 Agriculture	-	109,800	-	-109,800
4.6 Private Sector Competitiveness	-	83,950	-	-83,950
4.7 Economic Opportunity	-	26,950	-	-26,950
4.8 Environment	-	2,000	-	-2,000
of which: Objective 6	**-**	**-**	**108,840**	**108,840**
6.1 Program Design and Learning	-	-	27,600	27,600
6.2 Administration and Oversight	-	-	81,240	81,240

Peace and Security

Stability in Afghanistan depends on a number of factors, including the disruption of insurgent networks and other criminal elements that fuel instability and delegitimize the government, and the provision of adequate security at the local level to enable job creation and economic growth. The United States is committed to reducing tension in conflict areas and helping farmers find alternatives to poppy production. In addition, programs will continue to improve the functioning of the justice system and build the capacity of Afghan counternarcotics and other civilian law enforcement forces.

Economic Support Funds – Overseas Contingency Operations (ESF-OCO):

- Counternarcotics – Alternative Development: Approximately 75 percent of Afghans derive all or some of their livelihood from the agricultural sector, which makes a growing, sustainable agriculture sector essential to providing alternatives to poppy cultivation and insurgent-related activities. The agricultural strategy, implemented by USAID and the Department of Agriculture, aims to curb narco-trafficking by expanding and increasing licit crop production and productivity, creating jobs in licit agriculture and agribusiness, increasing technical innovations, and promoting private sector-led economic growth. In conjunction with core ESF-funded activities in agriculture and private sector competitiveness, commercial alternative livelihood activities in the OCO request will be aimed at increasing licit agricultural production and productivity of Afghan farmers with the planting of high-value crops, including fruit and nut trees as well as grapevine trellising in insecure areas and poppy prone provinces.

- Conflict Mitigation and Reconciliation: FY 2013 OCO resources will be used to fund stabilization programs in support of transition efforts through 2014. Programs under this heading will build the capacity of the government to identify and address sources of instability in conflict areas, improve the ability of the government to provide services at the local level, and directly support community infrastructure projects, short-term job opportunities, and other activities to lessen the appeal of insurgency. Programs will be focused on high priority and key transition areas in collaboration with military counterparts, providing support in the clear-hold and hold-build phases of larger counterinsurgency efforts to mitigate security backsliding, help sustain transition, and enable development. Sub-national support, including the Stabilization in Key Areas (SIKA) Program, in close partnership with the Ministry of Rural Rehabilitation and Development (MRRD), will also strengthen provincial and district councils to resolve disputes, promote peace and security, oversee local development efforts, and conduct outreach to diverse constituent groups.

International Narcotics Control and Law Enforcement – Overseas Contingency Operations (INCLE-OCO):
The success of Afghan and international efforts to eliminate or reduce the production and trade of illicit narcotics will have a significant impact on plans to turn over security responsibilities to the Afghan Government by the end of 2014. FY 2013 OCO counternarcotics funding will support the Ministry of Counter Narcotics-implemented Good Performers Initiative to incentivize provincial governors' counternarcotics and supply reduction activities and support sustainable, community-led development projects in provinces that have successfully reduced or eliminated poppy cultivation. Funds will support interdiction programs vital to international efforts to disrupt the narcotics-insurgency nexus, while also helping build a sustainable Afghan capacity to investigate and prosecute high-value drug traffickers who support the insurgency. Funds will also support the U.S. Drug Enforcement Administration's capacity building efforts, especially in technical areas such as electronic surveillance and intelligence analysis. Funds will also be used to pay for allowable program management and oversight requirements in Afghanistan, including aviation support, transportation, operations and maintenance, and personnel recruitment and training.

Governing Justly and Democratically

The FY 2013 OCO request under this objective will focus on improving the functioning and legitimacy of government institutions as transition approaches. This will include assistance to ensure credible elections, capacity building through continued contributions to the Afghanistan Reconstruction Trust Fund (ARTF), and continued efforts to improve the functioning of law enforcement institutions. Funding will also continue to develop the government's strategic communications capabilities to counter the messaging of the insurgency.

Economic Support Funds – Overseas Contingency Operations (ESF-OCO):

- Good Governance: The United States will continue to support the successful ARTF, a multilateral fund administered by the World Bank that enables the Afghan Government to implement reconstruction projects in coordination with other stabilization efforts. The flagship program under the ARTF is the National Solidarity Program (NSP), which allows the government to deliver urgently needed services to its rural population and supports the community-recovery component of the Afghanistan Peace and Reintegration Program (APRP). Phase III of the NSP will increasingly focus on districts the USG counts as key terrain districts. ARTF also includes an incentive fund to encourage government reform, through conditioning the release of some funds on progress toward a set of agreed-upon policy benchmarks in the areas of revenue generation, governance, and private sector development. The United States is also pursuing options for opening new options in the ARTF to respond to Afghanistan's needs, including assistance for transition.

- Political Competition and Consensus-Building: In anticipation of Presidential elections in 2014 and Parliamentary elections in 2015, FY 2013 resources will help consolidate institutional performance gains made by the Independent Election Commission (IEC) in the professional and transparent administration of elections. The IEC is an essential institution for safeguarding the integrity of the electoral process and promoting a balance of power. Programming will build on important institutional strides made during the 2010 Parliamentary elections by strengthening the professionalization and capacity of the IEC as it plans for future elections.

- Civil Society: FY 2013 civil society programs implemented by the U.S. Embassy in Kabul will continue to help expand Afghans' access to independent sources of information, build Afghan communication capacity to focus on reducing the ability of al-Qaeda, the Taliban, and other extremists to influence public perceptions and attitudes and increase national and regional government transparency. The United States will help build the communication capacity of the Afghan government, independent media, and people through a broad range of capacity building and media training initiatives. Other programs will counter extremist voices by delegitimizing and decreasing the influence of insurgent communication efforts, promoting tolerance, and creating a sense of national unity. In addition to the expansion of programs to strengthen civil society organizations, the U.S. will develop specific programs to strengthen women's initiatives and help to increase women's participation in all aspects of Afghan society.

International Narcotics Control and Law Enforcement – Overseas Contingency Operations (INCLE-OCO):
FY 2013 OCO programs will focus on building Afghan ownership and sustainable operation of law enforcement institutions to ensure the successful transition of these operations from military to civilian lead. As the extraordinary responsibility and cost of these operations begin to transition, FY 2013 INCLE-OCO funding will accelerate the ability of the Afghan civilian agencies to take greater ownership of these programs from the military and be able to sustain them. The Department of State works closely with the U.S. military on security, rule of law, and promoting local justice systems to enhance governance and Afghan ownership of the criminal justice process. The FY 2013 request will support the continuing transition of donor supported law enforcement facilities and activities to the Afghan government, promote

civil society to create a demand for legal rights and government protection of individual rights, and transition law enforcement projects currently funded by the military to U.S. Government civilian oversight. Funds under the OCO heading will support the Justice Center in Parwan Project, currently a joint effort between the Departments of Defense and State focused on building Afghan Government capacity to transition cases into the Afghan criminal justice system. Legal education and access to justice programs will provide training capacity within justice institutions, and develop linkages between law schools, internal Afghan Government justice training departments, and the Independent National Legal Training Center to accelerate the transition from donor-funded training to Afghan-led training. Funds will support mentoring initiatives between the Kabul-based Counter Narcotics Justice Center and Provincial Justice Centers; anti-corruption, accountability, and transparency efforts; and the Afghan Marshal Service, providing training and mentoring to protect judges and prosecutors in more insecure provinces.

As the U.S. military draws down its forces in Afghanistan, civilian agencies must work with Afghan authorities in the correctional field to expand staff training, and improve organizational management and security practices to ensure that insurgents captured on the battlefield are housed securely, segregated from the common criminal population, and receive vocational and educational training to aid in their peaceful integration into Afghan society. FY 2013 OCO funds will continue a comprehensive set of programs to improve the capacity and management skills of Afghan correctional authorities and improve conditions for prisoners in the system. Activities will include: corrections training and capacity building efforts in various operational areas; support for the Central Prison Directorate's focus on developing prison industries; security threat group management; inmate education programs; development of alternatives to incarceration; and necessary renovations and security enhancements in provincial prisons and district detention facilities most at risk from the insurgency. Funds will also be used to pay for allowable program management and oversight requirements including aviation support, transportation, operations and maintenance, and personnel recruitment and training.

Investing in People

FY 2013 investments funded by OCO resources in this sector will help to mitigate the economic impact of the drawdown of military forces on the civilian population and provide vocational training opportunities for people living in conflict areas. Funds invested in the health sector are expected to bolster the legitimacy of the government through the delivery of essential services, such as increased access to safe drinking water, in conflict prone areas.

<u>Economic Support Funds – Overseas Contingency Operations (ESF-OCO):</u>

- Water and Sanitation: USAID will support increased access to safe drinking water and improve sanitation by contributing to multi-donor efforts, including programs focused on Kabul's urban water supply system and programs in conflict prone parts of the country.

- Higher Education: FY 2013 assistance will provide basic vocational education and seek to ramp-up technical/vocational training and support to tertiary education to absorb the increasing numbers of Afghan youth completing primary and secondary education. USAID will also implement programs to support vocational and productive skills training to provide youth with practical skills that promote employment and sustainable economic growth. A skilled workforce with greater opportunities for employment is critical both to the long-term economic growth of Afghanistan and for immediate stabilization needs as increases in economic opportunity and employment will decrease the likelihood of Afghans turning to the insurgency, particularly among youth.

- Social and Economic Services and Protection for Vulnerable Populations: The Afghan Civilian Assistance Program II will continue to support families and communities who have suffered from military operations by providing customized assistance with government entities in a position to

deliver needed services to stimulate income generation and otherwise linking populations who may be vulnerable to joining the insurgency. With FY 2013 funds, USAID will also support employment programs targeting unskilled labor and provide short-term jobs for urban and rural families, particularly under-employed youths at risk of insurgent influence in kinetic areas. These programs will target southern and eastern provinces threatened by drought conditions or potential political instability. Illustrative activities include canal cleaning, road rehabilitation, snow removal, flood protection, public building rehabilitation, and orchard and tree planting.

Economic Growth

Economic growth and expansion of economic opportunity are a necessary condition for developing a resilient Afghanistan in the long term. Increased prosperity will give citizens a reason to stand for stability and help build resilience into government institutions by generating increased revenue. Furthermore, when other efforts to end the conflict in Afghanistan begin to show results, economic programs can provide alternatives to violence for former insurgents and offer the prospect of a better future. Stabilization objectives will be supported by increases in employment, incomes, and food security for Afghanistan's people.

Economic Support Funds – Overseas Contingency Operations (ESF-OCO):

- Trade and Investment: The U.S. Government supports an enhanced role for the private sector in Afghanistan's economic growth by complementing and supporting the GIRoA strategy to increase economic activity related to the extractive industries sector, which will in turn increase revenue generation for GIRoA and promote jobs related to mining, infrastructure, and related industries. Foundational investments to strengthen extractive industries capacity are critical to economic transition and Afghanistan's sustainable economic prosperity.

- Financial Sector: The U.S. Government will continue to work with both banks and non-banking institutions to develop new products that broaden access to affordable financial services for small- and medium-sized enterprises, such as Sharia-compliant financial products and mobile money. These innovative approaches to ensuring people can safely and efficiently access capital are a necessary and foundational investment to long-term economic stability.

- Infrastructure: A large part of Afghanistan's long-term economic stability rests on the effective and transparent harvesting of Afghanistan's mineral wealth. Developing the infrastructure and institutional capacity to access and then utilize these resources responsibly is critical to Afghanistan's future. FY 2013 OCO funding will continue support to the Ministry of Mines to build its capacity to effectively manage and exploit Afghanistan's mineral wealth for the benefit of Afghan society. Programs will focus on building the Ministry's capacity to issue and negotiate tenders for natural resources blocks with emphasis on transparency and social responsibility.

  Substantial resources requested for the development of Afghanistan's physical energy infrastructure will consolidate U.S. counterinsurgency and stabilization efforts, and lay the necessary foundation for rapid and sustained economic growth. U.S. resources under the FY 2013 OCO heading will complete the construction of indigenous power production facilities on the northern electrical grid and expand power transmission capability from north to south to enable more efficient distribution throughout the country. Efforts will also work to improve the reliability and efficiency of power generation and distribution with special emphasis on the south and economic corridors in the east and north. These parallel, but interlinked investments support the transition efforts by contributing to immediate stabilization while consolidating the gains in the more stable areas of the country.

Pakistan - OCO

Foreign Assistance Program Overview

The United States and Pakistan have vital strategic interests that converge in the fight against terrorism. Militants operating from within Pakistan's western border region threaten the safety and security of the United States, Pakistan, and the South and Central Asia region. Recognizing the fundamental connection between the war effort in Afghanistan and extremists' safe havens in Pakistan, the United States has sought to broaden cooperation with the Government of Pakistan, including its military and law enforcement agencies, to improve coordination on counterinsurgency (COIN) efforts. The United States is working with Pakistan to ensure that U.S. and Pakistan security force efforts weaken the insurgency and compel militants to consider alternatives to armed resistance. Security assistance is closely calibrated and evaluated to ensure it is in line with shared objectives and based upon Pakistan's cooperation.

The Pakistan Counterinsurgency Capability Fund (PCCF) is designed to provide immediate and flexible assistance to develop the counterinsurgency and counterterrorism capabilities of Pakistan's security forces crucial to this effort. This assistance is intended to improve the ability of Pakistan's security forces to conduct successful COIN operations by providing them greater access to information; enabling them to better coordinate with their headquarters and de-conflict activities with other units in the field; and allowing them to out-maneuver insurgents in the mountainous border regions, particularly during night operations. PCCF also provides combat medical equipment that prevents unnecessary loss of life from wounds that could otherwise be prevented through improved medical support. Security forces with increased capabilities will be able to more effectively protect civilian lives in the Federally Administered Tribal Areas (FATA) and Khyber Pakhtunkhwa (KP) province from insurgent violence and facilitate Pakistan's efforts to improve political and economic stability by increasing the space for basic government services in areas vulnerable to extremists.

Since PCCF began in FY 2009, Pakistan has made some progress against extremist safe havens, taking action against terrorist safe havens and working to disrupt al-Qaeda and some affiliated extremist groups by conducting military operations in five of the seven agencies of the FATA. In 2011, operations continued in Mohmand and Orakzai agencies, with limited activities throughout the rest of the border region. To support operations, Pakistan continues to deploy approximately 145,000-150,000 Army and Frontier Corps troops to the border region. Efforts to eradicate militant networks have come at a great cost: Pakistan has endured thousands of casualties among their civilian population from terrorist attacks. Within their military ranks, nearly 3,000 troops have been killed and 10,000 wounded since combat operations began in 2009.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**297,220**	**1,998,108**	**800,000**	**-1,198,108**
Overseas Contingency Operations	**297,220**	**1,998,108**	**800,000**	**-1,198,108**
Economic Support Fund	-	864,700	-	-864,700
Foreign Military Financing	-	197,408	-	-197,408
International Narcotics Control and Law Enforcement	-	116,000	-	-116,000
Nonproliferation, Antiterrorism, Demining and Related Programs	-	20,000	-	-20,000
Pakistan Counterinsurgency Capability Fund	297,220	800,000	800,000	-

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Pakistan	**297,220**	**1,998,108**	**800,000**	**-1,198,108**
1 Peace and Security	**297,220**	**1,122,408**	**800,000**	**-322,408**
Foreign Military Financing	**-**	**197,408**	**-**	**-197,408**
1.3 Stabilization Operations and Security Sector Reform	-	197,408	-	-197,408
International Narcotics Control and Law Enforcement	**-**	**105,000**	**-**	**-105,000**
1.3 Stabilization Operations and Security Sector Reform	-	94,050	-	-94,050
1.4 Counter-Narcotics	-	10,950	-	-10,950
Nonproliferation, Antiterrorism, Demining and Related Programs	**-**	**20,000**	**-**	**-20,000**
1.1 Counter-Terrorism	-	20,000	-	-20,000
Pakistan Counterinsurgency Capability Fund	**297,220**	**800,000**	**800,000**	**-**
1.3 Stabilization Operations and Security Sector Reform	297,220	800,000	800,000	-
2 Governing Justly and Democratically	**-**	**131,000**	**-**	**-131,000**
Economic Support Fund	**-**	**120,000**	**-**	**-120,000**
2.1 Rule of Law and Human Rights	-	10,000	-	-10,000
2.2 Good Governance	-	80,300	-	-80,300
2.3 Political Competition and Consensus-Building	-	1,000	-	-1,000
2.4 Civil Society	-	28,700	-	-28,700
International Narcotics Control and Law Enforcement	**-**	**11,000**	**-**	**-11,000**
2.1 Rule of Law and Human Rights	-	11,000	-	-11,000
3 Investing in People	**-**	**213,800**	**-**	**-213,800**
Economic Support Fund	**-**	**213,800**	**-**	**-213,800**
3.1 Health	-	86,550	-	-86,550
3.2 Education	-	127,250	-	-127,250
4 Economic Growth	**-**	**525,000**	**-**	**-525,000**
Economic Support Fund	**-**	**525,000**	**-**	**-525,000**
4.2 Trade and Investment	-	7,200	-	-7,200
4.4 Infrastructure	-	337,100	-	-337,100
4.5 Agriculture	-	99,700	-	-99,700
4.6 Private Sector Competitiveness	-	71,400	-	-71,400
4.7 Economic Opportunity	-	9,600	-	-9,600
5 Humanitarian Assistance	**-**	**5,900**	**-**	**-5,900**
Economic Support Fund	**-**	**5,900**	**-**	**-5,900**
5.1 Protection, Assistance and Solutions	-	5,900	-	-5,900

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Pakistan	**297,220**	**1,998,108**	**800,000**	**-1,198,108**
1 Peace and Security	**297,220**	**1,122,408**	**800,000**	**-322,408**
1.1 Counter-Terrorism	-	20,000	-	-20,000
1.3 Stabilization Operations and Security Sector Reform	297,220	1,091,458	800,000	-291,458
1.4 Counter-Narcotics	-	10,950	-	-10,950
2 Governing Justly and Democratically	**-**	**131,000**	**-**	**-131,000**
2.1 Rule of Law and Human Rights	-	21,000	-	-21,000
2.2 Good Governance	-	80,300	-	-80,300
2.3 Political Competition and Consensus-Building	-	1,000	-	-1,000
2.4 Civil Society	-	28,700	-	-28,700
3 Investing in People	**-**	**213,800**	**-**	**-213,800**
3.1 Health	-	86,550	-	-86,550
3.2 Education	-	127,250	-	-127,250
4 Economic Growth	**-**	**525,000**	**-**	**-525,000**
4.2 Trade and Investment	-	7,200	-	-7,200
4.4 Infrastructure	-	337,100	-	-337,100
4.5 Agriculture	-	99,700	-	-99,700
4.6 Private Sector Competitiveness	-	71,400	-	-71,400
4.7 Economic Opportunity	-	9,600	-	-9,600
5 Humanitarian Assistance	**-**	**5,900**	**-**	**-5,900**
5.1 Protection, Assistance and Solutions	-	5,900	-	-5,900
of which: Objective 6	**-**	**97,340**	**-**	**-97,340**
6.1 Program Design and Learning	-	33,500	-	-33,500
6.2 Administration and Oversight	-	63,840	-	-63,840

Peace and Security

U.S. assistance under this objective helps Pakistan's security forces develop COIN capabilities to combat violent extremist organizations and to reduce extremist access to safe havens in the border regions from which attacks on U.S. and coalition forces in Afghanistan are planned and executed.

Pakistan Counterinsurgency Capability Fund: Since the program's inception in FY 2009, PCCF and its predecessor, the Pakistan Counterinsurgency Fund (PCF), have focused on two areas: providing immediate impact training and equipment to build COIN capabilities and developing more complex capabilities such as intelligence, reconnaissance, and surveillance (ISR) platforms. Initial investments have included:

- Equipment provision, including protective gear, night vision devices, emergency medical kits, vehicles, and radios. This equipment and associated training have improved fighting effectiveness and enabled Pakistan security forces to conduct night operations.

- Counter-IED assistance, with explosive detectors fielded and mine clearing vehicles and jammers soon entering into service.
- Training centers and courses, especially for the Frontier Corps and Army Special Services Group. These groups received training to improve their ability to conduct COIN operations, for example through weapons qualifications and small unit tactical maneuvers.
- Equipment and training for law enforcement personnel in coordination with other Department of State funding streams.
- Equipment and training to improve close air support capabilities.

The requirements for FY 2013 funding are consistent with the requirements developed through joint U.S.-Pakistan planning processes. FY 2013 PCCF resources will improve the capacity of the Pakistan security forces to secure the border with Afghanistan, deny safe haven to extremists, fight insurgents, and provide security for the local population. In particular, PCCF funding will continue to enhance the capabilities of the Pakistan Army, the Pakistan Air Force, and the Frontier Corps in the following key areas: air mobility; night operations; countering improvised explosive devices; command and control; intelligence, surveillance, and reconnaissance; close air support; and combat logistics and sustainment, with a priority on communications, combat medical equipment, precision targeting, and night operations support.

While prior year PCF/PCCF funding enabled immediate improvements to Pakistan's ground security forces by providing equipment and training, more complex capabilities such as ISR will require a sustained investment in FY 2013. Priority areas will include close air support capabilities for the Pakistan Air Force (PAF) and equipment to fill ISR needs for the PAF and Army. The multi-year effort to equip ground forces along the Afghanistan-Pakistan border will continue in FY 2013, focusing specifically on bolstering the counter-IED and night operations capabilities of Pakistan security forces. Training all security forces engaged in COIN operations remains a cornerstone of the U.S. security assistance strategy.

PCCF will be subject to the Leahy Law and the Department of State's Leahy vetting process.

Iraq - OCO

Foreign Assistance Program Overview

United States assistance to Iraq has changed substantially with the drawdown of U.S. forces and the shift from directly implementing reconstruction projects to increasing the capacity of the Government of Iraq (GOI), local organizations, and the private sector to take charge of Iraq's development and to govern effectively. While the U.S. military's withdrawal represents a significant milestone in the evolution of the U.S.-Iraq bilateral relationship, it also presents some very serious challenges in terms of internal and regional security, military preparedness, and diplomatic leverage. Bilateral assistance to promote Iraqi security and stability will help preserve the mutual strategic, political, and economic importance of our partnership with a sovereign, self-reliant Iraq in a rapidly changing Middle East region. It will also minimize the political and financial influence of nations whose interests run contrary to those of the United States, such as Iran.

The Strategic Framework Agreement (SFA) between the United States and the GOI will continue to guide the relationship between our two nations. FY 2013 Overseas Contingency Operations (OCO) component of our bilateral foreign assistance to Iraq addresses key programs to: continue to develop the Iraqi police force; improve the preparedness of the Iraqi military; and strengthen Iraq's performance in addressing the issues of rule of law, corrections, and counternarcotics.

The Iraq OCO foreign assistance request is comprised of Foreign Military Financing (FMF) at $900 million and International Narcotics Control and Law Enforcement (INCLE) at $850 million in funding, both of which are critical components of USG assistance in light of the U.S. military's departure. Even with the considerable funding requested for FMF and INCLE, the overall investment in bilateral assistance to Iraq will prove cost-effective in terms of the significant cost savings to the U.S. taxpayer when compared to the billions of dollars that the Department of Defense spent annually since 2003.

Iraq's economy is dominated by oil in terms of gross domestic product and by the government in terms of employment; this is unlikely to change in the near future. To move toward a more diversified economy, Iraq needs to reduce violence, and achieve greater stability, and address national security concerns in an increasingly dynamic regional environment. The State Department's proposed programming under the OCO request is designed to help the Iraqis address these issues.

Three principles drive U.S. foreign assistance strategy in Iraq. First, the U.S. Government strives to work in partnership with Iraqis on initiatives that they support with their own funds. Second, the U.S. Government seeks to utilize assistance to help Iraq marshal its own financial resources for the self-sustaining benefit of its people. Third, it will be important for the international community to integrate and expand normalized and appropriate involvement in Iraq's social and economic development. These principles are the keystone of U.S. foreign assistance programs.

The FY 2013 OCO request covers the $1.75 billion extraordinary assistance request that supports primarily short-term engagement programs with the government of Iraq. These programs, addressed through the INCLE and FMF accounts, are meant to assist the GOI until it has the capacity and resources to perform critical government security functions unaided. With the departure of DoD, these exceptional programs continue to play a vital role in our relationship with Iraq.

Request by Account and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
TOTAL	**-**	**1,355,000**	**1,750,000**	**395,000**
Overseas Contingency Operations	**-**	**1,355,000**	**1,750,000**	**395,000**
Foreign Military Financing	-	850,000	900,000	50,000
International Narcotics Control and Law Enforcement	-	500,000	850,000	350,000
Nonproliferation, Antiterrorism, Demining and Related Programs	-	5,000	-	-5,000

Request by Objective by Account, Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Iraq	**-**	**1,355,000**	**1,750,000**	**395,000**
1 Peace and Security	**-**	**1,294,391**	**1,680,380**	**385,989**
Foreign Military Financing	**-**	**850,000**	**900,000**	**50,000**
1.3 Stabilization Operations and Security Sector Reform	-	850,000	900,000	50,000
International Narcotics Control and Law Enforcement	**-**	**439,391**	**780,380**	**340,989**
1.3 Stabilization Operations and Security Sector Reform	-	438,391	779,380	340,989
1.4 Counter-Narcotics	-	1,000	1,000	-
Nonproliferation, Antiterrorism, Demining and Related Programs	**-**	**5,000**	**-**	**-5,000**
1.1 Counter-Terrorism	-	5,000	-	-5,000
2 Governing Justly and Democratically	**-**	**60,609**	**69,620**	**9,011**
International Narcotics Control and Law Enforcement	**-**	**60,609**	**69,620**	**9,011**
2.1 Rule of Law and Human Rights	-	60,609	69,620	9,011

Request by Program Area and Fiscal Year

($ in thousands)	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Iraq	**-**	**1,355,000**	**1,750,000**	**395,000**
1 Peace and Security	**-**	**1,294,391**	**1,680,380**	**385,989**
1.1 Counter-Terrorism	-	5,000	-	-5,000
1.3 Stabilization Operations and Security Sector Reform	-	1,288,391	1,679,380	390,989
1.4 Counter-Narcotics	-	1,000	1,000	-
2 Governing Justly and Democratically	**-**	**60,609**	**69,620**	**9,011**
2.1 Rule of Law and Human Rights	-	60,609	69,620	9,011
of which: Objective 6	**-**	**25,000**	**81,308**	**56,308**
6.2 Administration and Oversight	-	25,000	81,308	56,308

Peace and Security

International Narcotics Control and Law Enforcement (INCLE): FY 2013 INCLE funds would enable the Department of State's International Narcotics and Law Enforcement Bureau to expand and strengthen the Iraqi Police Development Program (PDP), which began on October 1, 2011. The PDP provides mentoring, advising, and training to Iraq's civilian police leadership and is crucial to develop capabilities that enable the Ministry of Interior and its Iraqi Police Services to conduct effective police operations that maintain internal security and support the rule of law. The INCLE funding supports U.S. advisors, program managers, contract personnel, and associated staff involved in the implementation and management of the program. These funds include support costs such as static security guards, movement security, communications, life support, force protection, and transportation requirements. Funds also would provide for specialized training with U.S. federal agents traveling to Iraq on temporary duty to conduct specialized training activities in Iraq and selected Iraqis traveling to U.S. or other countries to participate in training opportunities at federal academies, schools, major police departments, and other venues.

The PDP is complemented by INL's counter-narcotics program in Iraq. Funds dedicated to this activity will support continued training for and technical development of Iraqi drug demand prevention and treatment services. Funds will also support the implementation of a nationwide drug demand reduction strategy, and will facilitate epidemiological assessments of Iraqi substance abuse to identify and target areas of greatest need.

To ensure accountability for, and management of, INL resources and programs in Iraq, a portion of the INCLE funds allocated to these activities will be set aside for program planning, design, implementation, monitoring and evaluation, as well as IAA, grant, and budget management, both in Washington and in Iraq.

Foreign Military Financing (FMF): To achieve the Administration's strategic objective of a sovereign, stable, and self-reliant Iraq that contributes to peace and stability in the region, the U.S. Government must continue to support Iraq's efforts to develop capable Iraqi Security Forces (ISF) that both provide for Iraq's own internal security and defend against external threats. FMF is one of the key policy tools used to help the ISF meet these security needs and play a positive role in the region.

This request reflects the second year of the transition of responsibility for military assistance programs from the Department of Defense to the Department of State. These programs were funded until FY 2011 through DoD's Iraq Security Forces Fund. This request will provide an important vehicle for building the ISF's capabilities and for cementing the United States' enduring partnership with Iraq during an important period of transition.

Funding for FY 2013 focuses on helping the Iraqis increase the capacity and professionalism of the ISF, and complements the efforts made through United States, coalition, and Iraqi military operations and initiatives since 2003. The FMF program will help ensure that a strong bilateral relationship is in place by the time Iraq is able to utilize its own fiscal resources fully to contribute to peace and security in the region. Core objectives for the proposed programming include achieving cementing and increasing sovereign defense capability, building enduring sustainment capabilities, and creating an enduring partnership.

This funding will assist with the fielding of critical equipment such as vehicles, intelligence, surveillance, reconnaissance platforms, and weapons systems. Additionally, FMF will continue to promote the development of Iraqi logistics and maintenance structures, and support sustainment and training that will ensure a modernized and professional Iraqi military interoperable with U.S. forces.

Governing Justly and Democratically

International Narcotics Control and Law Enforcement (INCLE): The United States is engaged in several priority projects with the GOI to improve the effectiveness, transparency, and efficiency of the criminal justice system and, as a result, Iraqis' confidence in that system. INL will continue to help bolster the criminal justice sector in Iraq by implementing programs to focus on combating corruption, improving administration of courts, and enhancing judicial development, outreach, and security. INL will help the Commission on Integrity, the Board of Supreme Audit, the Inspectors General, and other Iraqi anti-corruption agencies build their administrative and investigative capacity. INCLE funding will also be used by the State Department to continue to work with the Higher Judicial Council to enhance court administrative practices and professional development of the judiciary. Subject matter experts will provide advanced and specialized advising, mentoring and legal education. To help develop a culture of respect for the rule of law in Iraq, INL also will assist the Higher Judicial Council to promote public education and transparency in the work of the judiciary and criminal justice sector. Additionally, funds will be used in an effort to reach provinces and vulnerable populations. DOJ-OPDAT Resident Legal Advisors (RLAs) will continue providing targeted assistance to the GOI at sub-national levels. Finally, INL will work to improve security for Iraqi judges and courthouses, and to strengthen protections for participants in the criminal justice system.

In addition, FY 2013 INCLE-funded programs will be utilized to provide advisors that will assist Iraq in the development of safe and secure detention facilities that provide humane care, custody, and treatment of persons detained in Iraq's pre-trial detention system in accordance with internationally recognized standards and rule of law. This detentions program will place a strong emphasis on mentoring and training senior officials, coupled with an intensive Iraq-led train-the-trainer component to build an initial base of professional line officer staff. Finally, INL will continue U.S. advisory support of the Ministry of Justice's Iraqi Corrections Service by mentoring senior leaders in advanced skills such as management, budget development, and leadership.

To ensure accountability for, and management of, INL resources and programs in Iraq, a portion of the INCLE funds allocated to these activities will be set aside for program planning, design, implementation, monitoring and evaluation, as well as IAA, grant, and budget management, both in Washington and in Iraq.

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