Strategic Plan

Fiscal Years 2007–2012

U.S. Department of State

U.S. Agency for International Development

Transformational Diplomacy

Revised May 7, 2007

MISSION

Advance freedom for the benefit of the American people and the international community by helping to build and sustain a more democratic, secure, and prosperous world composed of well-governed states that respond to the needs of their people, reduce widespread poverty, and act responsibly within the international system.

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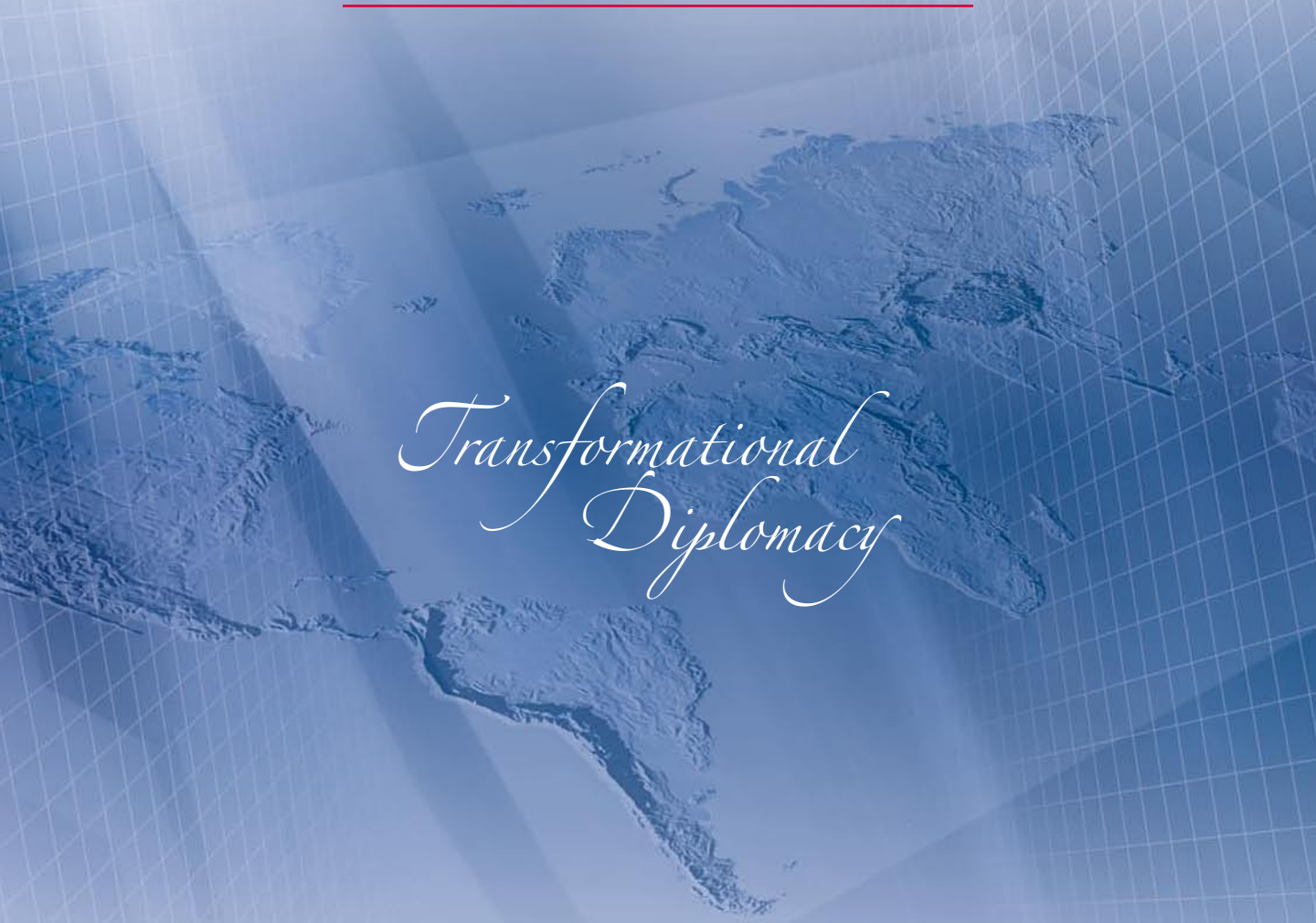

U.S. Department of State

U.S. Agency for International Development

Preface

The Department of State and the U.S. Agency for International Development (USAID) are pleased to provide this joint *Strategic Plan* for Fiscal Years 2007 to 2012 that sets forth the Secretary of State's direction and priorities for both organizations in the coming years.

The joint *Strategic Plan* supports the policy positions set forth by President Bush in the *National Security Strategy* and presents how the Department and USAID will implement U.S. foreign policy and development assistance.

In the joint *Strategic Plan*, the Strategic Goal section defines the primary aims of U.S. foreign policy and development assistance as well as our strategic priorities within each of those goals for the coming years. In addition, for each goal we identify key U.S. Government partners and external factors that could affect achievement of these goals. The Regional Priority section describes the Department and USAID priorities within each region of the world. The joint Strategic Goals cut across the regional priority chapters. The regional priorities reflect how the efforts described in the Strategic Goal chapters fit together in addressing specific regional issues.

The seven Strategic Goals outlined in this joint *Strategic Plan* constitute the strategic planning framework for both agencies. This framework, and the Foreign Assistance Strategic Framework with which it is consistent, will serve as the basis for both organizations' annual performance plans at the Department, bureau, and mission levels. The annual plans will focus more specifically on our efforts to meet tangible performance goals and will contain specific performance indicators. Our success in meeting our performance goals will indicate our overall progress in achieving the mission and strategic goals outlined in this joint *Strategic Plan*.

This joint *Strategic Plan* is submitted in accordance with the Government Performance and Results Act of 1993 (GPRA).

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Message from the Secretary

I am pleased to submit the joint *Strategic Plan* of the Department of State and the United States Agency for International Development (USAID) for Fiscal Years 2007 to 2012. The State Department and USAID share the noble goal of advancing a future of freedom, security, and prosperity for the benefit of the American people and the entire world.

We live in times of great challenge and tremendous opportunity. In his second Inaugural Address, President Bush laid out a vision of a hopeful future of peace and security for all: "It is the policy of the United States to seek and support the growth of democratic movements and institutions in every nation and culture with the ultimate goal of ending tyranny in our world." To achieve this bold vision, America needs equally bold diplomacy, a transformational diplomacy that seeks to support individual citizens who are committed to freedom, as well as to engage with other partner governments on an official state to state basis.

The joint mission of the Department of State and USAID is to "*Advance freedom for the benefit of the American people and the international community by helping to build and sustain a more democratic, secure, and prosperous world composed of well-governed states that respond to the needs of their people, reduce widespread poverty, and act responsibly within the international system.*" It is a vision rooted in partnership, not paternalism--in doing things with other people, not for them.

In today's world, it is impossible to draw clear lines between our security interests, our development efforts, and our democratic ideals. To meet this challenge, we are aligning more closely the programs of the Department of State and USAID. We are redeploying our personnel cadre in new areas to address the challenges we face, and have strengthened our foreign assistance management organization. More than ever before, our organizations work hand-in-hand with each other and with our other U.S. Government partners to advance our foreign policy objectives.

Our diplomats, civil servants, and Foreign Service Nationals pursue this dual commitment to diplomacy and development with pride and honor at home and abroad, serving at 260 diplomatic and consular posts in 163 countries. Their remarkable skills, experience, diversity, and commitment are our organizations' most valuable assets.

As we continue to work around the world to promote and defend freedom, we remain mindful of the many challenges that liberal democracies face. We will continue to work to address global challenges—from halting the proliferation of weapons of mass destruction, to fighting terrorism, and to stemming disease and environmental degradation. We must show the immorality and hollowness of the ideology of hatred that fuels violent extremism and, at the same time, foster development to combat poverty and to lay foundations for economic prosperity, human rights, and democracy. In Iraq and Afghanistan, we face historic challenges, but America will continue to stand with those courageous leaders and citizens who are striving to ensure that democracy, tolerance, and the rule of law succeed in their country. Conflicts in the Middle East and elsewhere are part of a global struggle for freedom and peace from which we will not retreat.

This joint *Strategic Plan* charts the course that will enable more individuals to secure the non-negotiable demands of human dignity by focusing on seven Strategic Goals: (1) Achieving peace and security; (2) Governing justly and democratically; (3) Investing in people; (4) Promoting economic growth and prosperity; (5) Providing humanitarian assistance; (6) Promoting international understanding; and (7) Strengthening our consular and management capabilities.

Our mission is broad and ambitious, but we will continue to pursue the goals outlined in this joint *Strategic Plan*, drawing on the best of our nation's diverse and talented population. In the coming years, the Department of State and USAID will focus even more on effective and accountable programs to achieve lasting results. U.S. diplomacy, like the nation it serves, is a force for freedom throughout the world. The dedicated men and women of the Department of State and USAID will advance America's values and interests across the globe as they help people everywhere build a better world.

Condoleezza Rice
Secretary of State

Message from the Acting USAID Administrator and Acting Director of Foreign Assistance

the Department of State and the United States Agency for International Development.

Foreign assistance is a mainstream commitment of the U.S. Government, and development is a critical pillar of our National Security Strategy. There is no doubt that helping developing nations become peaceful, stable and economically self-sufficient is in the best interest of our Nation's security.

Since 2001, the United States has made an enormous commitment to foreign assistance, effectively tripling official development assistance by 2005. With these increased resources have come added responsibilities. We must focus more intently on performance, results, and accountability. We must also measure success in the ability of recipient nations to graduate from traditional development assistance to become full partners in international peace and prosperity.

With the creation of the Office of the Director of U. S. Foreign Assistance, the United States seeks to reform the organization, planning, and implementation of its foreign assistance in order to strategically align our resources with the challenges we face. Foreign assistance reform is targeted to the achievement of the common goal and objectives outlined in the Foreign Assistance Framework. Implementing a common strategy through the Framework requires us to integrate our planning, budgeting, programming, and results reporting at every level. Doing so will improve the transparency of our development resources and ultimately strengthen accountability for what we achieve with those resources.

The ultimate goal of this reform effort is transformational development. Such development engenders lasting economic, social, and democratic progress, through a transformation of institutions, economic structures, and human capacity, so that nations can sustain further advances on their own. Although the primary responsibility for ultimately achieving this transformation rests with the leadership and citizens of the developing nations themselves, U.S. assistance and policy can and must play a vital and catalytic role in supporting our host countries' own national vision for advancement.

Sustainability and local ownership are the keys to transformational development. The principle of sustainability—pioneered by USAID—has now been adopted by most major donors. By working toward the seven Strategic Goals outlined in this joint *Strategic Plan*, the dedicated men and women of USAID and the Department of State will ensure that the United States remains a leader in promoting transformational development throughout the world.

Henrietta H. Fore
Acting USAID Administrator and
Acting Director of Foreign Assistance

Core Values

In the conduct of diplomacy and development, people are critical. Indeed, the success of the Department of State and USAID is directly tied to the knowledge, skills, integrity, and creativity of our dedicated employees. Their principles, talents, and diversity—reflecting the America they represent—strengthen their ability to move the world in the direction of greater democracy, security, and prosperity. While mindful of the lessons of history, we must never fear to innovate and challenge current thinking to achieve our country's ambitious goals.

This joint *Strategic Plan* reflects the core values of the Department and USAID. These values represent the high standards our employees—whether Foreign Service, Civil Service, Foreign Service National, career, or appointed—must uphold. We recognize and respect the fact that our Foreign Service National employees remain loyal to their countries even as they work to uphold our core values. These key employees work with their American colleagues to perform vital services for U.S. citizens and to ensure the effective operation of our diplomatic posts and USAID Missions.

These values will be posted in every Embassy, Mission, and office of the Department and USAID. We will continue to integrate them into how we hire, train, evaluate, and reward our employees, and into how we conduct ourselves every day on the frontlines of diplomacy and development. Even as the Department's and USAID's specific goals and priorities may change to keep pace with the dynamic international environment, our core values will remain constant.

CORE VALUES

LOYALTY

Commitment to the United States and the American people.

CHARACTER

Maintenance of the highest ethical standards and integrity.

SERVICE

Excellence in the formulation of policy and program management with room for creative dissent.
Implementation of policy and management practices, regardless of personal views.

ACCOUNTABILITY

Responsibility for meeting the highest performance standards.

COMMUNITY

Dedication to teamwork, professionalism, and the customer perspective.

DIVERSITY

Commitment to having a workforce that represents the diversity of America.

Strategic Goals

Overview of Mission and Strategic Goals

MISSION STATEMENT

Advance freedom for the benefit of the American people and the international community by helping to build and sustain a more democratic, secure, and prosperous world composed of well governed states that respond to the needs of their people, reduce widespread poverty, and act responsibly within the international system.

American diplomacy and foreign assistance in the 21st century are based on three fundamental beliefs: our freedom is best protected by ensuring that others are free; our security relies on a global effort to secure the rights of all; and our prosperity depends on the prosperity of others. It is increasingly clear that, as stated in the *National Security Strategy* of 2006, "The fundamental character of regimes matters as much as the distribution of power among them." It is for these reasons that Secretary of State Rice's vision of "transformational diplomacy" requires that American diplomacy and foreign assistance function in an integrated fashion to advance our security interests, our development efforts, and our democratic ideals.

The joint Strategic Goals of the Department of State and USAID define this integrated vision and are anchored in the President's *National Security Strategy* and its two pillars: promoting freedom, justice, and human dignity; and confronting the challenges of our time by leading a growing community of democracies. The seven Strategic Goals represent the core of our transformational diplomacy efforts. The first five of these goals correspond to the five objectives of the Foreign Assistance Framework (see Appendix I), reflecting the integrated nature of the work of the two organizations. These joint Strategic Goals, and the key strategic priorities within them, are as follows:

DEPARTMENT OF STATE/USAID JOINT STRATEGIC GOAL FRAMEWORK

Strategic Goal 1: Achieving Peace and Security

- Counterterrorism
- Weapons of mass destruction and destabilizing conventional weapons
- Security cooperation and security sector reform
- Conflict prevention, mitigation, and response
- Transnational crime
- Homeland security

Strategic Goal 2: Governing Justly and Democratically

- Rule of law and human rights
- Good governance
- Political competition and consensus building
- Civil society

Strategic Goal 3: Investing in People

- Health
- Education
- Social services and protection for especially vulnerable populations

Strategic Goal 4: Promoting Economic Growth and Prosperity

- Private markets
- Trade and investment
- Energy security
- Environment
- Agriculture

Strategic Goal 5: Providing Humanitarian Assistance

- Protection, assistance, and solutions
- Disaster prevention and mitigation
- Orderly and humane means for migration management

Strategic Goal 6: Promoting International Understanding

- Offer a positive vision
- Marginalize extremism
- Nurture common interests and values

Strategic Goal 7: Strengthening Consular and Management Capabilities

- Consular services (Visas, Passports, American Citizen Services)
- Major management functions

The following chart reflects how these seven Strategic Goals link most directly to the overarching tasks outlined in the *National Security Strategy* of 2006.

National Security Strategy Tasks	State/USAID Strategic Goals (SG)
Champion Aspirations for Human Dignity	SG 2: Governing Justly and Democratically
	SG 5: Providing Humanitarian Assistance
	SG 6: Promoting International Understanding
Strengthen Alliances to Defeat Global Terrorism and Work to Prevent Attacks Against Us and Our Friends	SG 1: Achieving Peace and Security
	SG 6: Promoting International Understanding
Work with Others to Defuse Regional Conflicts	SG 1: Achieving Peace and Security
	SG 5: Providing Humanitarian Assistance
Prevent Our Enemies from Threatening Us, Our Allies, and Our Friends with Weapons of Mass Destruction	SG 1: Achieving Peace and Security
Ignite a New Era of Global Economic Growth through Free Markets and Free Trade	SG 4: Promoting Economic Growth and Prosperity
	SG 6: Promoting International Understanding
Expand the Circle of Development by Opening Societies and Building the Infrastructure of Democracy	SG 2: Governing Justly and Democratically
	SG 4: Promoting Economic Growth and Prosperity
	SG 6: Promoting International Understanding
Develop Agendas for Cooperative Action with the Other Main Centers of Global Power	SG 1: Achieving Peace and Security
	SG 2: Governing Justly and Democratically
	SG 3: Investing In People
	SG 4: Promoting Economic Growth and Prosperity
	SG 5: Providing Humanitarian Assistance
	SG 6: Promoting International Understanding
Transform America's National Security Institutions to Meet the Challenges and Opportunities of the 21st Century	SG 1: Achieving Peace and Security
	SG 7: Strengthening Consular and Management Capabilities
Engage the Opportunities and Confront the Challenges of Globalization	SG 1: Achieving Peace and Security
	SG 2: Governing Justly and Democratically
	SG 3: Investing In People
	SG 4: Promoting Economic Growth and Prosperity
	SG 5: Providing Humanitarian Assistance

STRATEGIC GOAL 1

Achieving Peace and Security

The United States promotes peace, liberty, and prosperity for all people; security is a necessary precursor to these worthy goals. The Department and USAID will use every means at our disposal to achieve this goal: traditional and transformational diplomacy, both bilateral and multilateral; vigilant and informed consular operations; reformed and effective foreign assistance; creative and energetic public diplomacy; and where appropriate, new technologies and operating constructs. We will directly confront threats to national and international security from terrorism, weapons proliferation, failed or failing states, and political violence. We will strengthen the capability of the U.S. Government and of international partners to prevent or mitigate conflict, stabilize countries in crisis, promote regional stability, protect civilians, and promote just application of government and law. Our diplomatic, consular, and foreign assistance activities will help shape the international security environment in ways that promote political and economic freedom and protect the dignity and human rights of all people.

STRATEGIC PRIORITIES

Counterterrorism: Terrorism threatens peace and security at home and abroad, and preventing terrorism is one of our Nation's highest priorities. Our national strategy for combating terrorism appropriately stresses the advancement of democracy, the rule of law, and a global environment inhospitable to violent extremism. Diplomacy and foreign assistance will support peace and security-related activities that create the necessary space and time for longer-term developmental solutions to terrorism to develop and take hold.

The heightened threat of terrorism from states with despotic leaders, weak institutions, or underdeveloped capacity requires that we work to empower people through accountable, legitimate, and democratic governance. Through sound policy, effective assistance, and astute public diplomacy, we will promote responsible governance and social tolerance, and counter the misguided belief that terrorism is ever justified.

We will build trusted networks that undermine, marginalize, and isolate terrorists; discredit ideologies of hate and violence; and deliver legitimate alternatives to extremism. We and our partners, both in the U.S. Government and in the international community, will work toward dismantling the leadership and networks that provide financing and other material support to terrorists. We will encourage other countries to: deny terrorists access to financial systems and prevent terrorist abuse of charitable institutions; implement the 12 United Nations (UN) counterterrorism instruments that are in force; punish captured terrorists to the full extent of the law; accept return of their nationals who have been detained by the United States for involvement in terrorist activities; and work with their governments to maintain international political will to fight terrorism.

The most intractable safe havens exist astride international borders and in regions where ineffective governance allows their presence; we must develop the means to deny these havens to terrorists. Where governments are willing but unable to fight terrorism, we will bolster their skills, capacities, and resources.

Weapons of Mass Destruction and Destabilizing Conventional Weapons: Weapons of mass destruction (WMD) in the possession of terrorists or hostile states constitute a serious and immediate threat. We will devote significant resources to counterproliferation, nonproliferation, verification and compliance enforcement, and consequence management. We also seek to control the proliferation of destabilizing conventional weapons that undermine stability in fragile nations and volatile regions.

We will work to prevent the acquisition of WMD by terrorists and hostile states. We will contribute to the international effort to secure, remove, and eliminate WMD, their delivery systems, and related materials through diplomacy, foreign assistance, and counterproliferation efforts. We will continue to build coalitions to interdict proliferation trade, disrupt financing, and punish violators. Working through international partnerships and organizations such as the Global Initiative to Combat Nuclear Terrorism, the Group of Eight (G8) Global Partnership, the Organization for the Prohibition of Chemical Weapons (OPCW), and the International Atomic Energy Agency (IAEA), we will strengthen our common capacity to deter, prevent, and manage the consequences of WMD terrorist attacks. We will work to strengthen other countries' export and border security controls to detect and interdict the illicit movement of WMD. We will work to roll back hostile nuclear weapons programs, and will work with the IAEA to deny states the ability to pursue nuclear weapons under the cover of peaceful nuclear energy programs. We will support existing arms control and nonproliferation agreements and verification protocols, and will work with international partners to strengthen their implementation and ensure their compliance. We will support cooperative efforts to develop missile defenses.

We will reduce stockpiles of destabilizing conventional weapons and munitions, and control their proliferation to areas of concern. Small arms and light weapons fuel civil wars, regional conflicts, and terrorist and criminal activity. We help limit illicit proliferation by strengthening multilateral export control regimes, and destroying surplus, poorly protected, or otherwise at-risk arms and munitions. We place a high priority on preventing the acquisition by terrorists and insurgents of Man Portable Air Defense Systems, which are particularly attractive to these groups due to their portability and potential lethality.

Security Cooperation and Security Sector Reform: Responsible governments must be able to deal with threats within their own borders and address international problems in partnership with the United States and others. Crime, lawlessness, and armed violence impede economic growth, destroy human and physical capital, damage investment climates, and divert resources from productive uses. Through security cooperation, including arms transfers, we help partners develop the capability to operate with us and other like-minded nations to protect peace, restore security, and when necessary, to fight and win wars. Security sector reform enhances governments' ability to deliver adequate security and responsive, transparent, and accountable government through the rule of law.

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We will develop and maintain effective security relationships with other countries and international organizations. We will build strong partnerships through robust political-military activities such as defense trade and export control regimes; arms control, nonproliferation, and disarmament agreements and verification protocols; international treaties, alliances,

AP Image

and burden-sharing agreements; security assistance programs; international exercises; and active confidence-building measures. We will build the capacity of partners to counter regional threats. This will enable them to deploy to international peace-keeping and humanitarian relief operations, and to coalition warfighting and stabilization missions in the interest of delivering peace and security.

We will support efforts to strengthen partner nations' law enforcement, internal defense, and border and maritime security capabilities. An effective, accountable, and civilian-controlled security sector delivers a critical public service viewed as legitimate by the population it serves. We will support the professionalization and accountability of law enforcement institutions, including border security, and internal defense and military forces. With other donor nations, we will pursue a comprehensive approach to security sector reform in order to harness the capabilities of all interagency actors involved in such reforms.

Conflict Prevention, Mitigation, and Response: Recent armed conflicts have claimed hundreds of thousands of civilian lives and generated millions of refugees, asylum seekers, and internally displaced persons. Conflict discourages investment, destroys infrastructure, derails development, fuels criminality and extremism, and undermines support for democracy. Diplomacy and assistance programs promote the peaceful resolution of differences, reduction of violence when it occurs, establishment of frameworks for peace and reconciliation in ongoing conflicts, and protection of human rights from systematic violation.

We will support conflict mitigation, peace, reconciliation, and justice processes. Our diplomatic and development activities will reduce the threat or impact of violent conflict by developing early warning, crisis response planning and management, and rapid response capability. Peace, reconciliation, and justice processes will stress opportunities to bring together opposing parties, support negotiation processes, promote indigenous peace building efforts, and support appropriate processes to hold accountable perpetrators of mass atrocities. We will emphasize regional solutions to regional problems and sustainable, long-term strategies to address complex challenges.

We will work closely with host government, international, and non-governmental organizations (NGOs) to promote security for civilians caught in conflict. We will strive to ensure access to threatened populations, support staff who monitor and resolve security problems, educate civilians about their rights and responsibilities for security, and design interventions and alternatives when security concerns arise. This will include educating local forces about international protection standards, the rights of civilians in conflict, and the protection responsibilities of states and other parties involved in conflict. Our humanitarian mine action programs enable affected nations to eliminate landmines and other explosive remnants of war that impede recovery from conflict.

We will develop U.S. Government and partner capacity to conduct effective stabilization and reconstruction operations. We will lead and coordinate whole-of-government efforts to prepare, plan for, and conduct stabilization and reconstruction operations. We will strengthen collaboration with key partners, including the UN, the G8, regional organizations, and bilateral allies to improve international conflict prevention efforts and bolster national and international capabilities to

respond to conflict and post-conflict situations. Recognizing that post-conflict states may have limited capacity and precarious legitimacy, the Department and USAID will help governments meet immediate demands for security and justice through transformational assistance strategies that will rely heavily on legitimate non-governmental actors, while strengthening legitimate state institutions.

Transnational Crime: Transnational crime threatens the stability of countries, particularly in the developing world and countries with fragile transitional economies. It impedes legitimate economic activity, threatens public order, undermines the rule of law and citizens' confidence in government, diverts resources, and can finance terrorist activities. Trafficking in persons is an egregious abuse of human rights and a security threat to both national and international interests. States that fail to implement adequate measures to curtail transnational crime will find it more difficult to join international bodies, such as the World Trade Organization (WTO), through which we promote cooperation on many issues of importance to peace and security.

We will continue to fight the production, transportation, and sale of illegal narcotics. We seek to: eliminate the cultivation and refinement of coca and opium poppy; reduce the flow of illegal drugs to the United States; establish alternative livelihoods for illegal growers; build the will and capacity abroad to arrest, prosecute, and punish traffickers; and assist partner countries to prevent drug use. We will focus on eradication and interdiction activities—important aspects of security cooperation that strengthen our partners' internal intelligence and law enforcement capabilities.

We will work to establish comprehensive legislative, regulatory, and enforcement regimes, and work with our partner nations to combat transnational crime. We will combat financial crimes and money laundering, organized and gang-related crime, cyber crime, and intellectual property theft. We will promote international cooperation and coordination on combating international criminal activities, and provide training and technical assistance to build institutional capacity to uphold the rule of law.

We will lead international efforts to combat trafficking in persons and migrant smuggling. We will support the implementation and enforcement of anti-trafficking legislation, and promote national, bilateral, and multilateral activities that protect and assist victims, prosecute traffickers and smugglers, and prevent further victimization through trafficking.

Homeland Security: National security starts overseas, and our mission is to create conditions abroad that serve and protect American citizens and interests. Our consular and infrastructure protection programs play a critical role in protecting American borders, transportation systems, and critical infrastructure.

We will ensure that our consular policies and systems strengthen our borders to protect our homeland. At home and abroad we protect U.S. national borders through sharing information within and between governments, improving passport security, and implementing effective visa adjudication processes that deny access to individuals who pose risks to U.S. national security.

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We will protect our economic vitality through enhanced security of the U.S. transportation sector. We work with foreign counterparts, international organizations, and the private sector through programs such as the Container Security Initiative to improve security standards in the maritime and aviation transportation sectors.

We will continue to play an important role in Critical Infrastructure Protection, working with and through our partners. We are intensifying our efforts to protect the physical and cyber infrastructure we share with other nations and upon which our economies and mutual security depend. Working with G8 and other allies and through organizations such as the International Telecommunication Union, we are developing and strengthening standards for the protection of key infrastructure, including the Internet.

U.S. Government Partners and Cross-cutting Programs: The following are key U.S. Government partners with whom we will coordinate to achieve this goal:

- ***Department of Homeland Security:*** Homeland Security coordinates intelligence and law enforcement activities and programs that help protect the United States from terrorist and other threats, and leads on immigration, naturalization, repatriation, border and transportation security, and biodefense.
- ***Department of Defense:*** Defense coordinates closely on counterterrorism and counter-narcotics programs, and provides the military-to-military contacts, assistance, and training that strengthen military and alliance relationships, play an important role in the management of arms transfers and the Excess Defense Articles program, and support the evacuation of non-combatants from crisis or disaster sites. Defense sponsors significant cooperative threat reduction programs and supports the Proliferation Security Initiative. Defense leads in providing security support, when needed, for stabilization and reconstruction activities and participates in government-wide stabilization and reconstruction planning and operations with other agencies.
- ***Department of Energy:*** Energy sponsors many nuclear nonproliferation programs, including the Global Nuclear Energy Partnership, which the Department helps to implement.
- ***Department of Justice:*** Justice leads on international legal assistance and implements some criminal justice and rule of law programs in conjunction with the Department and USAID. Justice also works with the Department on extradition and to combat transnational crime and narcotics trafficking, including training programs for foreign police forces.

- ***Department of the Treasury:*** Treasury leads money laundering and asset seizure issues, and monitors export controls. The Department co-chairs with Treasury a committee on proliferation financing. The Department chairs, and USAID participates in, the Terrorist Finance Working Group of the Counterterrorism Security Group's Technical Assistance Sub-Group.
- ***Department of Commerce:*** Commerce leads on some export control regimes and coordinates on others.
- Other important partners include the ***Departments of Transportation, Health and Human Services, and Agriculture;*** the ***Environmental Protection Agency;*** the White House Offices of National Drug Control Policy; and U.S. Government intelligence agencies.

EXTERNAL FACTORS

The following are key factors, external to the Department and USAID, which could significantly affect the achievement of the goal:

- Political, social, or economic instability beyond our ability to control;
- Endemic or institutionalized corruption;
- Violent anti-Americanism and targeting of American citizens by terrorists;
- Non-state actors with violent and/or destabilizing ethnic, religious, or political agendas;
- Latent ethnic or religious tensions within or between nations;
- Inadequate or non-existent control of borders and sovereign territory;
- Inadequate or non-existent laws and/or law enforcement institutions;
- Weak or dysfunctional national, regional, or local civil and military institutions despite our best efforts to strengthen them;
- Allies' and/or partners' views of the need to act on security issues;
- Mismatch between the span of transnational criminal activity and the applicability of national laws and enforcement systems;
- Partners' resources, capabilities, quality of their laws, and strength of their judicial/legal institutions;
- Sovereignty issues that lead other governments to constrain operations within their own borders; and
- Foreign partners' willingness to share information because of differences in legal systems, regulations on protection of national security information, and privacy concerns.

STRATEGIC GOAL 2

Governing Justly and Democratically

The United States supports just and democratic governance for three distinct but related reasons: as a matter of principle; as a contribution to U.S. national security; and as a cornerstone of our broader development agenda. First, the U.S. political system and national identity are grounded in the belief that all people share fundamental rights that are best exercised and guaranteed by capable and democratic governance. Second, as outlined in the President's Freedom Agenda and the *National Security Strategy*, good governance and democracy promotion are central to U.S. national security and the global war on terror. Failed and authoritarian states that do not respond to the needs of their people or respect international human rights and democratic norms pose a long-term threat to the security of the United States and other democracies. Finally, U.S. support for anti-corruption, good governance, and democratization reinforces our development and transformational diplomacy goals of working with partners to help them build their own sustainable institutions of democratic governance. The U.S. Government goal is to promote and strengthen effective democracies and move them along a continuum toward democratic consolidation.

Strategies and programs that support the Strategic Goal of "Governing Justly and Democratically" take into account the challenges and opportunities presented by each country category as outlined in Appendix I. In *restrictive* countries, the emphasis will be on building political parties and supporting civil society to challenge closed regimes, sustaining the work of human rights defenders, and supporting independent media. In *rebuilding* countries, the emphasis will be on promoting government that is effective and legitimate, while protecting human rights and supporting civil society. In *developing* countries, we seek to strengthen the rule of law and good governance, advance anti-corruption measures, build the capacity of political parties, and expand the growth of civil society. In *transforming* countries, the focus will be on institutionalizing democracy and good governance, while sustaining a healthy civil society. The need for this assistance in *sustaining partner* countries varies according to the level of democratization in each country, and our efforts here could range from supporting nascent civil society organizations to training civil servants in key institutions.

STRATEGIC PRIORITIES

Rule of Law and Human Rights: As President Bush said in his January 2002 State of the Union Address, "America will always stand firm for the non-negotiable demands of human dignity: the rule of law; limits on the power of the state; respect for women; private property; free speech; equal justice; and religious tolerance." Our objectives in this area are to advance and protect human and individual rights as embodied in the Universal Declaration of Human Rights and international conventions to which states are signatory, and to promote societies in which the state and its citizens are

accountable to laws that are publicly promulgated, equally enforced, and independently adjudicated, and which are consistent with international norms and standards. To accomplish this, we will speak out forthrightly through public statements and instruments such as the *Human Rights Practices, Trafficking in Persons*, and *International Religious Freedom* reports. We will speak out against states that wield the law as a political weapon or instrument of repression, and that manipulate laws and the judicial system in order to maintain power. We will speak in defense of human rights defenders who are silenced by their governments in order to draw international attention to their plight. We will actively promote the recognition of freedom of religion and conscience throughout the world as a fundamental human right, and denounce regimes that persecute their citizens or others on the basis of religious belief. We will promote and monitor universal recognition and implementation of labor rights and the abolition of abusive child labor practices, and will encourage responsible corporate social behavior. We will protect the rights of women and other underserved populations, including trafficking victims. We will work with members of the UN General Assembly, UN Human Rights Council and other multilateral mechanisms to call countries to account on their performance. We will complement our diplomatic activity by using our foreign assistance to:

- Support and assist the development or amendment of constitutions, laws, and legal frameworks that are derived through democratic processes and are consistent with international human rights standards.
- Strengthen judicial independence and impartiality as a means to check excessive power in any branch or level of government by improving processes for judicial review, selection, and self-governance.
- Support and assist international and domestic courts and tribunals investigating and prosecuting instances of war crimes, genocide, and crimes against humanity.
- Ensure an effective and equitable justice system by: improving professional capacities and administrative and operational systems of actors and institutions; developing and implementing fair procedures; expanding access to justice; and ensuring adequate oversight, advocacy, and accountability.
- Protect and promote human rights through education and awareness, training, and support for human rights advocates and defenders, including legal defense for advocates under pressure by their governments, and by strengthening mechanisms for human rights protection.

Good Governance: Our objective in this area is to promote democratic institutions that are effective, responsive, sustainable, and accountable to the people. Constitutional order, legal frameworks, and judicial independence constitute the foundation for a well-functioning society, but they remain hollow unless the government has the capacity to apply these tools appropriately. The fight against corruption cuts across all of these efforts and works to prevent abuses of power. To accomplish this, we will use diplomatic engagement and foreign assistance to:

- Strengthen legislative, lawmaking, and legal reform processes, as well as legislative management, administration, accountability, and transparency by providing training on policy analysis, bill drafting, budgeting, constituent relations, administration, and oversight.
- Work to reduce corruption to foster citizen confidence and help develop legitimate, stable, democratic institutions that are accountable to the people.

- Promote and support decentralization, assist with anti-corruption reforms, and strengthen public sector executive functions by providing training on financial planning and management, strategic planning, decision-making, policy reform, accountability, and oversight.
- Promote the professionalization of the security sector and adherence to international human rights standards.
- Employ the Millennium Challenge Account (MCA) to contribute to a system of incentives for countries to rule justly, invest in their people, and encourage economic freedom.
- Work with like-minded partners and with the G8, UN, Community of Democracies, the Global Forum on Fighting Corruption, and regional organizations, such as the Organization of American States (OAS) and the Organization for Security and Cooperation in Europe (OSCE), to bolster nascent democracies and to call repressive regimes to account.
- Work to implement the UN Convention Against Corruption by assisting countries to fulfill their obligations to criminalize corrupt behaviors and develop integrity systems that strengthen institutions and their ability to resist corruption.

Political Competition and Consensus-Building: Our objective in this area is to encourage the development of transparent and inclusive electoral and political processes, and democratic, responsive, and effective political parties. Political parties are indispensable vehicles for like-minded citizens to organize and compete through electoral processes for the right to govern. Parties also serve as vehicles to aggregate and articulate the interests of their members and constituents. Consensus-building processes are critical where fundamental issues about the democratization process have not yet been settled. We seek to promote consensus-building among government, political parties, and civil society to advance a common democratic agenda. To accomplish this, we will use diplomatic and foreign assistance tools to:

- Support free, fair, legitimate, and credible elections and political processes by helping develop impartial electoral, legal and institutional frameworks; provide assistance for election monitoring, oversight, and security; and support effective election administration.
- Develop and strengthen democratic political parties through support for developing or reforming political party legal and institutional frameworks; support political party organizational development, campaign techniques, and constituent outreach; improve the representational capacity of political parties and strengthen their ability to participate responsibly in government.
- Work with governments and local entities to increase citizen awareness of rights and responsibilities, and encourage greater participation in political processes.
- Support consensus-building processes, enfranchisement, access, and participation, particularly of marginalized groups.

Civil Society: Our objective in this area is to empower individuals to exercise peacefully their rights of expression, association, and assembly, including through their establishing and participating in NGOs, unions, and other civil society organizations. We will actively protect and promote the right of individuals and civil society organizations to advocate their views and communicate with their own members, with their own and other governments, international bodies, and other elements of civil society inside or outside the countries in which they are based. We will seek to protect and

promote access to objective information, including through free, open, and independent media, and through new technologies, including the Internet. We will spotlight abuses of civil society freedoms, denounce crackdowns on civil society and independent media, and publicly demonstrate our solidarity with NGOs, labor unions, and journalists under threat. We will complement this diplomatic activity with foreign assistance to:

- Develop and strengthen the capacity of NGOs to advocate for good governance, democratization, and human rights through training and technical assistance in areas such as coalition building, strategic planning and communications, and laws and legal protections.
- Advance media freedom by helping to create and develop independent media outlets and media infrastructure, and by providing training on media sector skills (e.g., reporting and investigative techniques), processes, and products, including Web-based services.
- Increase citizen participation and oversight in governance through education and awareness training on rights and responsibilities.
- Sustain the UN Democracy Fund's support to civil society organizations.

U.S. Government Partners and Cross-cutting Programs: The following are key U.S. Government partners with whom we will coordinate to achieve this goal:

- ***Broadcasting Board of Governors (BBG):*** BBG communicates democracy and human rights promotion messages abroad.
- ***Department of Labor:*** Labor monitors labor conditions around the world, including child labor, and provides technical assistance to promote labor rights and standards.
- ***Department of Justice:*** Justice provides expertise in police and judicial reform.
- ***Millennium Challenge Corporation (MCC):*** MCC encourages good governance by rewarding countries that govern justly with economic assistance.
- ***Department of Commerce:*** Commerce supports the sustainable development of transparent and accountable business practices overseas.

EXTERNAL FACTORS

The following are key factors, external to the Department and USAID, which could significantly affect the achievement of the goal:

- Unforeseeable changes in governance (e.g., coups and sudden elections);
- Natural disasters, terrorism, or insurgency that severely challenge the ability of states to govern;
- Changes in government that diminish or expand opportunities for democratic reform; and
- Readiness and desire of indigenous leadership to advance democracy and human rights in their own countries.

STRATEGIC GOAL 3

Investing in People

In his 2006 State of the Union Address, President Bush said, "For people everywhere, the United States is a partner for a better life. Short-changing these efforts would increase the suffering and chaos of our world, undercut our long-term security and dull the conscience of our country."

Ensuring good health, improving access to education, and protecting vulnerable populations are critical to transformational diplomacy. By building the capacity of partner countries to invest in their people, our diplomatic and assistance initiatives benefit developing nations and strengthen international respect for the United States. These efforts support U.S. national interests and lay the foundation for the success of transformational diplomacy.

The Strategic Goal of "Investing in People" is to help nations achieve sustainable improvements in the well-being and productivity of their populations, while advancing American interests, through diplomatic and assistance initiatives that promote effective and accountable health, education, and other social services. The strategic approach builds sustainable capacity in recipient countries to meet the needs of their populations in these areas. These efforts also improve the capabilities of individuals to contribute to economic development and participate in democratic decision-making, while ameliorating the root causes of poverty and conflict.

STRATEGIC PRIORITIES

Health: Our objectives in this area are to: improve global health, including child, maternal, and reproductive health; reduce disease, especially HIV/AIDS, malaria, tuberculosis, and polio; and increase access to improved drinking water and sanitation services. Our diplomatic and assistance efforts in health also reduce risks of infectious diseases migrating to the United States.

HIV/AIDS poses a unique threat to health and development, and the President's Emergency Plan for AIDS Relief (PEPFAR) provides significant funding for a wide range of prevention, care, and treatment activities to countries experiencing the most serious effects of HIV/AIDS. The President has launched major U.S. initiatives to: reduce the transmission and impact of HIV/AIDS; control malaria and reduce related mortality; limit the spread of avian influenza and prevent a human influenza pandemic; and, in the event of a pandemic, provide appropriate medical and humanitarian response. A key U.S. foreign policy objective and one of our highest international public health priorities is the complete eradication of polio. The United States also engages diplomatically to build partnerships and provide direct foreign assistance in global efforts to: fight other infectious diseases; improve disease surveillance and environmental health; and develop new vaccines.

The HIV/AIDS pandemic and the threat of pandemic influenza require immediate, coordinated, and sustained intervention among agencies, host governments, and international partners, combining diplomatic efforts to bring parties together with direct foreign assistance. HIV/AIDS programs coordinate with other agencies and partners that have core competencies in areas such as food assistance, education, microfinance, and family planning to ensure comprehensive programs that advance overall well-being.

Critical disease hazards in developing nations include tuberculosis, malaria, pneumonia and diarrhea. Many children and mothers die each year from treatable causes, so a special focus is needed for these groups. Malaria causes over one

million deaths a year, and children are the vast majority of the victims. The President's Malaria Initiative (PMI) provides both coordinated development programs and strong diplomatic efforts to promote sustained political commitments to counter malaria by host countries.

Nearly half of women who express a need for family planning are not using a modern method. In some countries, women have nearly two abortions for every birth. Where family planning is not used effectively, women have children closer together, leading to especially low child survival rates and poor maternal health. Programs in family planning and reproductive health will: expand access to high-quality, voluntary, family planning services and information; expand access to reproductive health care to reduce unintended pregnancy; promote healthy reproductive behaviors of men and women; reduce abortion; and reduce maternal and child mortality and morbidity.

Programs for maternal and child health will increase the availability and use of proven interventions addressing the major killers of mothers and children, and improve their health and nutrition status. These programs include: effective maternity care and management of obstetric complications; prevention services such as newborn care, routine immunization, polio eradication, and micronutrients; improved maternal, infant, and young child feeding; and treatment of life-threatening childhood illnesses.

The failure or absence of functioning health infrastructure and services in large parts of the world presents a range of challenges to U.S. interests and to human life and welfare. U.S. investments in health strengthen local capacity in disease outbreak detection and response; strengthen delivery of health services, essential drugs, and commodities; ensure adoption of best practices by field programs; provide technical oversight; and support health technology advances.

The human health consequences of unsafe water and poor hygiene are severe. Half of the world's hospital beds are occupied by people suffering from illnesses related to water. Diarrhea linked to unsafe water, sanitation, and hygiene accounts for nearly two million deaths among young children in developing countries each year. The U.S. Government engages donors and developing countries to ensure a focused commitment to expand access to, and effective use of, reliable and economically sustainable safe drinking water and sanitation services to improve human health. The U.S. Government also works to improve water resources management and increase water productivity, and to improve water security by strengthening cooperation on shared waters. Some activities that support these goals are: strengthening water sector governance by local, national, and regional institutions; mobilizing domestic resources; promoting large and small scale infrastructure investment; advancing improved hygiene activities for public health protection; encouraging science and technology cooperation to advance knowledge in areas related to water management; and promoting prevention, preparedness, and mitigation measures in response to disasters.

Education: The United States seeks to help those in the developing world gain the skills and knowledge they need to build free and prosperous societies. U.S. educational assistance has been particularly valuable in establishing and extending a lasting, positive image of the United States. This is especially true given the extent to which inadequate educational opportunity and poor educational quality hampers human development in large parts of the world. Approximately 770 million adults are illiterate, while 77 million primary school-aged children—most of them girls—are not enrolled in school. In Sub-Saharan Africa, only two-thirds of children who enter primary school complete it.

Given these circumstances, it is not surprising that investments in basic education generally yield high returns, particularly in the developing world. It is the foundation on which individuals and institutions build stable and prosperous lives and democratic states. The quality and accessibility of basic education play a critical role in determining whether learners acquire core skills, including literacy and numeracy, and have a chance to continue their education. Given the particularly significant challenges facing girls, we will devote special efforts to reducing barriers to education for them. Educating people in critical thinking and the scientific method builds demand for objective, democratic decision-making based on the rule of reason, while preparing citizens to become productive participants in the local polity and economy. Moreover, higher education strengthens the institutional capacities of public and private institutions to: teach, train, conduct research, and provide community service; contribute to development; and promote professional development opportunities, institutional linkages, and exchange programs.

The U.S. Government helps build education systems that enable countries to better compete in the global economy by enhancing knowledge and skills and improving education completion rates. Educational systems must foster equitable access, as well as the quality and mix of human capital needed for accelerated national development. By promoting linkages with U.S.-based institutions, our assistance will strengthen the capacity of universities and colleges to help address their countries' development problems.

Sharing knowledge with other countries also yields direct benefits for the United States. For example, joint research and development efforts with other nations build U.S. knowledge, while leveraging resources to advance science in areas ranging from space exploration to the development of new energy technologies. Thus, we will promote sharing of knowledge in the international scientific community that will enhance the efficiency and hasten the fruition of U.S. research efforts, and promote international scientific collaboration.

AP Image

Social Services and Protection for Especially Vulnerable Populations: Our objective in this area is to help especially vulnerable populations manage risks and gain access to opportunities that support their full and productive participation in society. Providing a social safety net for and protecting the rights of such groups are among a nation's greatest responsibilities. The U.S. Government supports policies, regulations, systems and capacities to develop or reform safety nets. When structured effectively, safety nets provided by governments, international organizations, and NGOs can mitigate the long-term and social economic impacts of conflict and torture, and help populations rebound from temporary adversity or cope with chronic poverty, reduce vulnerability, and increase self-reliance. These services build faith in state institutions and political support for effective governance.

Social services will assist those whose needs are not addressed under humanitarian assistance or other programs, facilitating a transition from humanitarian relief to longer-term development and growth. These include groups such as: the disabled; orphans, children, and at-risk youth; victims of trafficking, gender-based violence, or torture; refugees, returnees, ethnic minorities, internally displaced or other socially excluded groups; the elderly; and female heads of household. Services may protect groups, mitigate adverse conditions they face, or remove barriers to help integrate them into society. Components may include measures to: increase the capacity of local service and advocacy NGOs, and professional social workers; establish public/private service delivery partnerships, and family and community-focused service models; establish effective referral networks; develop appropriate service protocols and methods for screening

prospective recipients; and improve public understanding and sensitivity to the needs of the vulnerable. For the poor or those suffering from temporary shocks, financial or technical support is provided to meet basic needs, enable cash transfers with conditions, and provide subsidized access to key services.

U.S. Government Partners and Cross-cutting Programs: The following are key U.S. Government partners with whom we will coordinate to achieve this goal:

- ***Department of Health and Human Services:*** Health and Human Services and its constituent agencies (e.g., Centers for Disease Control, National Institutes of Health, Health Resources and Services Administration, and the Substance Abuse and Mental Health Services Administration) are major partners in meeting the U.S. objectives for health.
- ***Environmental Protection Agency:*** EPA supports health-related projects such as improving water quality and reducing indoor air pollution.
- ***Department of Homeland Security:*** Homeland Security cooperates on programs to prevent the spread of avian influenza.
- ***Department of Defense:*** Defense coordinates on health programs in post-conflict situations and provides military-to-military assistance to fight HIV/AIDS in military populations.
- ***Department of Agriculture:*** Agriculture coordinates with USAID on child nutrition, avian influenza, and providing incentives for school attendance.
- ***Department of Education:*** Education represents the U.S. Government in many international fora.
- ***Millennium Challenge Corporation:*** MCC supports all the Investing in People objectives.
- ***Peace Corps:*** Peace Corps supports Investing in People programs at the community level.
- Other partners include: ***Departments of Commerce***, ***Labor***, and ***Justice***.

EXTERNAL FACTORS

The following are key factors, external to the Department and USAID, which could significantly affect the achievement of the goal:

- Mutations of infectious diseases, or new human exposure to diseases;
- Stigma and cultural practices affecting access to disease prevention, diagnosis, and treatment;
- Price and availability of disease-fighting drugs, and the role of intellectual property rights;
- Priority placed by some governments on social issues; diversion of attention/funds to other initiatives;
- Government sensitivities to international involvement in "internal affairs;"
- Speed and nature of economic growth or global demographic changes in developing countries;
- Capacity within host governments to address links between public health, and agriculture, environment, or the economy;
- Conflict or natural crises impeding access to public services and increasing the number of displaced persons; and
- Availability of trained health care workers to provide basic and specialized health services.

STRATEGIC GOAL 4

Promoting Economic Growth and Prosperity

In his 2006 State of the Union Address, President Bush said, "We will choose to act confidently in pursuing the enemies of freedom—or retreat from our duties in the hope of an easier life. We will choose to build our prosperity by leading the world economy—or shut ourselves off from trade and opportunity."

As the world's largest economy and trading nation, the United States derives enormous benefits from a stable, resilient, and growing world economy. In 2005, total U.S. trade accounted for more than one-quarter of the Nation's income, while exports alone provided 20 percent of its economic growth. One out of every three acres of U.S. farmland is devoted to exports, as is one out of six jobs in manufacturing. Foreign investment in the United States is estimated at more than $12 trillion—roughly equal to one year of the U.S. economy's output—while the value of U.S.-owned assets abroad is only modestly lower.

Helping poorer countries share in the virtuous circle of development and achieve rapid, sustained, and broad-based growth is also in U.S. vital national security interests. Economic growth is essential to allow countries to reduce and eventually eliminate extreme poverty. Growth also generates the resources countries need to address a wide range of other development challenges, such as poor health and inadequate education. Countries that prosper tend to be more tolerant, more willing to settle disputes peacefully, and more inclined to favor democracy.

The U.S. Government's goal is rapid, sustainable, and broad-based economic growth, both domestically and internationally. To address the development challenges of the future, we must ensure that we lay the groundwork for future growth and support sustainable use of natural resources. We will work to ensure that our efforts effectively target women because growth will lag without the full participation of women.

Together with our coalition partners and the international community, we will support economic growth and development in Iraq and Afghanistan—two critical countries on the front lines in the war on terror—by coordinating reconstruction assistance, negotiating debt relief, and facilitating access to international markets.

We will continue to help integrate developing nations into the global economy. Coordination with the Millennium Challenge Corporation (MCC)—which has pioneered a revolution in development assistance by focusing our assistance on countries that govern justly, invest in their people, and foster economic freedom—ensures a comprehensive U.S. Government support of economic development activities.

In the years ahead, we will build upon our diplomacy and development assistance successes in promoting economic growth and prosperity in opening markets, pursuing ambitious trade and investment agendas, assisting reform-minded governments to build the capacity to implement and sustain economic reforms effectively, multiplying development efforts through private sector participation and recipient country accountability, supporting U.S. businesses through advocacy, and helping areas rebuild from war, terrorism, and natural disasters.

STRATEGIC PRIORITIES

Strengthen Private Markets: The President's 2006 *National Security Strategy* notes that "a strong world economy enhances our national security by advancing prosperity and freedom in the rest of the world." Working with other agencies, foreign governments, the private sector, and multilateral institutions, we will support free markets and free trade to unleash the power of the private sector to promote economic growth and prosperity in the United States and abroad.

Private capital flows are an important resource for development that can complement official development assistance. Investors, however, wisely avoid unpredictable investment environments. For that reason, we will work with other nations and international organizations to assist countries committed to building the capacity, institutions, and legal systems vital to enable economic good governance and other related reforms to take root. Programs in these areas will complement broader good governance efforts. The Department and USAID will strengthen efforts on corporate governance, accounting, and financial transparency. We also will strengthen efforts to combat corruption, including through the National Strategy to Internationalize Efforts against Kleptocracy, the Anti-Bribery Convention of the Organization for Economic Cooperation and Development (OECD), the UN Convention on Corruption, and the Extractive Industries Transparency Initiative (EITI). We will also strengthen bilateral assistance that improves transparency and reduces opportunities for corruption in customs, government procurement, and other public procedures. We will work to reduce pressures that contribute to illegal immigration and the trafficking of persons, narcotics, and other illicit products.

Trade and Investment: Increased trade and investment directly benefit American consumers, workers, and businesses. The rules-based trading system has been a principal driver of global economic growth since the end of the Second World War. More than 60 years of post-war history demonstrate that countries that remove barriers to trade succeed in raising growth and reducing poverty, while countries that remain closed are left behind.

We will provide critical support in negotiating and implementing trade agreements and resolving trade disputes. We will also continue to negotiate civil aviation agreements, develop international communications and information policies, and pursue bilateral investment treaties that open new markets, support job creation in the United States, and provide important protections to U.S. investors.

The United States continues to seek successful completion of the WTO Doha Development Round of global trade negotiations. Our trade agenda is also focused on concluding and implementing state-of-the-art free trade agreements (FTA) that open new markets for U.S. agriculture,

goods, and services and extend strong U.S. investment, transparency, and intellectual property protections abroad. We will continue to support programs linked to our FTAs, including support for labor, environmental, and governance activities, needed to ensure a level playing field for U.S. companies. We will ensure that trade capacity-building programs help developing countries participate in and benefit fully from global, regional, and bilateral trade negotiations.

Energy Security: We will enhance U.S. and global energy security by: promoting open and transparent, integrated, and diversified energy markets; encouraging appropriate energy-sector investments to expand access to energy and increase economic growth and opportunity; and developing clean and efficient energy technologies. Energy supply disruptions caused by hurricanes in the United States, disruptions in Russian natural gas supplies, and internal disputes in Nigeria underline the need for policies that strengthen energy security. We will intensify engagement with key producers to increase oil production and capacity and strengthen investment climates to facilitate U.S. oil investment in key resource-rich countries. Our diplomatic efforts in support of multiple pipelines for Caspian oil and natural gas will broaden the diversification of energy supplies worldwide.

Working with the International Energy Agency, we will widen engagement with key drivers of global demand in the developing world (e.g., India and China) on the need to build strategic petroleum stocks, enhance efficiency, adopt clean and renewable energy technologies, and accelerate market-based domestic policy reforms. In support of the President's 2006 Advanced Energy Initiative to develop alternative sources of energy and reduce foreign dependence, we will strengthen major international collaborations on cutting-edge energy technology research and development in biofuels and clean coal power generation, as well as hydrogen, methane, wind, and carbon sequestration.

Environment: Environmental issues such as climate change, protection of natural resources and forests, and transboundary pollution will continue to play a critical role in our diplomatic and development agendas. We will continue to promote a holistic approach to environmental issues in international fora, integrating our interests in conserving the planet's resources into our economic plans and activities. Transformational economic growth rests on a foundation of scientifically-based sustainable use of natural resources. In development programs, we build capacity, apply research, and promote technological improvements to foster more sustainable natural resource use and the conservation of biodiversity, and resilience to climate change impacts. Recognizing that 1.6 billion people worldwide depend on forest resources for their livelihoods, we will promote sustainable forest management, combat illegal trade in timber and timber products, and protect forest species endangered by overharvesting. We will promote partnerships for economic development that reduce greenhouse gas emissions, improve air quality, and create other co-benefits by developing markets to employ improved efficiency, conservation, and low carbon energy sources. We will continue working with our partners at the OECD to improve policies in industrialized countries while simultaneously supporting our developing country partners in their efforts to protect the environment.

Agriculture: The United States has strong political, economic, and humanitarian interests in supporting agricultural growth in poorer countries. We will support: agricultural trade and market systems that link producers to markets, add value to products, and increase rural incomes and opportunities; scientific and technological applications, including biotechnology, that harness new technology to raise agricultural productivity and provide a more stable, nutritious, and affordable food supply; local organizations that provide services and give political voice to producers; integration of vulnerable groups into development processes; development of human capital and institutions in and for agriculture; reduced negative environmental impacts; and natural resource management that contributes to rural sector growth.

As women are the major food producers in many regions, we will work to ensure that women benefit from investments in technology and strengthening of markets.

U.S. Government Partners and Cross-cutting Programs: The following are key U.S. Government partners with whom we will coordinate to achieve this goal:

- ***U.S. Trade Representative:*** USTR coordinates trade policy and trade negotiations.
- ***Millennium Challenge Corporation:*** MCC is a key partner in the provision of development assistance.
- ***Department of Agriculture:*** Agriculture is a key partner, particularly in provision of food aid, promotion of farm exports, and technical assistance for forest management.
- ***Department of the Treasury:*** Treasury directs U.S. policy in the international financial institutions and cooperates on initiatives such as the Global Environment Facility.
- ***Department of Commerce:*** Commerce works in support of U.S. businesses overseas and through the National Oceanic and Atmospheric Administration on marine resource issues, coastal zone management, and meteorology.
- Other important partners include: ***Departments of Defense***, ***Energy***, ***Justice***, and ***Interior***; ***the Environmental Protection Agency***; ***the Federal Communications Commission***; ***the National Aeronautics and Space Administration***; ***the Overseas Private Investment Corporation***, ***the Export-Import Bank***, ***the U.S. Trade and Development Agency***, ***the Small Business Administration***, ***the Peace Corps***, and the ***U.S. Geological Survey***.

EXTERNAL FACTORS

The following are key factors, external to the Department and USAID, which could significantly affect the achievement of the goal:

- Economic and environmental policies of major trading partners;
- Readiness of other donor governments to implement the new development consensus;
- Degree of foreign governments' commitment to economic reform and to engage in forward-looking dialogue on environmental and natural resource questions;
- Economic, environmental, and social impact of a major natural or human disaster, such as a terrorist incident, oil spill, pandemic illness, or earthquake;
- Degree to which protectionist impulses in many countries impede the expansion of free and fair trade and investment; and
- Effect of regional political instability on price and security of oil supplies.

STRATEGIC GOAL 5

Providing Humanitarian Assistance

As stated in the *National Security Strategy* of 2006, "We will work to bolster threatened states, provide relief in times of crisis, and build capacity in developing states to increase their progress." A nation's ability to build and sustain a democratic and well-governed state that responds to the needs of its citizens is diminished or absent when affected by conflict or natural disaster. Conflicts, disasters, and human rights abuses threaten people's lives and health, displace people, divide families, destabilize societies, and erode living standards. All countries face some risk of humanitarian emergency. An estimated 37 million people around the world are currently uprooted from their homes, 820 million do not have enough food to eat, and millions more are affected by conflict and disasters where they live. Humanitarian assistance responds to their needs, and transforms affected countries by forging a path toward recovery, growth, and stability.

On behalf of the American people, the U.S. Government leads the international community in responding to the needs of refugees, internally displaced persons, victims of conflict and disasters, and vulnerable migrants. For many Americans, humanitarian assistance is the hallmark of U.S. foreign policy engagement and a demonstration of American compassion. The U.S. Government directly supports more than one-quarter of the cost of humanitarian activities undertaken by the UN and Red Cross organizations, and provides strong support to other NGOs. The United States is also a leader in the promotion of legal, orderly, and humane migration, building on our history and values as a country of immigration.

The goal of humanitarian assistance is to save lives, alleviate suffering, and minimize the economic costs of conflict, disasters, and displacement. It requires urgent responses to rapid-onset emergencies, and concerted efforts to address hunger and protracted crisis situations, and build capacity to prevent and mitigate the effects of conflict and disasters. Humanitarian assistance is also the genesis of the transition to long-term political, economic, and social investments that can eliminate the root causes of conflict and displacement. The United States leads the international community in providing humanitarian assistance that is done on the basis of need alone and according to the principles of universality, impartiality, and human dignity. Without exception, flexibility to respond quickly is critical. We will improve strong, complementary multilateral and bilateral approaches to humanitarian assistance and promote responses that are rapid and well-coordinated. The United States will continue to be

actively engaged in a major effort to reform UN humanitarian response, thereby holding it accountable with clear measurements for success. We will leverage influence, accountability, and responsibility-sharing by providing reliable and predictable contributions to international organizations. We will mobilize other donor governments, host governments, international organizations, NGOs and others in the private sector to maximize the effectiveness of humanitarian aid on behalf of beneficiaries and U.S. taxpayers.

STRATEGIC PRIORITIES

Provide Protection, Assistance, and Solutions:

Protection: U.S. humanitarian aid will protect civilians affected by conflict, disaster, and displacement from physical harm, persecution, exploitation, abuse, malnutrition and disease, family separation, gender-based violence, forcible recruitment, and other threats, to ensure that their full rights as individuals are safe-guarded. We will continue to insist that our partners adhere to humanitarian laws and principles, and provide protection and assistance under the guiding principle of "do no harm." We will work diplomatically to negotiate safe access for humanitarian workers, and to encourage other governments to respect and adhere to international refugee and human rights laws, including preventing the forcible return of refugees to countries where they would be at risk of harm or persecution. We will advocate and support humanitarian programs designed to identify and protect the most vulnerable within affected populations, such as single heads of households, children, the elderly, ethnic minorities, and the disabled, to ensure that they have equal access to assistance. U.S. Government partners will implement codes of conduct prohibiting exploitation, with emphasis on protection of women and children. We will support programs that deter violence against women and address its consequences for survivors.

Assistance: The U.S. Government provides life-saving disaster relief, including food aid, and other humanitarian assistance to people affected by natural disasters and complex, human-made crises. Within hours of a disaster, the U.S. Government—through its foreign assistance—mobilizes goods, services, and relief workers to assist survivors with food, water and sanitation, shelter, and health care, and to strengthen local capacity to respond to the humanitarian needs. These programs will strive to uphold international standards for the provision of humanitarian assistance. Where appropriate, we will restore sustainable livelihoods to encourage self-reliance and minimize the need for long-term assistance. In doing so, U.S. humanitarian assistance begins the process of stabilization and recovery as early as possible.

Approximately three billion people in 150 countries have benefited directly from the gift of food from the American people since the creation of the Food for Peace program. Over the next five years, food aid will continue to be a key element of U.S. humanitarian assistance. We will continue working with all stakeholders to increase the effectiveness and

efficiency of this program, and to ensure that this most visible gift of the American people continues to contribute to peace and stability in troubled areas of the world.

Solutions: For millions of refugees and internally displaced persons, our priority is to achieve durable solutions to their plight. There is no preferred solution, although the majority of displaced people may prefer to return home. The best solution must be determined according to the protection needs of the individual or family. Where peace has taken hold, we will facilitate the voluntary return and reintegration of people to their homes in safety and dignity. For those unable to return, we will encourage local integration in their host communities, where both communities and the displaced are willing. For refugees for whom resettlement to third countries is the appropriate durable solution, the United States will continue its tradition of welcoming them to begin new lives in communities across the country.

Prevent and Mitigate Disasters: U.S. foreign assistance will build the capacity of affected countries, American responders, and the international community to reduce disaster risks, prepare for rapid response, and increase the affected population's ability to cope with and recover from the effects of a disaster. We will develop local and global capacity to anticipate and respond to suffering by establishing and strengthening early warning systems to reduce vulnerabilities to food insecurity, hunger, and famine. Our Famine Early Warning System Network, operational in 30 countries, will encourage collaboration among international, national, and regional partners to provide timely and relevant information to prevent famine. Preparedness and long-term risk reduction measures minimize the human and economic costs of disasters and offer lasting improvements to communities. Our comprehensive approach to disaster management presents a prototype for subsequent disaster responses by the international community.

Promote Orderly and Humane Means for Migration Management: People migrate for many reasons, including to escape conflict or persecution, to avoid natural disasters and environmental degradation, to seek economic opportunities, and to reunite with family. Among migrants, women and children are especially vulnerable to exploitation and abuse. Addressing the challenges of migration is important, not only because the United States is a destination country, but also because we believe that the exploitation of migrants is a serious affront to human dignity.

The U.S. Government will help build the capacity of host governments to manage migration effectively and to ensure full respect for the human rights of vulnerable migrants in accordance with law. We will promote orderly and humane international migration by supporting and participating in regional migration dialogues that bring together governments to share best practices and cooperate on a range of region-specific issues, including border control, asylum procedures, and the protection of the human rights of migrants. We will provide protection and other services such as financial, material, and technical assistance to meet basic human needs and reintegrate returning vulnerable migrants. We will continue to support, according to need, the resettlement in Israel of humanitarian migrants from the former Soviet Union, Eastern Europe, Africa and the Near East, and other countries.

U.S. Government Partners and Cross-cutting Programs: The following are key U.S. Government partners with whom we will coordinate to achieve this goal:

- ***Department of Homeland Security:*** Homeland Security is responsible for refugee adjudications for resettlement into the United States and for admitting such individuals upon arrival. Our Homeland Security colleagues also provide the technical expertise on migration related matters for U.S. Government involvement in regional migration dialogues.
- ***Department of Health and Human Services:*** Health and Human Services is a key partner in international emergency and refugee health issues, particularly through the Centers for Disease Control and Prevention's work with the UN and other humanitarian partners.
- ***Department of Defense:*** Defense plays an important role in efforts to mobilize large-scale logistical support in humanitarian emergencies; to stabilize countries affected by conflict, including providing security for the provision of humanitarian assistance; and to provide humanitarian assistance in environments so insecure that civilian agencies are not able to operate.

EXTERNAL FACTORS

The following are key factors, external to the Department and USAID, which could significantly affect the achievement of the goal:

- Security concerns that may inhibit international relief efforts, slowing or impairing our ability to reach beneficiaries in need of humanitarian assistance and protection;
- Continued violence against humanitarian workers that represents a serious constraint to the efficient and effective delivery of humanitarian assistance;
- Lack of coordination among international organizations to fill gaps in their respective mandates;
- Inconsistency between U.S. efforts on the one hand, and political actions and material assistance from foreign governments and NGOs; and
- Countries' vulnerability to disasters and their ability to recover in terms of their development status and capacity for disaster prevention and response.

STRATEGIC GOAL 6

Promoting International Understanding

Our values as a nation and as a people are the foundation of our international engagement. The President underscored this fact when he stated, "America will lead by defending liberty and justice because they are right and true and unchanging for all people everywhere…America will always stand firm for the non-negotiable demands of human dignity." Public perceptions of the United States directly affect our ability to achieve our foreign policy and development assistance objectives. The Department and USAID will lead the effort to inform these perceptions of the United States by relating this public face to our values and our history.

We will vigorously communicate this intersection of values, interests, and policy. Through engagement, assistance, and dialogue, the Department and USAID will foster a two-way flow of people, ideas, and information—a process defined by mutual learning and respect and designed to create peaceful and productive relationships between the United States and other countries.

STRATEGIC PRIORITIES

America's public diplomacy and strategic communication with foreign audiences are governed by three strategic priorities:

Offer A Positive Vision: We will offer a positive vision of hope and opportunity. Our vision is rooted in the most basic values of the United States: our deep belief in freedom, including freedom of expression and religion, and our belief in the dignity and equality of every person. We believe that a free people, well-informed, will make the best choices for the common good. Factual information is the antidote to ignorance, misunderstanding, and violent extremism.

We will link programs and policies with America's values. Public diplomacy and assistance programs are values in action. We will advocate and create the conditions for religious freedom, freedom of expression, and political participation because we believe those are the rights of all people. We will oppose violent extremism and oppression in all its forms. The Department and USAID will sponsor educational programs at all levels, advocate for the rights of people, and partner with countries across the world to fight terrorism, which threatens the right of all people everywhere to live in security and peace.

We will highlight the diplomacy of deeds—America's development and humanitarian assistance. Across the world, America feeds the poor; educates the illiterate; cares for the sick; and assists refugees, internally displaced persons, and victims of conflict and other disasters. Yet often, the good work of the American people is not recognized. The Department and USAID will address the needs of other peoples for improved health and education; for skills and training; and for food, water, and shelter. We will continue to support the aspirations of other peoples for a better life, and to respond readily and generously when catastrophes strike around the world. We will facilitate the contributions of the private sector and individuals and seek ways to inform others of the generosity of the American people.

We will broaden participation in public diplomacy and foreign assistance. The challenges facing our Nation are great, and it is essential that all of our talents and skills be brought to bear on their resolution. Building on transformational diplomacy, we will seek to focus the U.S. Government on key priorities by establishing public diplomacy centers in Europe and the Middle East to tell, in real time, America's story in the local language, media, format, and style that conveys a clear and compelling message. We will also enhance our outreach to key communities in the private sector. America's business, academic, philanthropic, scientific, engineering, and medical sectors, its NGOs, labor unions, and faith-based and community organizations play a vital and ongoing role in America's interaction with all nations of the world. We will increasingly partner with the private sector and draw upon its tremendous resources of experience and expertise. We will encourage Americans to be citizen diplomats, and encourage young Americans to learn critical languages and study world geography, history, and culture. The message of volunteerism, community action, and individual empowerment is a powerful one which can be conveyed best by America's private sector. The individual American citizen is one of our greatest public diplomacy assets.

Marginalize Extremism: We will seek to isolate and undermine violent extremists. Extremists threaten the freedom and peace sought by civilized people of every nation, culture, and faith. As part of our transformational diplomacy effort, the Department and USAID will counter these destructive forces by promoting education and exchanges, democratization, good governance, and economic and human development as a path to a positive future, in just, secure, and pluralistic societies. We will seek to isolate and discredit terrorist ideology, de-legitimizing terror as an acceptable tactic to achieve political ends, and work to put an end to the pernicious misperception that the United States is hostile to any religion.

We will reach out to key influencers. In the world after September 11, 2001, key influencers may not occupy defined positions in government or society. In the context of values and ideas, we must put increased attention to engaging figures of authority whose influence is cultural, religious, social, or traditional. We will continue to engage established centers of influence—government officials, business leaders, journalists—but also a broader range of opinion shapers who may fall outside of our "comfortable rolodex." We will continue to field innovative programs, tailored to regional, country, and societal needs. We will devote particular attention to:

- ***Religious Leaders:*** Members of faith-based communities and religious educators who can speak directly to issues of tolerance and mutual respect among religions and their followers.
- ***Young People:*** Today's young people are the future of our world. They are a focus of propaganda and misinformation by extremists and ideologues. We will engage young people through education and exchanges, sports diplomacy, summer programs, English language teaching, educational advising, cultural offerings, exchanges, and other vehicles.
- ***Women and Girls:*** No country can truly progress politically, socially, and economically unless women are full partners in all aspects of society and enjoy full equality. The Department and USAID will support the education, training, and advancement of women and girls through exchanges, education programs, literacy and numeracy campaigns, microfinance, nutrition and health support, maternal and

infant care, business mentoring, and skills training. We will also support efforts to combat trafficking in persons and combat the scourge of HIV/AIDS.

- ***Teachers:*** Teachers are central to the learning process and among those key influencers with the most direct impact on young men and women. The Department and USAID will continue to focus on professional development and teacher training. We will provide opportunities for teachers to enhance their skills in key subjects, including the English language, and also to foster critical thinking in the classroom.
- ***Journalists:*** Television, print, and radio wield enormous influence in shaping opinions and perceptions. We will work not only to improve the accuracy of media coverage of the United States, its policies and actions, but also to foster independent media and improve the standards of journalism.

We will foster a climate of openness and de-legitimize terror. Open dialogue, unfettered debate, and freedom of expression are the antidote to stereotypes and hatred. We will continue to move people and move information around the globe to encourage person-to-person interaction and provide enhanced understanding. We will work with individuals and groups who can serve as bridges between societies and communities. We will foster grassroots condemnation of terror, encouraging men and women of good will to speak out against violence. We will foster the free flow of information and facilitate cultural and artistic offerings that reinforce our shared respect for mankind's heritage. We will create projects and programs that empower citizens and local governments and organizations to take the lead in the development of civil society.

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Nurture Common Interests and Values: The Department and USAID will work to nurture common interests and values between Americans and people of different countries, cultures, and faiths across the world. America believes in the dignity and value of every human being in the world. We respect the historical and cultural roots that underlie other political and social systems, even as we uphold the inalienable and fundamental human rights of every person.

Common interests and values are integral to U.S. Government communications. All outreach efforts and communications should be infused with our values. Department and USAID programs and messages should also build on areas in which our expertise corresponds to the interests and needs of our partners and counterparts. Creating indigenous capacity—whether it is in health, education, free press, workforce training, agriculture, law enforcement, or governance—is key to long-term progress, the stable development of civil society, and firm and friendly bilateral/multilateral relationships.

We will pay particular attention and devote resources to health and education—two major areas that human beings across the world care about most. We will further commit America to working in partnership with other nations to eradicate preventable diseases. We will use exchanges and a broad range of information programs to share expertise and disseminate information. We will use conferences to focus attention on these areas, track progress, and publicize major initiatives. We will encourage greater collaboration between government agencies and foundations, NGOs, and

health care organizations. American health programs that reinforce this goal include PEPFAR, efforts to reduce the impact of malaria, increased emphasis on maternal and infant mortality, and efforts to improve water supplies.

In the field of education, efforts will be made to expand educational programs across the board, including the professional development of teachers, student and scholar exchanges, literacy training, and stimulation of critical thinking skills. We will foster mutual understanding through academic collaboration. Education also takes place outside of the classroom and other formal settings. We will offer after-school programs and summer camps and institutes, with a special focus on English language ability, to offer youth job-related skills and improve their economic prospects. These programs will also open windows on our shared values and the wider world of information. We will also expand horizons by sharing the best of American culture, mitigating negative images and misunderstanding.

U.S. Government Partners and Cross-cutting Programs: The following are key U.S. Government partners with whom we will coordinate to achieve this goal:

- ***Broadcasting Board of Governors:*** BBG, consistent with its legislative charter and standards of professional journalism, disseminates information abroad on America and American policies.
- ***Department of Defense:*** Defense provides global support for public diplomacy and assistance activities and is a principal player in the interagency process.
- ***Department of Homeland Security:*** Homeland Security coordinates intelligence and law enforcement activities and programs that help protect the United States from terrorist and other threats, and leads on issues relating to visa policy and border control procedures.

EXTERNAL FACTORS

The following are key factors, external to the Department and USAID, which could significantly affect the achievement of the goal:

- Political, social, or economic instability beyond our ability to control;
- Cultural and social receptivity of foreign audiences to U.S. Government messages;
- Policies of foreign governments on dissemination of information and use of media, especially relating to the unrestricted use of communication technologies;
- Technological development of communications as well as media competition in targeted areas;
- Conduct and policies of the United States and allied governments amenable to foreign audiences; and
- Security concerns affecting the free exchange of visitors.

STRATEGIC GOAL 7

Strengthening Consular and Management Capabilities

The overarching goal of the Department of State and USAID in this area is to provide the best visa and American citizen services possible that are compatible with our responsibilities for homeland security, and to ensure a high quality workforce, including locally employed staff, supported by modern secure infrastructure and operational capabilities. When American citizens seek passports or emergency assistance overseas, they rely on the Department. Foreign visitors seeking to enter the United States meet the Department face-to-face when U.S. consular officers conduct their visa interviews. Sound management and organizational excellence are essential to support our embassies, consulates, and USAID missions abroad. While remaining two separate organizations with distinct legislative mandates and budgets, the Department and USAID will pursue opportunities to create more integrated management structures where analyses demonstrate that such structures are cost-effective, efficient, and support our mission. Such management reforms to date have been accomplished largely through the work of the State/USAID Joint Management Council (JMC), created in 2003 to provide a mechanism for facilitating change. Most of the inspection and audit work carried out by the Department of State Office of Inspector General (OIG) is focused on the areas covered in this strategic goal.

Our strategic priorities cover nine main areas: Visa Services, Passports/American Citizen Services, Human Resources, Information Technology, Security, Facilities, Planning and Accountability, Administrative Services, and Rightsizing the U.S. Government Overseas Presence.

STRATEGIC PRIORITIES

Visa Services: The Department is responsible for safeguarding U.S. borders through vigilance in adjudicating visas. The Department must simultaneously balance security with facilitating legitimate travel. Consular officers around the world process over seven million non-immigrant visa applications and nearly 700,000 immigrant visa applications each year. To meet security challenges, we will:

- Use new technologies, including facial recognition and biometric data collection, to detect fraud and individuals with false or multiple identities; and
- Expand interagency partnerships and develop agreements with other governments to share information and build real-time data links.

To welcome visitors who contribute materially to the U.S. economy and enrich American society in countless intangible ways, we strive to improve both efficiency and customer service. We employ modern tools, such as Web-based application forms and appointment systems, to manage workflow. Through initiatives like the Business Visa Center, Web chats with students in China, and dialogue with U.S. academic institutions, the Department communicates directly with the public at home and abroad.

Passports/American Citizen Services:

Passport services: The new e-passport is a state-of-the-art citizenship and identity document which exceeds international standards. By March 2007, we will have completed the transition to electronic passport production at all 17 domestic passport agencies. Despite record-breaking demand, Passport Services will continue to uphold high standards of customer service.

American Citizen Services: Assisting approximately four million Americans who reside overseas and nearly 60 million who travel abroad remains a top priority. Though consular work is punctuated by extraordinary acts to help U.S. citizens during times of crisis or urgent need, it is built upon a foundation of services provided to an American public that increasingly lives, works, and learns in the global community.

We will continue to improve the quality of and access to reliable information for travelers through our consular information program and our Web site, *travel.state.gov*. We also have toll-free call centers to answer questions about the full range of consular services. Encouraging more Americans to use our expanded Internet-based Registration System is a major objective. We rely upon this tool to communicate directly with Americans abroad during crises, whether they stem from natural disasters, civil unrest, or terrorist attacks. During such crises, including evacuations, the Department takes all requisite steps to protect and assist Americans. The Department will also fully implement the Hague Convention on Intercountry Adoption, and work tirelessly to prevent and resolve cases of international parental child abduction.

Human Resources: Where efficient and cost-effective, the Department, USAID, and the Foreign Service Institute (FSI) will integrate systems and coordinate strategies to improve the skill base, diversity, and performance of our workforce. USAID and FSI will continue to expand joint classroom and distance learning training opportunities in the areas of leadership, crisis management, reconstruction and stabilization, foreign assistance, management and administration, foreign languages, and information technology (IT). USAID has designated FSI as its President's Management Agenda (PMA) e-training service provider, and will leverage this strong partnership to further e-Government initiatives. We will continue to partner in our recruiting efforts with the aim of creating synergies and cost savings while attracting a diverse, multi-skilled workforce for the 21st century—a workforce that gives the Department and USAID the flexibility to respond quickly to constantly evolving needs and challenges around the world. We will also work together to facilitate the Secretary's Global Diplomatic Repositioning initiative that will increase our presence in critical parts of the world. As a growing percentage of USAID and Department employees reach retirement age, we will focus on career development, mentoring, and leadership training to retain talented mid-level employees and cultivate the next generation of leaders.

Information Technology: The Department and USAID require secure and modern IT to provide the information required for effective diplomacy and development. To this end, we will pursue five IT strategic goals over the next five years:

- Provide the right information via state-of-the-art information management tools, services, and repositories both internally to our employees and to our e-Government partners, citizens, other U.S. Government agencies, private businesses, NGOs, and other governments.
- Provide worldwide access to information and systems via an integrated, continually refreshed infrastructure that extends to mobile end-user devices, such as laptops, cell phones, blackberries, and wireless networks.

- Enhance collaboration and information sharing with external partners and, through interagency connectivity, the entire foreign affairs community; participate in the expansion of government-wide applications and services under the e-Government initiative.
- Balance the need for security with the need for continuous innovation by developing a rapid and disciplined risk management process and a comprehensive flexible security architecture; develop a robust and fully tested plan for IT contingency operations for all Department and USAID locations.
- Provide for more efficient work practices and effective IT workforces for both agencies by: strengthening IT skills; achieving established service levels; strengthening IT project management; and ensuring flexible, rapid, and consistent IT governance. Develop and implement an appropriate and cost-effective mix of U.S. direct hire, contractor, and locally employed staff to support IT requirements.

Security: The Department and USAID are committed to ensuring a safe and secure environment for the successful conduct of U.S. foreign policy and global development efforts. In the face of high threats, especially in Afghanistan and Iraq, the Department and USAID are working together to provide the highest level of security for people, property, and information. Key areas of collaboration are:

- ***Worldwide security operations:*** Enhance security globally through human, physical, and technical measures, including an increase of local guards, mobile security deployments, high threat protection teams, and command center operations.
- ***Transformational Diplomacy Security Requirements:*** Provide security to protect U.S. personnel operating beyond the traditional embassy and consulate environments, and to support new initiatives, improved IT, and locations required by transformational diplomacy.
- ***Global Diplomatic Repositioning and Security Preparedness Training:*** Provide security training and resources to address the challenges involved in moving hundreds of personnel to critical, often high risk locations in Africa, Asia, and the Middle East. Training requirements will address issues in the most restrictive security environments in the world, and include greater emphasis on safe haven and emergency medical usage, surveillance detection, defensive driving, improvised explosive device (IED) awareness, and firearms familiarization.

Facilities: The Department and USAID goal is to provide secure, safe, and functional facilities at domestic and overseas posts. Domestically, the Department employs a long-range asset management plan to guide and improve its use of real estate. A master plan to modernize the Foggy Bottom campus in Washington, D.C., currently in progress, incorporates: a multi-phased renovation of the aging Harry S Truman building; co-location of bureaus; and relocation of organizations requiring proximity to headquarters. Construction of a new building for the U.S. Mission to the UN will consolidate several New York offices, reducing lease and security costs. This will be the Department's first domestic building designed according to Interagency Security Criteria. Other projects will similarly incorporate office consolidation, modernization, security improvements, energy conservation, and environmental stewardship.

Overseas, we are engaged in the most comprehensive overseas capital construction program in the history of the Department to replace 195 security-deficient embassies and consulates and co-locate all U.S. Government personnel. In the past five years, 54 embassies and consulates have been replaced or are under construction. As of the end of November 2006, we have relocated 11,189 personnel. The Fiscal Year (FY) 2007 – 2012 Long-Range Overseas Building

Plan projects replacing another 61 embassies and consulates. The Department is a leader in the Federal Government-wide Real Property Initiative by incorporating best practices such as "lean" management, ensuring that new facilities are "green" with energy-efficient designs, encouraging innovative design/build contracts, partnering with industry, and maintaining transparency with stakeholders. USAID is a partner in this effort, as the Department includes USAID in new offices on all new embassy compounds.

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Planning and Accountability: To improve our accountability to the American taxpayers, the Department and USAID will improve financial performance and integrate budgeting with strategic and performance planning. This includes:

- ***Integrating financial systems:*** In FY 2006, the Department and USAID implemented a joint financial management platform, to which USAID has migrated all of its financial system users. As we move forward, the Department and USAID will: evaluate a new joint link to Treasury that will ensure common data transfer from both organizations; implement a common interface with our OMB approved e-Travel provider; and explore new joint development and testing opportunities.

- ***Joint Assistance Management System:*** USAID and the Department are developing a Joint Assistance Management System (JAMS) to manage grants, cooperative agreements, and other forms of Federal financial assistance. This requires standardization of business processes throughout and between both organizations. JAMS will manage the life-cycle of assistance activities, from solicitation to award, through post-award monitoring and closeout. The system will be integrated with the Department's and USAID's financial systems and, through them, to the Department of Health and Human Services' Payment Management System. Together, the Department and USAID award over $10 billion in assistance per year.

- ***Strategic and performance planning:*** Planning is critical to achieve our foreign policy goals and to ensure accountability to Congress and the American people. The Department and USAID are re-engineering planning processes to align more closely our diplomatic and assistance priorities. Mission Strategic Plans (MSPs) will provide the overarching foreign policy basis for U.S. embassy and consulate activities for the budget year and beyond. Country Operational Plans will detail the use of foreign assistance funds for the implementation year. We will also look to integrate further the MSP and Country Operational Plan processes and underlying systems. The goals set forth in this joint *Strategic Plan* will serve as the basis for these annual plans.

- ***World-Class Financial Services:*** The Department will implement a single, integrated financial system to provide world-class financial services on a global scale utilizing a single integrated financial system. This system will enhance the timeliness of financial information to facilitate analysis and decision-making by offering Direct Connect, online, real-time access to users with reliable and practical network connections. Where network connections are insufficient, the Department will replace the existing overseas feeder systems with an enhanced feeder system that has the same look and feel of Direct Connect, provides more features, and will readily support future enhancements.

Administrative Services: The Department and USAID will provide premier administrative and information support services to further U.S. Government foreign policy and foreign assistance goals by continually improving customer assistance and satisfaction.

Overseas, the Department and USAID intend to merge selected administrative support functions. Domestically, the Department has begun to re-engineer and consolidate administrative functions into service centers that will each provide specialized support to several bureaus, thus improving service delivery and making better use of resources. We will rely on performance metrics, adoption of best practices, competitive sourcing, and transparency to ensure the success of these customer-oriented service centers. The Department and USAID are developing joint systems that will improve various administrative functions, including assistance grants. In addition, the Department and USAID will continue to provide opportunities for small businesses, including minority-owned institutions, to increase their participation in competitively sourced activities.

We will also participate in developing policies and practices to implement the "Information Sharing Environment," a government-wide effort to share terrorism information across U.S. federal, state, local, tribal, and foreign governments.

Rightsizing/Regionalization: The Department's Office of Rightsizing the United States Government Overseas Presence is a Congressionally-mandated office responsible for implementing the President's Management Agenda (PMA) initiative on Overseas Rightsizing. This office is responsible for conducting rightsizing studies on all U.S. missions worldwide on a rolling five-year basis, and reviewing and approving the staffing projections for all capital construction projects. The rightsizing process includes: analyzing all mission activities to identify duplicative functions; analyzing competitive sourcing to determine whether it is in the U.S. Government interest to retain support services in house or to outsource them; examining the feasibility of converting U.S. direct-hire positions to locally employed staff; and regionalizing functions that need not be performed at post. Through the Joint Management Council, the Department and USAID have agreed to consolidate those administrative support functions at posts where the two agencies are or will be co-located when cost analyses demonstrate that consolidation to a single service provider is more cost effective to the respective agencies and the U.S. Government, and where quality services can be maintained. These efforts will result in the significant elimination of duplicative activity and redundant staff—particularly U.S. direct-hire staff, and strengthen both agencies' regionalization efforts. This process, which is intended to result in the consolidation of some administrative functions at approximately half the posts where both the Department and USAID are present by the end of FY 2007, is planned to continue as new embassy compounds come online in subsequent fiscal years. It is also projected to save both agencies scarce resources by avoiding construction costs for separate annexes as well as ongoing personnel and related costs, and will simultaneously improve customer service. An important part of this effort is focused on consolidating regional administrative platforms—both those in the United States that support overseas functions and those in the field that service a number of posts from a regional center.

Office of Inspector General: The Offices of the Inspector General at the Department of State and USAID promote effective management, accountability, and positive change in their respective organizations. The State OIG advances the missions of the Department, the BBG, and the foreign affairs community by conducting independent audits, inspections, and investigations. USAID's OIG conducts independent audits and investigations of USAID, the MCC, the African Development Foundation (ADF), and the Inter-American Foundation (IAF). The OIGs provide leadership and offer expert assistance to promote integrity, efficiency, effectiveness, and economy; to prevent and detect waste, fraud, abuse, and mismanagement; and to identify vulnerabilities and recommend constructive solutions that improve Department, USAID, BBG, MCC, ADF, and IAF operations.

Regional Priorities

Introduction

The following Regional Priority chapters describe the Department of State's and USAID's policy priorities for each region of the world over the next six years. The purpose of these chapters is to provide an overview of regionally specific priorities to which multiple Strategic Goals may pertain. For each regional priority, the chapter identifies the primary Strategic Goals to which that priority is linked. In many cases, the regional priorities incorporate aspects of all seven Strategic Goals. The Strategic Goals of "Promoting International Understanding" and "Strengthening Consular and Management Capabilities, are not generally included in the listed linkages as they support virtually all of the Department's and USAID's priorities.

Africa

On June 6, 2006 Secretary Rice stated, "Our policy toward Africa is rooted in partnership not paternalism, in doing things *with* the peoples of Africa not *for* the peoples of Africa." Africa is a region of opportunity and promise. The number of democracies significantly increased over the past decade and the trend is continuing. Many long-running conflicts are close to resolution. War criminals, particularly leaders, are facing accountability. More countries are eligible for the Millennium Challenge Account (MCA), which links good policy, effective governance, and economic growth. By 2012, we believe 11 countries will have successfully signed MCA Compacts, and seven others will progress towards this goal.

Africa faces great challenges. Fragile states border fledgling democracies. Conflicts displace many people and hinder economic growth. 350 million Africans live on less than one dollar per day, and HIV/AIDS, malaria, and other infectious diseases overwhelm health systems and further impoverish many families. Lack of economic freedom in many countries hampers investment, growth, and poverty reduction. Sub-Saharan Africa remains the world's poorest region.

U.S. policy is committed to peace and security, democracy, free markets and economic integration, a healthy environment, and humanitarian assistance. These principles support vital U.S. interests in Africa, one of the last large emerging markets that will soon supply 25 percent of U.S. oil imports. The U.S. priorities in Africa derive from the President's charge to make the world safer and better, and the Secretary's vision of transformational diplomacy to use America's power to help foreign citizens improve their own lives.

REGIONAL PRIORITIES

Sudan/Darfur: Our top priority is Sudan, where we seek to secure peace and democracy countrywide and support the Sudanese people to implement the North/South Comprehensive Peace Agreement. In Darfur, U.S. humanitarian assistance helps meet basic needs and provides protection to vulnerable people. We will continue to support accountability for serious violations of human rights. We will also continue to facilitate dialogue among the contending parties, negotiate the introduction of a credible, effective peacekeeping force leading to a sustainable peace, and encourage economic growth. *(Strategic Goal Linkages: 1, 3, 5, and others)*

Liberia, Democratic Republic of Congo (DRC), and Post-Conflict Countries: We will support post-conflict reconstruction in countries such as Liberia, where Ellen Johnson-Sirleaf was elected Africa's first female president, and DRC, which recently successfully held its first free election since 1960. There and elsewhere, our humanitarian assistance will speed recovery from conflict and disaster, facilitate the return of refugees, and support peace and economic growth. To promote stability across Africa, we will strengthen bilateral relations with key sub-regional states, such as South Africa, Nigeria, and Kenya. *(Strategic Goal Linkages: 2, 4, 5, and others)*

Democracy and Human Rights: We will help Africans reform and strengthen their democratic institutions, and learn to hold their newly-elected governments accountable. We will pay particular attention to the role of women and youth. *(Strategic Goal Linkage: 2)*

Counterterrorism: We will strengthen African counterterrorism cooperation and capacity, especially in the Trans-Saharan countries of West Africa, and in Somalia and surrounding countries in the Horn of Africa and East Africa. We also will assist African states in their resolve to fight corruption, an important enabler of illegal money and arms

flows, and to meet international nonproliferation obligations regarding weapons of mass destruction (WMD). *(Strategic Goal Linkages: 1, 2, and 5)*

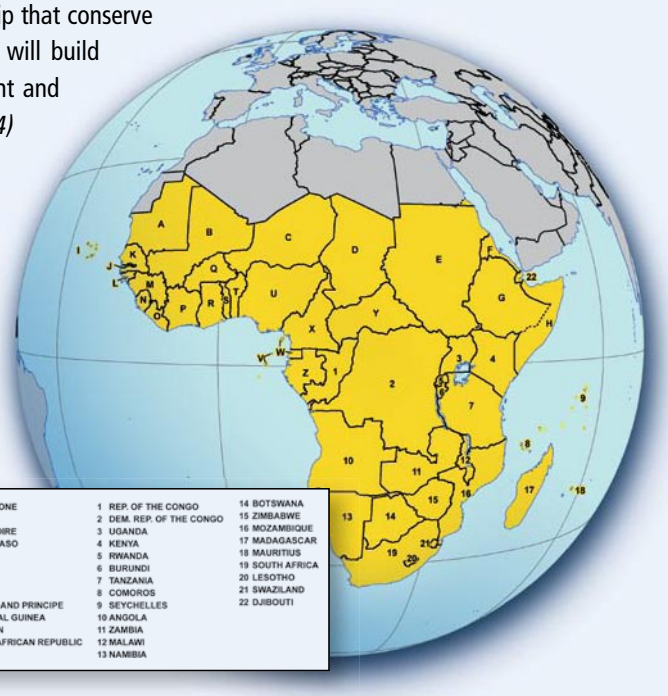
Building Local Capacity: We will work through African regional organizations, such as the African Union (AU), which encourage the building of democratic institutions throughout the region, such as in Sudan and Cote d'Ivoire. The United States is the first non-African country to be accredited to the AU, reaffirming America's strong commitment. To improve the AU's peacekeeping capability, we will support the Africa Standby Force to address transnational threats. We will also help improve African disaster management capabilities. *(Strategic Goal Linkages: 1 and 2)*

HIV/AIDS and Infectious Diseases: Health is a key priority that facilitates economic development and stable societies. Africa is the primary focus of the President's Emergency Plan for AIDS Relief (PEPFAR), a wide-ranging prevention, treatment, and care initiative that funds projects in African countries bearing the HIV/AIDS burden (12 of the 15 PEPFAR focus countries are in sub-Saharan Africa). Through the President's Malaria Initiative (PMI), over the next five years we will expand malaria prevention and treatment to reduce African mortality from this disease by 50 percent in up to 15 of the most malaria-infected African countries. *(Strategic Goal Linkage: 3)*

Economics and Trade Including Conservation: To promote private sector development, increase African competitiveness, and integrate African nations into the global economy, we will work to improve investment climates, human capital, finance, and infrastructure. Through the African Global Competitiveness Initiative, we will build on the African Growth and Opportunity Act to increase trade throughout sub-Saharan Africa. We will also work to fund fully the Heavily Indebted Poor Countries (HIPC) program to achieve its debt-reduction goals by 2012. As education is an important driver of economic growth, we will help increase access to quality education through the Africa Education Initiative.

We seek to reduce hunger in Africa by half by 2015, in keeping with the United Nations (UN) Development Goals of the Millennium Declaration. To break the cycle of recurrent food crises, the Presidential Initiative to End Hunger in Africa will promote food security for rural populations by increasing agricultural productivity and promoting rural diversification, particularly in Ghana, Kenya, Mali, Mozambique, Uganda, and Zambia. We strongly support initiatives such as the Congo Basin Forest Partnership that conserve forest and wildlife resources and improve livelihoods. We will build technical capacity to improve natural resources management and increase agricultural productivity. *(Strategic Goal Linkage: 4)*

We see grounds for measured optimism in Africa, due in part to a growing unity of vision and purpose among African leaders. This is evidenced by African support for measures to foster greater accountability, such as the Africa Peer Review Mechanism, an AU voluntary mechanism where states undergo a self-assessment on shortcomings in political, economic, corporate, and socio-economic governance. To date over 24 countries have joined. The United States has a long-term commitment to partnership with Africa, promoting improvements in security, trade, democracy, and capacity to respond to humanitarian emergencies. ■



A MAURITANIA
B MALI
C NIGER
D CHAD
E SUDAN
F ERITREA
G ETHIOPIA
H SOMALIA
I CAPE VERDE
J THE GAMBIA
K SENEGAL
L GUINEA-BISSAU
M GUINEA
N SIERRA LEONE
O LIBERIA
P COTE D'IVOIRE
Q BURKINA FASO
R GHANA
S TOGO
T BENIN
U NIGERIA
V SAO TOME AND PRINCIPE
W EQUATORIAL GUINEA
X CAMEROON
Y CENTRAL AFRICAN REPUBLIC
Z GABON
1 REP. OF THE CONGO
2 DEM. REP. OF THE CONGO
3 UGANDA
4 KENYA
5 RWANDA
6 BURUNDI
7 TANZANIA
8 COMOROS
9 SEYCHELLES
10 ANGOLA
11 ZAMBIA
12 MALAWI
13 NAMIBIA
14 BOTSWANA
15 ZIMBABWE
16 MOZAMBIQUE
17 MADAGASCAR
18 MAURITIUS
19 SOUTH AFRICA
20 LESOTHO
21 SWAZILAND
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East Asia and the Pacific

The East Asia and Pacific region is home to five United States treaty allies and one-third of the world's population. Over the years, dynamic economic growth has brought prosperity, created massive new middle classes, and accelerated regional integration. The burgeoning economies of East Asia are generating historic changes in regional political, security, and economic relationships. Our interest is based on principle, on U.S. national security, and on our broader development goals as outlined in the President's Freedom Agenda and the *National Security Strategy*. As we advance these interests, we will seek to intensify our coordination efforts with key donors in the region, such as Australia, Japan, and New Zealand. Finally, U.S. support for good governance and democratization reinforces our development and transformational diplomacy goals of working with partners to help them build their own sustainable institutions of democratic governance.

REGIONAL PRIORITIES

Promoting Peace and Security: Our foremost regional priority is to protect our vital interests: stability, security, and peace. We will seek to sustain partnerships with our treaty allies—Australia, Japan, Korea, the Philippines, and Thailand. Through strengthened multilateral cooperation with our partners, we seek to end verifiably North Korea's nuclear and missile programs and fully implement UN Security Council Resolution (UNSCR) 1718. We will expand dialogue with China, encouraging it to act as a responsible stakeholder in the international system and encouraging dialogue between Beijing and the elected leaders in Taipei. We will support increasing economic and social integration across the Taiwan Strait while upholding our commitments under the Taiwan Relations Act. We will work to promote stability in the Pacific island states. Indonesia, the world's most populous Muslim-majority nation, and the Philippines, a treaty ally and the region's oldest democracy, are flagships of our transformational diplomacy efforts. We will build on successful counterterrorism and nonproliferation programs and seek to enhance our maritime security cooperation with the littoral countries in East Asia. *(Strategic Goal Linkages: 1, 2, and 4)*

Promoting Freedom, Human Rights and Democracy: Within the region, democratic governance is rapidly evolving; and advancing human rights, freedom, and democracy are critical to combating the spread of terrorism. We will focus significant resources and effort in supporting Indonesia's new democracy, the success of which is critical to U.S. interests in the region and globally. We will work to strengthen good governance in Mongolia's promising young democracy, and expand efforts to help newly-independent East Timor maintain its fragile democracy and stability. While democracy has advanced, institutions are fragile, and freedom remains remote for many. We will encourage the development of more open and accountable political, regulatory, and legal systems in countries such as China and Vietnam, and the return of democratically elected governments in Thailand and Fiji following military coups in 2006. We will promote human rights and credible accountability for past abuses in Cambodia, and continue to press for democratic change in Burma while building the capacity of democratic forces for the enormous governance challenges that will arise when political change comes. We will build on ASEAN's commitment to the President to cooperate to promote good governance and fight corruption. With respect to North Korea we will need to keep international attention focused on human rights abuses, lack of democratic standards, and the plight of refugees. *(Strategic Goal Linkages: 2 and 5)*

Investing in People: Accessible educational systems, a skilled labor force and an informed electorate are essential for expanding economic and political development. Our efforts will bolster people's faith and confidence in governance as these investments, particularly at the local level, demonstrate that governments are responsive to citizens' needs. We have made notable strides to improve educational systems, advance environmental practices, and combat illegal trafficking. We will continue to provide HIV/AIDS prevention, care, and treatment assistance and help strengthen basic and higher education throughout the region. Preventing and controlling the spread of other infectious diseases such as tuberculosis, malaria, and avian influenza (AI) will continue to be regional priorities. Southeast Asia is "ground zero" for AI, the site of most AI cases and human deaths, and the most likely origin of a pandemic. Providing support to help countries combat this threat is critical. *(Strategic Goal Linkages: 3 and others)*

Promoting Trade, Investment, and Economic Development: Trade and investment are growing faster in East Asia than elsewhere in the world. In Indonesia and the Philippines we will seek to improve the business climate, promote economic development, curtail corruption, and improve financial sector soundness. Throughout the region we will continue to promote global trade liberalization through bilateral free trade agreements (FTA), tax treaties and Trade and Investment Framework Agreement negotiations and implementation, and engagement in the Asia Pacific Economic Cooperation (APEC) forum. We will continue to focus on clean water, sanitation, and clean energy technology as well as more effective use and management of natural resources and protection of biodiversity in China, Indonesia, the Philippines, and the Mekong Delta. We will promote responsible fisheries management in the Pacific. Furthermore, our support for the Asia-Pacific Partnership on Clean Development and Climate will be essential in view of China's strong demand for energy and energy services in the upcoming years. In Indonesia, the Philippines, and Cambodia, we will support workforce development, private sector competitiveness, and economic governance. *(Strategic Goal Linkages: 4 and others)*

Bolstering Multilateral Engagement: We must continue to bolster multilateral engagement and strengthen those regional fora of which we are members—the APEC forum and the Association of Southeast Asian Nations Regional Forum (ARF)—increasing our participation in them. APEC's future hinges on the U.S. commitment to revitalize it. Through robust implementation of our Association of Southeast Asian Nations (ASEAN) Enhanced Partnership Plan of Action, we will address issues such as disaster mitigation and preparedness, trafficking in persons, trade, finance, security, nonproliferation, energy, and the environment in a region that aims to become a single political and economic community by 2020. *(Strategic Goal Linkages: 1, 4, and others)* ■

Europe and Eurasia

Europe and Eurasia is a region simultaneously transforming and supporting the transformation of other parts of the world. European allies and institutions (the European Union (EU), North Atlantic Treaty Organization (NATO), and Organization for Security and Cooperation in Europe (OSCE)) play an essential role in helping European countries like Georgia and Ukraine complete and consolidate their own democratic advances. Just as importantly, established European allies are critical partners in supporting transformation in the Middle East, South Asia, East Asia, Africa, and Latin America.

REGIONAL PRIORITIES

U.S. Priorities beyond Europe: Our top priority is to realize the President's and the Secretary's transformational goals beyond Europe. In Western and Central Europe, about 75 percent of our work focuses on engaging allies to support U.S. priorities beyond Europe. Thus, Europe, including NATO, OSCE, the Organization for Economic Cooperation and Development (OECD), and the EU agenda, is a platform for global transformational diplomacy. For example, our work on Iran would be impossible without Europe. European partners are critical to sustaining our work in Iraq and Afghanistan, as those countries account for 80 percent of non-U.S. coalition forces and are taking a lead in military operations in the south of Afghanistan through NATO. The EU and its member states have provided billions of dollars in reconstruction support to Afghanistan and Iraq, and NATO has expanded its work to new areas like Darfur. Europeans are also strong partners in dealing with Israel-Palestine and the broader Middle East, North Korea, Somalia, Haiti, Burma, Venezuela, and Colombia. *(Strategic Goal Linkages: 1, 2, and others)*

Transformational Development in Europe: Our second priority is completing transformational work at Europe's and Eurasia's "frontiers of freedom." Consolidating democratic reforms; securing a place in the Euro-Atlantic community for the countries of Eastern Europe, the Balkans, and the South Caucasus; anchoring Turkey in Europe; and peacefully resolving the lingering post-Soviet separatist conflicts are our unfinished business. While these countries have made strides towards democracy, they still confront the post-communist pathologies—including corruption, high unemployment rates, and, in some of them, widespread declines in health and education. Strengthening security forces and law enforcement (e.g., Kosovo) and border security (e.g., Georgia), as well as making investments in security cooperation (e.g., Ukraine) are important to lay the foundation for transformational development. Energy reform and independence, and business and investment climate reforms, including improving competition policy, taxation, and labor reforms, and protection of intellectual property rights, are essential steps required for former socialist countries to attract foreign direct investment. Ensuring successful transition to market economies with viable social systems supports democratic progress, creates jobs, protects vulnerable populations, and strengthens regional integration—all key underpinnings of a stable democratic society.

We seek to consolidate new democracies in Georgia, Ukraine, and Moldova by fighting corruption and assisting economic reforms. As these countries break with their Soviet past and move closer to European and Euro-Atlantic institutions, we need to continue to provide our support, encouragement, and technical advice. Elsewhere in Eurasia, people yearn for the hope kindled by the "color revolutions" of 2003 – 2005, while the dictatorial regime in Belarus faces unprecedented pressure from both the West and Russia. To promote reform and democratic development, we are sustaining support for civil society and independent media, bilaterally, in conjunction with the EU, and through multilateral fora such as the OSCE.

We continue to focus on the unfinished business of stabilizing the Balkans and anchoring them in Euro-Atlantic institutions. Supporting a final Kosovo settlement will entail infrastructure development, institutional reform, and debt relief, as well as additional reform and development assistance in neighboring areas. We intend to remain heavily engaged in Serbia, Montenegro, Albania, Bosnia, and Macedonia to mitigate spillover effects of the Kosovo outcome, and to promote accountability for war criminals, cooperation with international and domestic tribunals, and arrests of all indictees.

The transition countries of Europe and Eurasia face serious threats to stability and development because of decaying and inefficient health, education, and other social services. These sectors are often ill-equipped to deal with new challenges, such as shrinking populations, poorly functioning labor markets, soaring rates of new HIV/AIDS infections, or a major outbreak of avian and pandemic influenza. In addition, transnational threats like organized crime and trafficking in people and drugs hold these countries back, and unsecured nuclear, radiological, and biological materials in and transiting through these countries contributes to regional insecurity. Effectively investing in people, law enforcement, and rule of law reinforces sustained political and economic reform. *(Strategic Goal Linkages: 1, 2, and others)*

Relations with Russia: We pursue our third priority under increasingly difficult circumstances. We aim to work with Russia on issues of common interest such as cooperation on counter-terrorism and non-proliferation, but increasing centralization of power, pressure on NGOs and civil society, a growing government role in the economy, and restrictions on media freedom have all emerged as clear and worrisome trends. Russian weapon sales to such states as Iran, Syria, and Venezuela are also cause for great concern throughout the international community. Russia's policy toward its neighbors is another major challenge, especially Moscow's support for separatist regions in Georgia and Moldova, its political and economic pressure against Georgia, and its monopolistic use of energy to pressure neighboring states and gain control of infrastructure and strategic assets. Diversifying energy sources, increasing transparency, and improving the efficiency of energy usage will bolster regional energy security. Notwithstanding these challenges, we also have a strong interest in reinforcing positive trends wherever we can, including helping Russia work toward inclusion in rules-based organizations and integration into the global economy, and the emergence of a middle class supportive of democratic institutions and the rule of law. The United States wants to see Russia become an open, democratic, and stable geopolitical partner; we can try to encourage such development through a wide range of economic, social, scientific, and political ties. We will engage with Russia where we can do so productively, while continuing to stand firm—with the support of our European and other allies—for the values of democracy, human rights, and freedom, and to push back on negative Russian behavior. *(Strategic Goal Linkages: 1, 2, and others)*

A democratic, responsible international community is a bold goal that we do not undertake alone. Coordination with like-minded partners will continue to be critical to spreading freedom and consolidating democracy in the Europe and Eurasia region and worldwide. As President Bush has said, "All that we seek to achieve in the world requires that Europe and America remain close partners." ■

Near East

The Near Eastern region presents dangerous challenges to the United States, but also opportunities to implement U.S. objectives, support the President's vision, and capitalize on the momentum of regional reform and the pursuit of democratic change. The Department of State and USAID continue to work closely with our interagency partners, regional allies, and the private sector to advance U.S. foreign policy and support transformational diplomacy.

REGIONAL PRIORITIES

Iraq: Our foremost policy priority is to help the Iraqi people build a democratic, stable, and prosperous Iraq. To that end, we will continue to support all parties in their attempt to work towards a resolution of the outstanding issues, and to provide a secure environment for our overall objectives. The United States will continue to play a prominent role in helping the Iraqi people in economic and political reconstruction. We also will continue to work with the Iraqi military and police to ensure that a capable security force is prepared to assume control over all of Iraq. *(Strategic Goal Linkages: 1, 2, 3, and others)*

Iran: The single largest long-term threat to regional stability and peace is Iran. We remain committed to preventing Iran from realizing a nuclear program that threatens its neighbors and the world. We continue to work with our allies in pressuring Iran to suspend fully its nuclear enrichment and reprocessing program and cooperate with the International Atomic Energy Agency (IAEA) and the UN Security Council, to cease its support for extremist groups throughout the region, and to work with those inside and outside of Iran seeking a more democratic future. In the years ahead, we anticipate increased needs for broadcasting, cultural and educational exchanges, and democracy programming in Iran. *(Strategic Goal Linkages: 1, 2, and 6)*

Arab-Israeli Conflict: A peaceful, negotiated solution to the Arab-Israeli conflict remains a top U.S. priority. To that end, we will continue to: support the humanitarian needs of the Palestinian people; encourage popular support for moderate, democratic, pro-peace Palestinian leadership; and encourage broad regional support for peace with Israel. *(Strategic Goal Linkages: 1, 2, 5, and others)*

Democratic and Economic Reform: Our guiding principle for transformational diplomacy in the region is to stimulate and support reform across the entire region. We will work with countries in the Muslim world to advance economic reform, increase educational opportunity, and boost political participation—especially for women. Our efforts remain critical to the successful democratic transition of countries such as Lebanon, Egypt, Jordan, and Iraq. Leading our democratic reform agenda are the Middle East Partnership Initiative (MEPI), the Bureau of Democracy, Human Rights and Labor, and USAID. MEPI is a critical tool that allows the United States to respond rapidly to reform efforts driven by the people of the Middle East, including in Syria and Iran. The Broader Middle East and North Africa Initiatives, through the first and successive Forums for the Future, have laid out an ambitious agenda of programs in support of reform.

Our efforts to support democratization include a reinforcing focus on building open economies capable of generating robust private sector employment, especially for the region's youth. Increased trade and investment are essential to this process, and we will continue to seek progress towards the World Trade Organization (WTO) accession for Algeria, Iraq, Libya, Yemen, and Lebanon. Active assistance programs support our efforts to advance economic reform. We will also continue laying the groundwork for a Middle East Free Trade Agreement by 2013. Strengthening bilateral economic ties through the conclusion of Trade and Investment Framework Agreements, Bilateral Investment Treaties, and Free Trade Agreements will promote economic reform in the region as well as improve cooperation on environmental issues that also supports the development of democratic institutions and civil society. *(Strategic Goal Linkages: 2, 3, 4, and others)*

Security Issues: Our efforts in the Global War on Terror will remain a priority for the foreseeable future. Through our assistance and training programs, our friends in the region are building their legal, regulatory, enforcement, and operational counterterrorism capabilities, including strengthening regional military and law enforcement forces and financial oversight and regulatory capabilities. A major U.S. priority remains to strengthen relationships with our allies and friends in the region through military assistance programs.

A key priority remains the full implementation of UNSCR 1701 while supporting the government of Lebanon as it asserts its sovereignty throughout the country and rebuilds. We also will seek to prevent Yemen from becoming a failed state, and to improve weak government controls along the border areas in the Trans-Sahara region and Iraq. The success of our larger counterterrorism effort in large part depends on the spillover success from programs which promote democratic and economic reform—programs that work to eliminate the disenfranchisement and despair that contribute to terrorist recruitment. We remain committed to countering proliferation and the reintegration of weapons scientists into mainstream scientific fields. *(Strategic Goal Linkage: 1)*

Public Diplomacy: A key component of our effort to support regional reform and democratic consolidation is to establish an effective public diplomacy program that communicates U.S. policy assertively and corrects popular misconceptions about the United States and our intentions in the region. We have developed a coordinated strategy that aims to explain our policies and culture through a broad range of regional media and initiatives as well as Arab media outreach. Many of the public diplomacy programs currently underway will only produce tangible results on a five-year to ten-year horizon. By 2012, we should be able to see many of the results of today's programs such as: more exchange program alumni in positions of prominence, increased English language competency, and an increased appreciation for American culture and values. Public diplomacy objectives also are achieved through active promotion of development projects as funded by the American people. *(Strategic Goal Linkage: 6)* ■

South and Central Asia

The United States can help transform South and Central Asia—with nearly a quarter of the world's population—into a more democratic and economically vibrant region. However, it is home to some very real and immediate global threats—proliferation of WMD, Islamic extremism, terrorism, narcotics production and pandemics—which, along with poverty, illiteracy, and corrupt institutions, severely constrain its capacity to realize its full potential. The Department of State and USAID will work with interagency and international partners to: help build regional stability by countering terrorism and narcotics production and resolving conflict; deny proliferation routes through the region; promote regional integration through energy, infrastructure, trade, and communication projects; strengthen democracy and good governance; and create healthy, better educated, and more prosperous populations.

Afghanistan: In Afghanistan, the U.S. Government, with the enhanced support of NATO, will work to bring stability by enhancing the effectiveness and reach of the elected government. This will require extensive capacity building in the Afghan Ministry of Defense and Ministry of Interior. A capable Afghan National Army will provide increased security, and a trained and well-equipped Afghan National Police will fairly enforce the country's laws, thus earning the confidence of the Afghan people.

Working with the Government of Afghanistan and international partners, the U.S. Government will combat opium production and trafficking. This will entail eradicating poppy fields and prosecuting and jailing traffickers and those promoting the illicit drug economy. To ensure that rural incomes remain adequate without opium, the U.S. Government will promote alternative income sources, such as high value horticulture and rural small enterprises, and promote economic growth. *(Strategic Goal Linkages: 1, 2, 3, and others)*

Pakistan/Afghanistan Border Region: The Pakistan/Afghanistan border is a terrorist haven. To combat this, the U.S. Government supports the Pakistani President's strategy for economic and social development in the Federally Administered Tribal Areas—the first concerted effort to extend central government control over this remote and traditionally ungovernable region. Increased economic development and access to education, health and other government services should more fully integrate these areas. The U.S. Government also will promote Regional Opportunity Zones in this area. *(Strategic Goal Linkages: 1, 2, 4, and others)*

Counterterrorism and Counter-Narcotics Capacities: South and Central Asia are key to the war against Islamic extremism and narcotics trafficking, which fuels insurgencies, destroys local economies, and corrupts governments. The United States must win the struggle in Afghanistan and Pakistan, limit the spread of instability into countries such as Bangladesh, and reverse the spread of extremism in Central Asia. In Pakistan, the U.S. Government will work to increase security, modernize its military, and extend the reach of the government into frontier and border regions. In Central Asia, the U.S. Government will assist the armed forces of key allies to promote interoperability, professionalism, and exposure to democratic values. In Sri Lanka and Nepal, we will promote interoperability with U.S. forces, respect for human rights, and capacity building to address insurgent threats. *(Strategic Goal Linkages: 1 and others)*

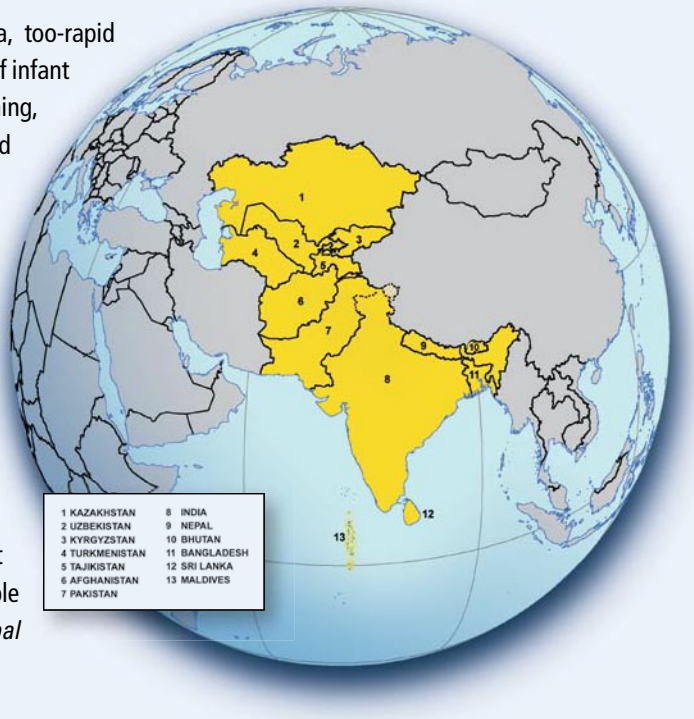
Conflict Resolution Efforts: The situation in Sri Lanka continues to deteriorate with increased conflict between the government and the Liberation Tigers of Tamil Eelam (LTTE). In Nepal, negotiations intended to establish sustained peace and democracy will likely continue in 2007. In both these countries, where appropriate, the U.S. Government will work to help resolve the conflicts with impartial reconciliation and mediation expertise, and provide post-conflict support, such as disarmament and demobilization. *(Strategic Goal Linkages: 1, 2, and others)*

Democratic and Economic Reform: India excluded, democracy is in difficult straits in the region. Afghanistan has chosen the democratic path but needs assistance in extending institutions of good governance, rule of law, and civil society beyond the capital. In Pakistan, we will intensify our efforts to foster full democracy by building political parties, local governance, and civil society capabilities, and strengthening the Electoral Commission. Current events in Nepal offer great, yet delicate democratic potential. Bangladesh requires a more solid foundation in good governance. In Central Asia, where Uzbekistan and Turkmenistan present the most significant challenges, we will support the establishment of accountable and transparent government that is responsible for and responsive to an informed civil society.

It is essential to the stability of the region that countries develop thriving, private-sector led economies to provide jobs and income to their populations. Pakistan and India are both growing at more than eight percent per year, though many still live in poverty. After decades of war, Afghanistan lacks a functioning basic infrastructure. Among the countries of Central Asia, the U.S. priority is to increase regional trade and economic diversity. To encourage regional integration, we will use our convening power to break diplomatic logjams, provide technical assistance to create regional energy markets, and facilitate trade. *(Strategic Goal Linkages: 1, 2, 4, and others)*

Education: Education, particularly of women and girls, is fundamental to improving social development in all areas. Lack of literacy constrains economic development and stability, particularly in Afghanistan and Pakistan. We will continue to support quality basic education across the region and will find innovative ways to work in the tribal regions of Pakistan. In Central Asia, we will seek to increase student exchange, especially for Uzbek and Turkmen youth. *(Strategic Goal Linkages: 3 and others)*

Health and Humanitarian Assistance: In South Asia, too-rapid population growth is a concern, together with high rates of infant and maternal mortality. U.S. programs provide training, funding for vaccination campaigns, medical supplies, and assistance to Ministries of Health. In Central Asia, we support systemic reforms, emphasizing a preventative, primary health care focus, broader system financing, and accreditation. Region-wide, the U.S. Government will continue to provide assistance to combat pandemics such as HIV/AIDS and other emerging diseases, such as avian influenza. We will help the countries in the region develop their capacity to cope with disasters and will provide help through food aid, immediate disaster assistance, and reconstruction. Further, U.S. assistance to refugee populations and conflict victims in the region will continue as we seek durable solutions to end their displacement. *(Strategic Goal Linkages: 3, 5, and others)* ■



Western Hemisphere

The United States seeks democratic, inclusive, prosperous, and secure nations in the Western Hemisphere. These goals are reflected in a common hemispheric agenda shaped by the Summits of the Americas. The principle of representative democracy is enshrined in the Inter-American Democratic Charter, which states that:

- The peoples of the Americas have a right to democracy and their governments have an obligation to promote and defend it; and
- Democracy is essential for the social, political, and economic development of the peoples of the Americas.

Our strategy recognizes the transformational power of democracy and the central roles that open, economic systems and social inclusion must play within democracy. Both bilaterally and in collaboration with such entities as the Organization of American States (OAS) and other Inter-American institutions, we are working to attack poverty, inequality, and political marginalization and exclusion. By focusing on the following key priorities, we will work to make all citizens of the Americas full participants in the economies and political life of their nations. Moreover, by assisting the peoples of the Western Hemisphere, our closest neighbors, we create growing markets for U.S. exports and help assure secure, stable societies that contribute to our own security and prosperity.

REGIONAL PRIORITIES

Consolidating Democracy: The United States will continue to work together with our regional neighbors in strengthening democracy throughout the hemisphere. We will support efforts to create competitive and inclusive political systems so that all citizens have access to political power. With greater competition, less corruption, greater accountability of elected officials, and better stewardship of state resources, citizens of the region will enjoy an improved quality of life. To achieve this, we will work to strengthen judicial independence and capacity, internal controls, and effective prosecution of corruption. We will also help the region strengthen institutions of representative democracy, such as political parties, legislatures, executive agencies, media, and civil society. *(Strategic Goal Linkages: 2 and others)*

Promoting Prosperity: Access to economic opportunity and the social mobility that it creates are fundamental components of social justice. We will work with governments to reduce poverty in the region by reducing the obstacles to entering the formal economy; implementing free trade agreements in Central America, the Dominican Republic, and the Andes; and improving weak investment climates. We will support programs that enhance the ability of countries to improve income equity by increasing access of the poor to productive assets. We will support programs that improve the capacity of small and medium-sized enterprises, especially in the rural sector, to participate in and benefit from trade-led growth in a competitive, global environment. We will continue to press for market reform, transparency, and regulatory and legal environments conducive to opening and expanding the domestic private sector, as well as attracting

investment—domestic and foreign—that will expand employment opportunities. We will improve access to energy and explore possibilities of alternative fuels both as a way to create renewable energy as well as a source of employment. We will work to strengthen institutional capacities to reinforce labor rights, reduce corruption, and improve the overall environment for investment. *(Strategic Goal Linkages: 4 and others)*

Access to Opportunity: Poverty, inequality, and social and political exclusion have denied many in the Americas access to opportunity. The United States will continue to invest in people through improved access to and quality of basic and advanced education, training, and health care; reduction of disease and disability; improved access to safe drinking water and sanitation services; better protection and management of natural and environmental resources; and security for families and their property. The United States will provide life-saving humanitarian relief to refugees, internally displaced persons, and other vulnerable populations facing violent conflict, crisis, natural disasters, famine, persistent dire poverty, and HIV/AIDS, and also prepare for possible pandemics such as avian influenza. Our programs will also focus on environmental protection and preparation for natural disasters. These efforts will continue to help unlock the vast potential of the peoples of the Americas and will contribute to the sustainability of democracy and economic growth. *(Strategic Goal Linkages: 2, 3, 5, and others)*

Protecting the Democratic State: With all but one of the hemisphere's governments elected democratically, the principal security threat is no longer state-to-state warfare but terrorism, organized crime, and trafficking in people and illicit goods, including illegal narcotics. The United States, working through the Summit of the Americas and the OAS, will continue to help reshape the hemisphere's security agenda and institutions. Through law enforcement and intelligence cooperation, we will create the ability to respond to new threats. We will continue building a new understanding of the linkage between security, economic prosperity, and the well-being of democratic institutions. We will continue efforts to reduce trafficking in persons and illicit goods, and provide alternatives to rural livelihoods built on the production of illegal narcotics. We will also continue to build upon our relationships with militaries and strengthen hemispheric protection against WMD. *(Strategic Goal Linkages: 1, 2, and others)* ■

International Organizations

On September 14, 2005, President Bush stated, "The advance of freedom and security is the calling of our time. It is the mission of the United Nations. The United Nations was created to spread the hope of liberty, and to fight poverty and disease, and to help secure human rights and human dignity for all the world's people. To help make these promises real, the United Nations must be strong and efficient, free of corruption, and accountable to the people it serves."

Engagement with international organizations extends the influence and implementation of U.S. Government policies, and increases the effectiveness and accountability of multilateral programs. Various international organizations act as multipliers to share the burden of addressing challenges, including peacekeeping, development, criminal justice capacity building, and humanitarian assistance. Such organizations allow for a multilateral approach to addressing concerns, which in some instances may be more effective than unilateral action, e.g., sanctions on proliferators. International organizations can work in countries where the United States does not have extensive programs. They also may offer otherwise unavailable technical expertise to address global challenges, e.g., coordinating satellite launches, monitoring country performance in implementing international commitments, and coordinating a tsunami warning system. They can also facilitate agreements among many countries simultaneously, as in aviation and maritime safety and security standards.

We pursue multilateral diplomacy, advance U.S. positions with foreign officials and officials of international organizations, and offer financial support of international organizations which further U.S. values and objectives. In addition, we listen to, inform, and attempt to persuade foreign publics to influence their governments to work with us through robust public diplomacy efforts.

We have one overriding priority: to pursue transformational diplomacy through results-driven, transparent, accountable, and efficient international organizations.

Reforming Organizations: We will promote results-driven, transparent, accountable, and efficient organizations to increase the probability of successfully implementing priorities. The United States will also promote administrative and management reforms that ensure good stewardship of resources by supporting results-based management, internal oversight, ethics, accountability, and responsible allocation of resources to priority programs and activities. Other priority tasks are finding highly qualified individuals for international organization positions, and increasing American citizen employment in those organizations where Americans are currently not equitably represented. *(Strategic Goal Linkages: 1, 2, 3, and others)*

Supporting Multilateral Action in Pursuit of Peace and Security: The United States will act in concert with other nations to prevent the proliferation of WMD, protect the United States and others against terrorism and international organized crime, and persuade warring sides to create peace and establish stability. We will act to reduce threats through adoption of resolutions, statements, and conventions; effective sanctions regimes and monitoring mechanisms; special political missions; and peacekeeping operations. We will also encourage countries to act in accordance with their international obligations, and to consider becoming parties to international conventions and protocols to which they are not already a party. Conflict resolution entails not only peacekeeping, but also post-conflict peacebuilding to promote democratic values, respect for human dignity, respect for rule of law, human rights, reconciliation, and pluralism, and to create an environment in which sustained development can occur. Therefore, we will work with others to help countries move from immediate post-conflict situations to longer-term stability and development. *(Strategic Goal Linkages: 1, 2, 4, and others)*

Placing Multilateral Diplomacy at the Service of Democracy, Human Rights, and Freedom: The United States promotes democratic principles, democracy education, election monitoring, good governance, free press, the free flow of ideas, and respect for human rights and human dignity. International organizations should offer help to countries seeking assistance to reinforce rights and foster freedom. The United States believes that stronger coordination among democratic countries may help to strengthen the work of international organizations in promoting democracy, the protection of human rights and fundamental freedoms, and respect for the dignity of all human beings including the most vulnerable. *(Strategic Goal Linkage: 2)*

Helping Those in Need: We will work closely with international organizations, other countries, donors, and non-governmental organizations (NGOs) to provide protection and humanitarian assistance to refugees, internally displaced persons, and others affected by crises, as well as coordinate efforts to prevent and mitigate disasters. U.S. priorities are: to reduce the number and severity of international health threats, such as avian influenza, HIV/AIDS, TB, and malaria; promote disease prevention, care, and treatment; and reduce the burden of chronic or non-communicable diseases. We feed vulnerable, hungry people through the World Food Program. Promoting education, especially literacy programs, is another high priority. *(Strategic Goal Linkages: 3 and 5)*

Advancing Results-Oriented Development and Economic Freedom: We will help the world's developing countries to eradicate poverty and achieve the Millennium Development Goals. The United States will promote policies based on the Monterrey Consensus and the principles of the MCA, and encourage open markets and trade liberalization. We will support the efforts of developing countries to mobilize domestic resources, attract investment, and participate in the international trading system. This includes working to advance the Doha Development Agenda, promoting implementation of the report of the UN Commission on the Private Sector, and encouraging entrepreneurship. We seek to improve the quality and impact of aid through measures such as commitments in the Paris Declaration on Aid Effectiveness and focusing on development results. Other important priorities are promoting good governance, intellectual property protection, market-based solutions, setting of empirically valid standards, and establishment and enforcement of anti-corruption measures. Management of the environment and natural resources in ways that sustain productivity, growth, and a healthy population is another U.S. objective. We also will seek to enhance U.S. and international energy security. *(Strategic Goal Linkage: 4)*

We believe that a multilateral approach offers important opportunities and advantages for advancing U.S. foreign policy and assistance priorities, including significant cost sharing, leverage, legitimacy, access, expertise, and coordination. ■

FOREIGN ASSISTANCE FRAMEWORK

Goal		To help build and sustain democratic, well-governed states that respond to the needs of their people, reduce widespread poverty and conduct themselves responsibly in the international system."						
Objectives		Peace and Security	Governing Justly and Democratically	Investing in People	Economic Growth	Humanitarian Assistance	End Goal of U.S. Foreign Assistance	Graduation Trajectory
Accounts within State/USAID		FMF, TI, IMET, ESF, INCLE, NADR, PKO, ACI, FSA, SEED	DA, TI, SEED, FSA, DF, ESF, INCLE, IO&P, ACI	DA, CSH, ESF, IDFA, IO&P, FSA, SEED, GHAI, ACI, Title II	DA, ESF, SEED, FSA, IO&P, ACI, Title II	IDFA, MRA, ERMA, ACI, Title II		
		Other USG Agency Contributions						
Foreign Assistance Program Areas		• Counter Terrorism • Combating WMD • Stabilization Operations and Defense Reform • Counternarcotics • Transnational Crime • Conflict Mitigation and Response	• Rule of Law and Human Rights • Good Governance • Political Competition and Consensus-Building • Civil Society	• Health • Education • Social Services and Protection for Vulnerable Populations	• Macroeconomic Foundation for Growth • Trade and Investment • Financial Sector • Infrastructure • Agriculture • Private Sector Competitiveness • Economic Opportunity • Environment	• Protection, Assistance and Solutions • Disaster Readiness • Migration Management		
	Category Definition							
Rebuilding Countries	States in or emerging from and rebuilding after internal or external conflict.	Prevent or mitigate state failure and/or violent conflict.	Assist in creating and/or stabilizing a legitimate and democratic government and a supportive environment for civil society and media.	Start or restart the delivery of critical social services, including health and educational facilities, and begin building or rebuilding institutional capacity.	Assist in the construction or reconstruction of key internal infrastructure and market mechanisms to stabilize the economy.	Address immediate needs of refugee, displaced, and other affected groups.	Stable environment for good governance, increased availability of essential social services, and initial progress to create policies and institutions upon which future progress will rest.	Advance to the Developing or Transforming Category.
Developing Countries	States with low or lower-middle income, not yet meeting MCC performance criteria, and the criterion related to political rights.	Address key remaining challenges to security and law enforcement.	Support policies and programs that accelerate and strengthen public institutions and the creation of a more vibrant local government, civil society and media.	Encourage social policies that deepen the ability of institutions to establish appropriate roles for the public and private sector in service delivery.	Encourage economic policies and strengthen institutional capacity to promote broad-based growth.	Encourage reduced need for future HA by introducing prevention and mitigation strategies, while continuing to address emergency needs.	Continued progress in expanding and deepening democracy, strengthening public and private institutions, and supporting policies that promote economic growth and poverty reduction.	Advance to the Transforming Category.
Transforming Countries	States with low or lower-middle income, meeting MCC performance criteria, and the criterion related to political rights.	Nurture progress toward partnerships on security and law enforcement.	Provide limited resources and technical assistance to reinforce democratic institutions.	Provide financial resources and limited technical assistance to sustain improved livelihoods.	Provide financial resources and technical assistance to promote broad-based growth.	Address emergency needs on a short-term basis, as necessary.	Government, civil society and private sector institutions capable of sustaining development progress.	Advance to the Sustaining Partnership Category or graduate from foreign assistance.
Sustaining Partnership Countries	States with upper-middle income or greater for which U.S. support is provided to sustain partnerships, progress, and peace.	Support strategic partnerships addressing security, CT, WMD, and counter-narcotics.	Address issues of mutual interest.	Address issues of mutual interest.	Create and promote sustained partnerships on trade and investment.	Address emergency needs on a short-term basis, as necessary.	Continued partnership as strategically appropriate where U.S. support is necessary to maintain progress and peace.	Continue partnership or graduate from foreign assistance.
Restrictive Countries	States of concern where there are significant governance issues.	Prevent the acquisition/ proliferation of WMD, support CT and counter narcotics.	Foster effective democracy and responsible sovereignty. Create local capacity for fortification of civil society and path to democratic governance.	Address humanitarian needs.	Promote a market-based economy.	Address emergency needs on a short-term basis, as necessary.	Civil society empowered to demand more effective democracies and states respectful of human dignity, accountable to their citizens, and responsible towards their neighbors.	Advance to other relevant foreign assistance category.
Global or Regional	Activities that advance the five objectives, transcend a single country's borders, and are addressed outside a country strategy.						Achievement of foreign assistance goal and objectives.	Determined based on criteria specific to the global or regional objective.

APPENDIX II

Department of State Program Evaluation Plan

Consistent and timely program evaluation is critical to making informed decisions based on analysis of how U.S. foreign policy can best be carried out around the globe. Since FY 2002, the Department has focused on increasing the level and quality of its performance planning at the bureau and embassy levels and institutionalizing regular evaluation within the Department's organizational culture. In the timeframe of this joint *Strategic Plan*, the Department will reinforce this planning culture and further develop and evaluate timely, useful, and reliable performance information that assists senior leaders to make policy and resource decisions. The Department used evaluation information from the processes identified below in preparing this joint *Strategic Plan*.

EVALUATION TOOLS AND METHODS

The Department will continue to evaluate performance and ensure return on investment using a variety of tools and methods:

- **Mission Strategic Plans (MSPs) and Annual Reviews:** Each mission, which includes the Department of State and other U.S. Government agencies located in the country, develops an annual strategic plan that outlines the intended goals, priority initiatives, and performance indicators with targets for the country team. The Assistant Secretary for Resource Management and regional bureau senior leadership hold detailed reviews annually with approximately 30 percent of missions to evaluate recent progress and program changes, including resource and personnel requests. These reviews result in detailed messages to posts outlining the results of the review.

- **Country Operational Plans and Annual Reviews:** Each country that receives foreign assistance funds will develop and submit a Country Operational Plan under the leadership of the Ambassador to ensure that all foreign assistance resources are coordinated, appropriately linked to foreign policy objectives, and supportive of an integrated country strategy. They will provide a comprehensive, interagency picture of all foreign assistance resources planned for implementation in country; will strengthen the link between funding, activities, and results; and will collect standardized data about foreign assistance programs. Country Operational Plans are reviewed annually by Core Teams in Washington and approved by the Director of U.S. Foreign Assistance.

- **Bureau Strategic Plans (BSPs) and Senior Reviews:** The Department also requires each bureau to develop an annual strategic plan that identifies a specific business plan for success, including budget and human resource requests related to specific goals and priorities. The Bureau of Resource Management evaluates each BSP and provides specific recommendations to improve the BSPs. In addition to these BSP evaluations, the Secretary of State holds comprehensive annual reviews with regional bureau Assistant Secretaries on progress in reaching stated goals and targets, and reviews major priorities for the coming fiscal year in order to make informed resource decisions.

- **Department Performance Plan (DPP):** The Department's annual Performance Plan describes how the Department will define success, measure progress, and verify results in the next fiscal year. The DPP is forward-looking and sets the indicators and targets that will be reported on in the Performance and Accountability Report (PAR). The Department conducts an annual review and analysis of its performance measures and provides feedback to bureau program managers through consultations, training, and workshops. The DPP is an integral part of the President's budget request and meets the requirements of the Government Performance and Results Act (GPRA).

- **Performance and Accountability Report:** The Department's PAR—submitted annually shortly after the close of each fiscal year—provides program results and financial information to help Congress, the President, and the public assess the Department's performance relative to its mission and stewardship of financial resources. The PAR also provides readers a sense of the U.S. Government's highest priorities in the conduct of U.S. foreign policy, and the Department's strengths and challenges in implementing programs that pursue the President's foreign policy agenda.

- **Program Assessment Rating Tool (PART):** PART was developed by the Office of Management and Budget (OMB) as an instrument to help Congress, federal managers, and the public assess program performance and drive improvements. To evaluate the effectiveness and efficiency of programs, the Department has fully integrated and institutionalized the PART into budget and planning processes. PART requires bureaus to demonstrate that programs are well-designed, effectively managed, and results oriented. PART efficiency measures enable program managers to monitor the administrative cost of achieving a given outcome and evaluate how program outcomes might change based on adjustments to funding levels. These issues are critical to program success and are incorporated in our internal mission and bureau-level reviews. PART ratings and findings are available for public view on OMB's Web site, *Expectmore.gov*.

Office of Inspector General (OIG) and Government Accountability Office (GAO) Evaluations: OIG and GAO are two independent bodies that also drive evaluation within the Department. OIG is required by law to inspect and evaluate all Department diplomatic missions and domestic bureaus. Each year, OIG inspects approximately 35 to 50 overseas missions and domestic bureaus. In addition, OIG audits and evaluates 20 to 30 Department programs and operations, including mandated annual audits of the Department's financial statements, protection of classified information, and implementation of the Federal Information Security Management Act (FISMA). OIG also conducts reviews of specific programs, grants, and contracts at the request of the Department. These reviews and evaluations provide the Department an objective assessment of program performance and recommend specific actions to be taken in meeting the challenges ahead. GAO initiates an average of seven new program reviews involving the Department per month, covering a range of issues such as rightsizing, embassy construction, information systems, recruiting, nonproliferation, and trade agreements. ■

APPENDIX III

USAID Program Evaluation Plan

Over the past 11 years, USAID has embraced new evaluation and review models to ensure the use of robust and accurate data in performance planning and reporting. USAID has made particular efforts to provide explicit policy guidance, extensive training, and supportive technical assistance to establish these data collection and analysis systems into all aspects of program management. With these new systems, USAID has improved its capacity to assess whether it is achieving its overall objectives. Program evaluation and special studies are important tools used to determine whether its programs have reached their objectives, as well as providing objective inputs to policy and planning decisions.

EVALUATION TOOLS AND METHODS

USAID will continue to use a variety of methods and tools to evaluate its work. The tools and methods offer varying levels of detail and focus based on their intended use, but each tool or method is critical to ensure USAID evaluates all of its programs and is wisely spending its resources to reach the tenets of this joint *Strategic Plan*. The following are the different tools and methods USAID will continue to use:

- **Business Transformation Executive Committee (BTEC):** Early in the Bush administration, USAID established the BTEC to evaluate and make recommendations to improve USAID management. This ongoing effort has made many changes in the way the Agency does business. BTEC's achievements include: clean audit opinions on financial statements that demonstrate transparent and accountable financial practices; the saving of over five million dollars through joint licensing agreements as a result of the Joint Financial Management System (JFMS) collaboration with the Department; and automation of the recruitment process reducing the hiring cycle to less than 45 days from close of job announcement to employee job offer. One of BTEC's major efforts is the annual Administrator's Morale and Customer Service Survey, which is widely considered to be a success by employees—as evidenced by a high response rate. The survey provides an objective reference point over time, and it is accepted and used by others external to USAID.

- **Agency Level Evaluations:** In 2005, USAID launched a major effort to revitalize its evaluation system, including the establishment of the *Evalweb* site where evaluation agendas are posted and findings disseminated widely. The Initiative to Revitalize Evaluations seeks to improve the way evaluations are done and used, as well as increase the number of evaluations conducted by USAID field missions. This has helped to reverse the downward trend with 167 evaluations done in FY 2004, a significant increase from the 79 evaluations completed in 2001. Evaluations are driven by a real need for information which can be used by management to improve programs and policies.

- **Mission Management Assessments (MMA):** In 2004, USAID initiated a system of coordinated MMAs. The purpose of an MMA is to evaluate and improve the effectiveness of mission operations in terms of both its program and internal management. It typically covers the following areas: program rationale, implementation and monitoring, roles of offices and teams, communication, organization and staffing, administrative and financial management, external relationships, and morale and security. Following a pilot assessment of the Regional Center for Southern Africa (RCSA) conducted in October 2004, USAID completed 10 MMAs by 2005, covering all geographic regions. The Bureau for Management and the Cross-Regional Bureau assessments were the first headquarters assessments completed in 2006.

- **Office of Inspector General (OIG) and Government Accountability Office (GAO) Evaluations:** In addition to evaluations that Bureaus undertake independently, OIG and GAO are two independent bodies that also drive evaluation within USAID. These evaluations and reports provided the joint *Strategic Plan* with an objective assessment of performance and specific recommendations for improvement.

- **Program Assessment Rating Tool (PART):** USAID also utilizes the results from the Office of Management and Budget's PART to inform how we will improve our performance. Starting in FY 2002, this tool was used to evaluate USAID's programs on Climate Change, Public Law 480 Title II Food Aid, Population, Development Assistance and Child Survival and Health for Africa, Latin America and the Caribbean, Office of Transition Initiatives, International Disaster and Famine Account, Development Administration and Capital Investment, and Development Credit Authority.

- **Special Studies:** In addition to formal evaluations, USAID conducts a number of special studies to determine program impact. The most well-known of these is the Demographic and Health Survey, which USAID conducts in numerous countries and is often the primary mechanism to measure status and change in a variety of health, child survival, population, and HIV/AIDS indicators.

Collectively, all of USAID's program evaluation elements enable the Agency to track key program results, aggregate them in a single Performance and Accountability Report (PAR), and disseminate them to internal and external audiences. Except for security or procurement sensitive sections, mission annual reports are published on USAID's internal and external Web sites. This leads to transparency in reporting, and to making USAID's lessons learned widely available to all interested parties. ■

APPENDIX IV

Acronym Guide

ADF: African Development Foundation

ASEAN: Association of South East Asian Nations

APEC: Asia-Pacific Economic Cooperation

BSP: Bureau Strategic Plan

BTEC: Business Transformation Executive Committee

CD: Community of Democracies

CIA: Central Intelligence Agency

DAA: Deputy Assistant Administrator

DAS: Deputy Assistant Secretary

DHS: Department of Homeland Security

DOD: Department of Defense

DOE: Department of Energy

DOJ: Department of Justice

DS: Diplomatic Security

EPA: Environmental Protection Agency

EU: European Union

FBI: Federal Bureau of Investigation

FSI: Foreign Service Institute

FTA: Free Trade Agreement

FTAA: Free Trade Area of the Americas

G8: The Group of Eight

GAO: Government Accountability Office

HHS: Department of Health and Human Services

HIV/AIDS: Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome

HRSA: Health Resources and Services Administration

HSC: Homeland Security Council

HST: Harry S Truman Building

IAEA: International Atomic Energy Agency

IAF: Inter-American Foundation

ICTs: Information and Communications Technologies

IMF: International Monetary Fund

INS: Immigration and Naturalization Service

IT: Information Technology

JAMS: Joint Assistance Management System

JMC: Joint Management Council

LTTE: Liberation Tigers of Tamil Eelam

MCA: Millennium Challenge Account

MEPI: Middle East Partnership Initiative

MSP: Mission Strategic Plan

NASA: National Aeronautics and Space Administration

NATO: North Atlantic Treaty Organization

NEPAD: New Partnership for Africa's Development

NGO: Non-governmental Organization

NIH: National Institutes of Health

NOAA: National Oceanic and Atmospheric Administration

NSC: National Security Council

OBO: Overseas Buildings Operations

ODA: Official Development Assistance

OECD: Organization for Economic Cooperation and Development

OIG: Office of Inspector General

OPCW: Organization for the Prohibition of Chemical Weapons

OSCE: Organization for Security and Cooperation in Europe

OMB: Office of Management and Budget

PART: Program Assessment Rating Tool

PEPFAR: President's Emergency Plan for AIDS Relief

PMA: President's Management Agenda

RM: Bureau of Resource Management

SAMHSA: Substance Abuse and Mental Health Services Administration

S/P: Policy Planning Staff

UN: United Nations

USAID: United States Agency for International Development

USDA: United States Department of Agriculture

USG: United States Government

USTR: United States Trade Representative

WMD: Weapons of Mass Destruction

WTO: World Trade Organization

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