
LEGISLATION AND POLICY

The FY1999 Security Assistance Budget Request

By

U.S. Department of State

[The following material has been extracted from the Department of State's *Congressional Presentation for Foreign Operations, Fiscal Year 1999* (FY1999 CP). This annual document supports funding requests for U.S. Budget Function 150 which includes all of the foreign operations program appropriations accounts (including security assistance) administered by the Department of State or for which the State Department provides policy guidance. The FY1999 CP provides separate budget funding requests and supporting information for each of the U.S. foreign operations programs. In addition to displaying appropriations accounts with regional and country justifications, the FY1999 CP also identifies required appropriations by strategic goals in relation to the Department of State's International Affairs Strategic Plan that was presented to Congress in September 1997. The excerpted material below includes Secretary of State Madeleine K. Albright's introduction to the FY1999 CP plus the requested funding and program descriptions for the four U.S.-funded security assistance programs, i.e., Foreign Military Financing (FMF), International Military Education and Training (IMET), Economic Support Fund (ESF), and Voluntary Peacekeeping Operations (PKO), plus related accounts.]

INTRODUCTION

Statement by Secretary of State Madeleine K. Albright

Maintaining U.S. leadership in the global community requires the steadfast and committed investment of policymakers and stakeholders. The international affairs budget is an appeal for a bipartisan consensus to provide the resources necessary for the people and programs required to enhance the security, prosperity, and freedom of the American people.

Some may ask why we need to fund a major international affairs effort. After all, our economy is booming, domestic crime has declined, the budget is in balance, and there are always important priorities here at home. Why should we spend valuable taxpayer resources on U.S. international goals? It's a fair question, with a solid answer. Today, more than ever before, the international affairs budget touches the lives of all Americans. It does so by advancing seven basic national interests:

- *The international affairs budget protects the security and vital geopolitical interests of the United States.*

Funding under the Freedom Support Act helps the new states of the former Soviet Union make the transition to market economies and democracy. Our goal is clear: we want to live at peace with all these countries, to trade with them, and to work with them so that we may prosper together. In this budget we request a substantial increase for our Partnership for Freedom Initiative. This prudent investment in our security pales in size to the trillions of

dollars we spent fighting the Cold War or the trillions we would spend in the future were reform efforts to fail and our relationships to become adversarial once again.

Funding under the SEED Act for Central Europe and for our Partnership for Peace helps the countries of this region complete the wrenching transition from Communism to free-market democracy, and from the Warsaw Pact to full participation in the defense of European freedom and security. These funds include programs for the people of Bosnia to make continued progress in their struggle to build a stable, united, and democratic nation in the aftermath of a bitter and brutal war.

Few areas of the world combine such political and strategic importance with such chronic instability as the Middle East. Our budget request includes funding for the military and economic assistance programs which back our diplomatic commitment to the Middle East Peace Process. In addition to supporting Israel and Egypt, we are also seeking assistance for Jordan and the Palestinians, in order to cement support for the overall Arab-Israeli peace process by helping the existing accords produce the benefits the people of the region looked forward to when the agreements were signed.

Throughout the world, we defend our security by working to prevent the spread of weapons of mass destruction. This budget pays for the verification system of the Comprehensive Test Ban Treaty. It supports programs required to secure or destroy materials and technology related to weapons of mass destruction, to maintain cooperation between our military and that of present or prospective allies, and to build the security structure and alliances that will ensure that Americans live at peace far into the 21st Century.

- *This budget promotes America's prosperity.*

The budget increases for the Export-Import Bank and the Trade and Development Agency to give America's businesses the tools they need to compete in the global marketplace. This matters to Americans because trade is twice as important in our domestic economy now than it was a quarter century ago, and it has fueled one-third of the sustained economic growth we have enjoyed these past five years. Today, 12 million American jobs are supported by exports and these jobs pay on the average 15 percent more than others.

Our bilateral and multilateral assistance programs benefit American security by promoting stability around the globe, and they contribute to our prosperity by expanding overseas markets for American goods and services.

We continue in this budget to fund global efforts to open markets and promote free trade. Trade with developing nations is one of the fastest growing segments of our economy. For example, this year we include development assistance funds for a Partnership for Economic Growth and Opportunity in Africa. This initiative will serve humanitarian and democracy-building initiatives and will help accelerate the role of Africa as an important export market.

- *The international affairs budget protects American citizens abroad and safeguards America's borders*

Americans travel abroad more often than ever before. The FY1999 budget funds passport services and the assistance provided by U.S. Embassies and Consulates to American students, tourists, business people, and others who need emergency medical assistance or require help while overseas.

State Department visa services abroad enable millions of visitors to come to the United States from around the world each year. Foreign tourism to the U.S. brings in billions of dollars and creates hundreds of thousands of jobs in America. Our country is among the world's top vacation destinations, and the number of visitors to the U.S. grows each year.

Our Embassies are the front line in enforcing our immigration policies to screen out drug smugglers, terrorists, and other criminals whose entry into the United States could endanger our citizens. This budget protects U.S. borders and deters illegal immigration by assisting several nations in strengthening their own domestic economies, so that their citizens may enjoy a more prosperous future.

- *This budget protects Americans from international narcotics trafficking, terrorism, and other crimes.*

In today's world, the most distant threats can arrive at our doorstep in a matter of seconds. Just as progress in business and telecommunications has exponentially increased the speed by which transactions are carried out around the world, so too have the threats posed by narcotics trafficking, crime, and terrorism. Interdiction and assistance programs safeguard us directly by attacking the root causes of criminal activity. Our anti-narcotics programs involve us in cooperative law enforcement efforts, drug eradication, and alternative development—all vital to achieving our Andean initiative and substantially reducing world coca production.

- *The function 150 budget promotes our values, including democracy, human rights, and the rule of law.*

Democracy is a necessary precondition to achieving lasting stability and world peace. It is a unique form of government that promotes stable transitions and represents popular aspirations. Democracy contributes to all of our national interests, and it is the only system of government that embodies the freedoms we cherish.

Human rights and the rule of law are indispensable components of democracy. Through Development Assistance and Economic Support Funds, we are able to promote fundamental democratic principles around the world, to stop human rights violations, to reform judicial systems, and to train competent parliamentarians.

Our programs this year include: a Great Lakes Initiative to improve the administration of justice and conflict resolution in this strategic and strife-torn part of Africa; the Secretary's Advisory Committee on Religious Freedom Abroad; and the Human Rights and Democracy Fund.

- *This budget maintains America's long-standing role in providing humanitarian assistance to those in greatest need.*

Our Development Assistance and Economic Support Fund programs advance economic development in the poorest countries of the world. These programs demonstrate that prevention is more effective and less costly than crisis intervention. The Child Survival account helps at-risk children experiencing poverty, hunger, or ill-health to reach adulthood.

U.S. disaster assistance and refugee programs respond quickly and flexibly when manmade or natural disasters arise. This year, our budget also proposes an increase in funding to eliminate the threat of landmines to innocent civilians the world over by the year 2010.

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- *Finally, this budget addresses the global challenges of excessive population growth, contagious disease, and environmental degradation.*

The rate of world population growth has slowed modestly in recent years due largely to U.S. efforts. Still, 90 million additional children are born every year. Ninety-five percent of them live in developing countries adding stress to scarce food supplies, environmental resources, and health and housing systems. Over-population causes illegal immigration, threatening American communities and institutions.

The United States has sponsored the training of health care professionals worldwide in family planning and reproductive health for more than 40 years. As a result, average family size has declined from six to four in over 28 countries, and the spread of diseases, such as HIV, has been measurably contained. Safeguarding Americans from contagious diseases can be accomplished only if we prevent the dismal conditions in which they flourish.

Ozone depletion, soil erosion, water, soil, and air pollution are not insurmountable problems; however, they are serious global challenges that could have disastrous consequences if allowed to go unchecked. They could exacerbate health conditions and destroy the potential availability of irreplaceable natural resources for a burgeoning population.

The FY1999 budget proposes to fund several operational strategies to prevent irreparable harm to our limited global resources. Through bilateral and multilateral assistance programs, such as the Global Environmental Facility and our voluntary and assessed contributions to international organizations, we plan to support better understanding and improved resource management practices throughout the world.

Whether our paramount concern is to protect our physical security, to guarantee our prosperity, or to live safer, healthier lives, the FY1999 international affairs budget serves the interests of each and every American. Reaching out beyond our borders is the best way to reinforce the fabric of our own livelihood—our jobs, our resources, and our values.

Conclusion

To achieve our important foreign affairs goals, we must maintain the intricate international security and economic architecture we set up after World War II. As the driving force in the establishment of the United Nations, we remain among its greatest beneficiaries. Having established the Bretton Woods system, we gain continually from the worldwide financial stability it proffers. We must not allow the influence of these two international organizations to weaken, nor our central leadership position in them to wane. We must invest our membership share in the United Nations, international organizations, and the multilateral development banks. We must also sustain our commitment to the New Arrangements to Borrow and the International Monetary Fund. The FY1999 budget and FY1998 supplemental appropriations propose to retain for the United States a strong, influential voice in these institutions.

The international affairs budget provides the funds necessary to maintain a capable and reliable cadre of skilled professionals who serve in U.S. Embassies and Consulates overseas and in our nation's Capitol. They perform services and maintain operations of important government agencies that advance American interests around the globe. Among these are: the Department of State, the Department of the Treasury, the Department of Agriculture, the Department of Commerce, the Agency for International Development, the U.S. Information Agency, and the Peace Corps.

In today's world, it is essential that we keep our alliances strong, that we respond rapidly and definitively to security threats, that we retain a prominent place in international markets, that we assist Americans overseas, that our compassion reaches those suffering disaster, that we are innovators of sound natural resources management, and that we protect human life now and for future generations. For these reasons, it is clear that this international affairs budget deserves our strongest support.

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International Affairs Mission Statement

The purpose of United States foreign policy is to create a more secure, prosperous, and democratic world for the benefit of the American people. In an increasingly interdependent and rapidly changing world, international events affect every American. Successful U.S. international leadership is essential to security at home, better jobs and a higher standard of living, a healthier environment, and safe travel and conduct of business abroad.

Under the direction of the President and the Secretary of State, the United States conducts relations with foreign governments, international organizations, and others to pursue U.S. national interests and promote American values. The goals of U.S. foreign policy are to:

- Secure peace; deter aggression; prevent, and defuse, and manage crises; halt the proliferation of weapons of mass destruction; and advance arms control and disarmament;
- Expand exports, open markets, assist American business, foster economic growth, and promote sustainable development;
- Protect American citizens abroad and safeguard the borders of the United States;
- Combat International terrorism, crime, and narcotics trafficking;
- Support the establishment and consolidation of democracies, and uphold human rights;
- Provide humanitarian assistance to victims of crisis and disaster; and
- Improve the global environment, stabilize world population growth, and protect human health.

To advance the interests of the nation and the American people through foreign affairs leadership, the U.S. Government requires a strong international presence; a highly qualified, motivated, and diverse Civil and Foreign Service serving at home and abroad; extensive communication with the public, both foreign and domestic; and the political, military, and economic means to carry out the nation's foreign policies.

U.S. International Affairs Strategic Goals

- Regional stability—ensure that local and regional instabilities do not threaten the security and well-being of the United States or its allies.
- Eliminate threat of weapons of mass destruction or destabilizing conventional arms.
- Open markets to the free flow of goods, services, and capital.

- Expand U.S. exports to \$1.2 trillion by 2000.
- Increase global economic growth.
- Promote growth in developing and transitional economies.
- Enhance security and safety of Americans abroad.
- Control the flow of immigrants and non-immigrants.
- Minimize the impact of international crime on the United States and its citizens.
- Reduce levels of entry of illegal drugs.
- Reduce international terrorist attacks in the U.S.
- Increase adherence to democratic principles.
- Humanitarian Response - minimize the human costs of conflict and natural disasters.
- Secure a sustainable global environment to protect the United States and its citizens from the effects of international environmental degradation.
- Early stabilization of world population.
- Protect human health and reduce the spread of infectious diseases.
- Public Diplomacy—international information, education, and cultural exchanges.
- Diplomatic Activities and Readiness—capital, human resources, and operations of the international affairs agencies.

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Foreign Military Financing

FOREIGN OPERATIONS RESOURCES: (Dollars in thousands)

	FY1997 Actual	FY1998 Estimate	FY1999 Requested
FFMF Grant	\$3,232,813	\$3,303,044	\$3,275,910
FMF Loads Subsidy (BA)	58,217	60,000*	20,000
FMF Load Amount	477,500	200,000	167,024

*\$40 million of loan subsidy to be converted to grants. See program summary funding table.

U.S. Foreign Policy Objectives:

The principal means of ensuring American security is through the deterrence of potential aggressors who would threaten the United States or its allies. Maintaining the strength of our military is the most critical element of our strategy for achieving this objective. But our military strength alone is not enough. Diplomacy and international programs go hand in hand with military force to prevent and resolve conflicts without having to resort to force. Our security assistance programs help U.S. allies to become capable coalition partners as well as to defend their own security. By strengthening our alliances, building cooperative military relationships, and stabilizing regional military balances, security assistance programs protect American security and reduce the likelihood of war. The United States has a strong stake in helping its allies and coalition partners to strengthen their defense so they can share the common defense burden.

Foreign Military Financing (FMF) enables key friends and allies to improve their defense capabilities by financing acquisition of U.S. military articles, services, and training. As FMF helps countries provide for legitimate defense needs, it also promotes U.S. national security interests by strengthening coalitions with friends and allies, cementing cooperative bilateral foreign military relationships, and enhancing interoperability with U.S. forces.

Both a grant and loan program, FMF is distinguished from Foreign Military Sales (FMS), the system through which government-to-government military sales are made. In general, FMF provides financing for FMS. By enabling selected friends and allies to purchase needed U.S. defense goods and services, FMF has the beneficial byproduct of encouraging demand for U.S. systems, which also contributes to a strong U.S. defense industrial base—a critical element of the national defense strategy. FMF financing for equipment sales can lengthen production runs, which can result in lower unit costs for Department of Defense (DoD) purchases and create jobs for Americans.

Key objectives of FMF are:

- To assist allies and friends in financing procurement of United States defense articles, and services to help strengthen their self-defense capabilities and meet their legitimate security needs;
- To meet urgent humanitarian needs by improving the capability of the armed forces of foreign countries to respond to natural and manmade disasters;
- To promote self-defense and defense cooperation by assisting friendly countries to acquire U.S. defense articles and services;
- To improve key capabilities of friendly countries to contribute to international peacekeeping;
- To promote the effectiveness and professionalism of military forces of friendly foreign countries; and
- To promote rationalization, standardization, and interoperability of the military forces of friendly foreign countries with U.S. Armed Forces.

Strategy for FY1999:

The vast majority of FMF goes to the Middle East to promote regional peace and security in helping to meet the legitimate security needs of parties engaged in the peace process. This assistance supports the long-standing U.S. policy goal of seeking a just, lasting, and comprehensive peace between Israel and her Arab neighbors, including the Palestinians. Additionally, FY99 FMF grant and loan programs will:

- Continue the President's Warsaw Initiative, a program that supports the Partnership for Peace (PFP), which strengthens practical cooperation between NATO and PFP Partners in Central Europe, the Baltics, and the New Independent States (NIS). PFP's principal objective has been to establish strong security ties between NATO and PFP Partners, and to prepare Partners interested in joining NATO for the obligations of membership. FMF funds will also facilitate Partner participation in PFP joint peacekeeping exercises, which have already helped prepare some Partners to participate in NATO-led peacekeeping operations.
- Assist in the gradual enlargement of NATO by providing FMF loans to credit worthy Central European countries for acquisition of NATO-compatible equipment.
- Sustain Caribbean defense and maritime forces allowing these island nations to maintain small professional forces essential to regional peace and security.
- Bolster the capabilities of East African states (Eritrea, Ethiopia and Uganda) bordering Sudan to thwart Sudan-sponsored terrorism and the disruption of humanitarian assistance.
- Support democratic Central European and Baltic states to focus on enhancing defensive capabilities by providing assistance that helps re-orient their militaries to defensive postures, rationalize their defense planning, and deter potential aggressors.
- Through a U.S.-led multilateral effort, improve and expand the capabilities of African militaries to respond to limited peace and humanitarian operations on the continent.
- Concentrate on assisting selected countries to improve their peacekeeping capabilities with emphasis on communication systems, peacekeeping education and training programs.

Indicators:

- Increased regional interoperability and cooperation with U.S. forces, including maintaining access to foreign military bases, facilities, and airspace.
- Improved ability of peacekeeping units to deploy to regional and international peace and humanitarian operations.
- Increased willingness to participate in regional/international peacekeeping and humanitarian assistance missions and regional conflict prevention mechanisms.
- Continued demonstration by Central Europe and New Independent States' militaries in the promotion of area stability, civilian control of the military, and military support for democratization.
- Strengthening of PFP, including increased participation in joint NATO missions such as international peace operations, search and rescue, and humanitarian operations.

- Increased interoperability of coalition partners, as measured by combined joint exercises.
- Continued support and willingness of regional states to seek a just, lasting, and comprehensive Middle East peace.

The following table depicts the FMF request for FY99. Detailed justifications for the proposed programs are found in the section on Regional and Country Programs.

**Foreign Military Financing
Program Summary**
(Dollars in thousands)

Country	FY1997 Actual	FY1998 Estimate	FY1999 Request
NEAR EAST			
Egypt	1,300,000	1,300,000	1,300,000
Israel	1,800,000	1,800,000	1,800,000
Jordan	30,045	50,000	45,000
Subtotal, NEA	3,130,045	3,150,000	3,145,000
EUROPE			
CE Defense Loans	[180,000]	[200,000]	[167,024]
CE Defense Loans (Subsidy BA)	18,240	20,000	20,000
Partnership for Peace	67,309	94,350	80,000
<i>Albania</i>	100	1,700	2,000
<i>Bulgaria</i>	3,000	4,200	6,000
<i>Czech Republic</i>	9,087	10,800	7,500
<i>Estonia</i>	1,500	5,700	4,700
<i>FYROM</i>	1,648	5,000	6,000
<i>Hungary</i>	10,087	10,800	7,500
<i>Latvia</i>	1,500	5,700	4,700
<i>Poland</i>	12,587	15,700	10,000
<i>Romania</i>	6,500	8,900	9,000
<i>Slovakia</i>	6,000	3,200	2,300
<i>Slovenia</i>	1,000	2,500	2,600
<i>Georgia</i>	700	1,350	1,650
<i>Kazakstan</i>	1,500	2,250	1,750
<i>Kyrgyzstan</i>	800	1,350	1,300
<i>Moldova</i>	800	1,450	850
<i>Russia</i>	2,250	2,250	1,500

Country	FY1997 Actual	FY1998 Estimate	FY1999 Request
<i>Turkmenistan</i>	500	450	600
<i>Ukraine</i>	5,250	3,800	3,400
<i>Uzbekistan</i>	1,000	1,500	1,950
Turkey Loans	[175,000]	-	-
Turkey Loans (Subsidy BA)	25,130	-	-
Turkey (grant)	-	20,580	-
Greece Loans	[122,500]	-	-
Greece Loans (Subsidy BA)	14,847	-	-
Greece Loans (grant)	-	14,420	-
FYROM	-	2,900	-
Baltic Battalion (Adazi)	-	2,100	-
Subtotal, Europe	125,526	154,350	100,000
AMERICAN REPUBLICS			
Caribbean Regional	2,000	3,000	3,000
Subtotal, American Republics	2,000	3,000	3,000
AFRICA			
Africa Crisis Response Initiative	4,500	10,000	5,000
East Africa Regional	4,750	5,000	5,000
Subtotal, Africa	9,250	15,000	10,000
OTHER			
Unallocated		3,950	
Cambodia	1,000		
Enhanced International Peace-keeping Capabilities (EIPC)		7,000	8,000
FMF Admin Costs (DSAA)	23,183	29,744 ^b	29,910
Subtotal, Other	24,183	40,694	37,910
TOTAL	3,291,004	3,363,044	3,295,910
[Grants]	3,232,813	3,343,044	3,275,910
[Loans]	477,500	200,000	167,024
[Loans Subsidy BA]	58,217	20,000	20,000

^b\$6.494 million transferred into Administrative Expenses for ICASS reimbursement/costs.

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Enhanced International Peacekeeping Capabilities (EIPC)

Foreign Operations Resources: (Dollars in thousands)

	FY1997 Actual	FY1998 Estimate	FY1999 Requested
FMF	-	\$7,000	\$8,000

U.S. Foreign Policy Objectives:

Enhanced International Peacekeeping Capabilities (EIPC) is a new global initiative which seeks to improve the peacekeeping readiness of selected countries which have demonstrated significant potential for greater contributions to international peacekeeping operations. The components of peacekeeping readiness include political commitment, adequate resource allocation, competent military leadership, appropriate training, effective logistics support, language proficiency, and interoperability.

By enhancing international peacekeeping capabilities of selected countries, EIPC aims to reduce U.S. and international costs for peacekeeping missions, increase the pool of credible peace operations, reduce the demand for U.S. burden sharing, and encourage regional conflict prevention and resolution. EIPC provides a global framework for rationalizing development of regional peacekeeping initiatives. While most regional initiatives focus on rapidly energizing near-term peacekeeping capabilities, EIPC develops the country's intellectual and training base structure to facilitate host nation design and implementation of a comprehensive peacekeeping/humanitarian assistance training and education program.

Strategy for FY1999:

FY1999 FMF for the EIPC, allocated regionally, will concentrate on assisting selected countries to improve their peacekeeping readiness. Key components of EIPC development include: communications systems, education program training aids and equipment, and procedural and mechanical interoperability, including possible provision of selected specialized equipment and spare parts. EIPC objectives are supported by complementary resources, including IMET and Excess Defense Articles (EDA) programs, CINC exercise and other CINC initiative programs, and international contributions from other sponsor countries.

Indicators:

- Increased political willingness and military capacity from potential contributor countries to participate in peace operations.
- Increased political commitment and integration of complementary programs by other sponsor governments to work with the United States in support of EIPC goals (increased PKO burden sharing, reduced PKO costs, increased regional capability to resolve problems regionally) in countries.
- Improved ability of political organization and peacekeeping forces to quickly respond to regional and international peacekeeping or humanitarian crises.

- Improved capacity and effectiveness of national peacekeeping training programs to develop leaders, staffs and units proficient in UN/MNF peacekeeping/humanitarian assistance missions.
- Increased regional cooperation in common peacekeeping training and education standards.
- Active participation in the International Association of peacekeeping training centers, exchange/harmonization of peacekeeping training programs with other internationally recognized.
- Participation in the UN stand-by Arrangements system.
- Implementation of national policy that authorizes deployment of national PKO troop contingents beyond national boundaries.
- Battalion and company commanders of designated PKO units trained at a major international leaders' school or participants in sanctioned PKO missions.
- National UN stand-by arrangement designated units participate in CINC/regional PKO-related exercises/missions.
- Increased support for, and participation in, regional conflict prevention mechanisms.

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Defense Administrative Costs

Foreign Operations Resources (Dollars in thousands)

	FY1997 Actual	FY1998 Estimate	FY1999 Requested
FMF	\$23,183	\$29,744	\$29,210

U.S. Foreign Policy Objectives:

The requested funding provides for the cost of administrative activities related to non-Foreign Military Sales (FMS) security assistance programs implemented by the Unified Commands, the Military Departments, and Defense Security Assistance Agency (DSAA).

- Support worldwide administration of International Military Education and Training (IMEI);
- Finance administrative costs for all security assistance activities incurred by the Unified Commands;
- Finance administrative costs incurred by the Military Departments and DSAA headquarters for all security assistance activities not related to Foreign Military Sales; and
- Fund operating costs of non-FMS activities of overseas Security Assistance Organizations.

Strategy for FY1999:

The proposed program-level represents the projected costs required to prudently, and effectively, accomplish the managerial and administrative actions necessary to manage and implement the non-FMS segments of security assistance programs, as authorized under the AECA and the FAA. These functions include staffing headquarters, personnel management, budgeting and accounting, office services and facilities, and support for non-FMS functions of Security Assistance Offices (SAOs).

The Defense Administrative Costs account implements such non-FMS activities as: administration of the IMET program; management of drawdowns of military equipment and services; grant transfers of excess defense articles; as well as Mfilling responsibility for monitoring military items previously transferred under the former Military Assistance Program (MAP) and full cost recovery associated with International Cooperative Administration Support Services (ICASS). The initiation and expansion of security assistance relationships with many new democracies around the world, but principally in Central Europe, the New Independent States, and South Africa, require the establishment of SAOs in an increasing number of locations. The FY1999 request for Defense Administrative costs will fund the establishment and/or the continuing operating costs of these new SAOs and is essential to the effective management of security assistance progrwns with these new defense partners.

Jusification:

The proposed program level represents the projected costs required to prudently, and effectively, accomplish the managerial and administrative actions necessary to manage and implement the non-FMS segments of security assistance programs, as authorized under the AECA and the FAA. These functions include staffing headquarters, personnel management, budgeting and accounting, office services and facilities and support for non-FMS functions of the overseas Security Assistance Organizations (SAOs).

The Defense Administrative Costs account implements such non-FMS activities as: administration of the IMET program; management of drawdowns of military equipment and services; grant transfers of excess defense articles; as well as fulfilling responsibility for monitoring military items previously transferred under the former Military Assistance Program (MAP). The initiation and expansion of security assistance relationships with many new democracies around the world, but principally in Central Europe, the New Independent States, and South Africa, require the establishment of SAOs in an increasing number of locations. The FY 1998 request for Defense Administrative costs will fund the establishment and/or the continuing operating costs of these new SAOs and is essential to the effective management of security assistance programs with these new defense partners. The recent increases in IMET funding levels (from \$26 million in FY 1995, \$39 million in FY 1996, \$43 million in FY 1997, and \$50 million in FY 1998) will also increase administrative workload and funding requirements. In FY 1998, we will hold costs to the same level as FY 1996 and FY 1997, absorbing pay raises, inflation, and the increased costs associated with the additional SAO operating locations and IMET. The amount requested is the minimum essential funding to do the job.

Effectiveness of Measurement:

Effective administration of grant military assistance programs, within the requested budget level.

DEFENSE ADMINISTRATIVE COSTS

(Dollars in Millions)

	FY1997 Actual	FY1998 Estimate	FY1999 Requested
Department and Headquarters Administrative Expenses (a)	6,183	6,250	6,250
SAO Administrative Expenses (b)	17,000	23,494	23,660
Total Budget Authority	23,183	29,744	29,910

(a) Excludes those Defense Security Assistance Agency (DSAA) and overseas security assistance organization (SAO) costs related to FMS which are financed from sales under sections 21, 22, and 29 of the Arms Export Control Act. See Overseas Military Program Management table for further details on SAO costs.

(b) State Department transferred \$6.494 million from account 19-8-0113 to account 11-8-1082 for International Cooperative Administrative Support Services (ICASS).

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Foreign Military Sales Administrative Costs

The Foreign Military Sales (FMS) program is implemented, for the most part, by the same Department of Defense personnel who work in the military departments and defense agency procurement, logistics support and administrative organizations established to carry out DoD's requirements for procurement and support of weapons, equipment, supplies and services needed by our Army, Navy, Air Force, and Marines. A small number of fully dedicated security assistance organizations and personnel are also employed by the military departments and defense agencies in accomplishing the FMS mission. This integration of FMS provides organizational efficiencies and procurement cost economies to both the U.S. and the FMS customer countries.

The Arms Export Control Act (AECA) requires that the costs of implementing FMS be paid by FMS customer countries. To satisfy this requirement, an "administrative surcharge" of three percent is applied to most FMS cases. A five percent rate is applied to non-standard articles and services and supply support arrangements. In addition, a "logistics support charge" of 3.1 percent is also applied on certain deliveries of spare parts, equipment modifications, secondary support equipment, and supplies. These administrative funds, collected from the FMS customer, are made available to the military departments and defense agencies to pay for their FMS administrative costs related to such functions as FMS case preparation (including preparation of price and availability estimates/information), sales negotiations, case implementation, procurement, program control, ADP operations, accounting, budgeting and other financial and program management. A majority of the operating costs of overseas Security Assistance Organizations (SAOs) are also financed from FMS administrative funds. DSAA administers an annual budget process to develop estimated funding requirements and establish approved administrative funding levels.

The Foreign Operations, Export Financing and Related Programs Appropriations Act of 1997, P.L. 105-118, included, for FY1998 only, a ceiling of \$350 million on obligations of FMS administrative funds. All FMS administrative budget obligations and expenditures are from FMS customers' funds which have been collected into the U.S. Treasury in the Foreign Military Sales Trust Fund account. There is no net outlay impact on the U.S. budget from the operations of the FMS administrative budget.

In FY1999, \$340 million is required. Fewer work years will be financed in FY1999 versus FY's 1996 - 1998, lowering payroll costs for FMS management in line with declining workload. However, this reduction will be offset by the non-recurring initial cost required to design and develop a single FMS management information system throughout DoD. This Defense Security Assistance Management System (DSAMS) will replace thirteen major systems operated in the Military Department and Defense Agencies, provide a much needed new technology infrastructure, and reduce overall operation and maintenance costs in the years following DSAMS development and full implementation.

FMS ADMINISTRATIVE COSTS/WORKYEARS
(Dollars in Millions)

	Actual	FY1997	Estimated	FY1998	Proposed	FY1999
	Wordyrs	Dollars	Workyrs	Dollars	Workyrs	Dollars
Military Departments	3938	243.288	3,487	23.197	3,284	218.324
Other Defense Activities	775	88.973	874	95.424	849	99.36
SAOs (Net)	402	22.739	361	22.606	316	22.44
TOTAL	5,115	355.000	4,722	350	4,449	340

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International Military Education and Training

Foreign Operations Resources
(Dollars in thousands)

	FY1997	FY1998	FY1999
	Actual	Estimate	Request
IMET	\$43,475	\$50,000	\$50,000

U.S. Foreign Policy Objectives:

The International Military Education and Training (IMET) program is an instrument of U.S. national security and foreign policy—a key component of U.S. security assistance that provides training on a grant basis to students from allied and friendly nations. IMET is an investment in ideas and people which has an overall positive impact on the numerous individuals trained under the program. It is a program that, for a relatively modest investment, presents democratic alternatives to key foreign military and civilian leaders. The overall objectives of the program are:

- To encourage effective, mutually beneficial relations and increased understanding between the United States and foreign countries in furtherance of the goals of international peace and security;

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- To improve the ability of participating countries to utilize their resources, including defense articles and services obtained from the United States, with maximum effectiveness, thereby contributing to greater self-reliance; and
 - To increase the awareness of foreign nationals participating in such activities of basic issues involving internationally recognized human rights.

The IMET program exposes students to the U.S. professional military establishment and the American way of life, including regard for democratic values, respect for individual and human rights, and belief in the rule of law. Students are also exposed to U.S. military procedures and the manner in which the military functions under civilian control. A less formal, but significant, part of the program exposes students to the civilian community and its important democratic institutions. In addition, English language proficiency, a prerequisite for attending courses in the United States, increases rapport between students and their U.S. counterparts, and promotes important relationships that provide for U.S. access and influence in a sector of society which often plays a pivotal role in the transition to democracy.

The training and education provided under the IMET program is professional and non-political, and reflects both the U.S. tradition of civilian oversight and the operational, rather than the policy, role of the military. IMET has a positive effect on participants and recipient countries beyond actual training. The exposure to American society, the quality of instruction, and acknowledged professionalism of the U.S. military play an important part in support for U.S. policies and an orientation toward the United States. Furthermore, although nation-building is not an objective of the IMET program, it is nevertheless, an important by-product. The associated skills and the increase in trained personnel have had a positive impact on the infrastructure of countries participating in the IMET program. The effect has been to stimulate nation-building which, in turn, has encouraged economic development. Similarly, English language instruction, which is essential to the training, contributes directly to foreign participants' understanding of the United States, its people, and its values.

IMET is expanding and taking new directions in response to the changing global political scene. In the past few years, significant changes in the program have taken place to better align program objectives with U.S. foreign policy interests in the post-Cold War environment. For example, a number of new and meaningful courses have been added to meet U.S. foreign policy objectives as important bilateral relations are developed with emerging democracies around the world. In addition, civilians who are not members of a government are encouraged to participate if it would contribute to accomplishment of program objectives, especially those involving the principles of civil-military relations, civilian control of the military, and respect for human rights. Some specific objectives of these programs are:

- To foster greater respect for and understanding of the principle of civilian control of the military;
- To improve military justice systems and procedures in accordance with internationally recognized human rights;
- To introduce military and civilian participants to the U.S. judicial system, the two-party system, the role of a free press and other communications media, minority problems, the purpose and scope of labor unions, the U.S. economic system, educational institutions, and the way in which all of these elements of American democracy reflect the U.S. commitment to the basic principles of internationally recognized human rights;

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- To resolve the civil-military conflict that a country actually confronts, and bring together key military and civilian leaders in order to break down barriers that often exist between armed forces, civilian officials, and legislators of competing political parties; and
 - To modify existing civil-military mechanisms used by democracies to meet a country's own unique circumstances.

IMET objectives are achieved through a variety of military education and training activities conducted by the DoD for foreign military and civilian officials. These include: formal instruction involving over 2,000 courses taught at approximately 150 military schools and installations; on-the-job training; observer training; orientation tours for key senior military and civilian officials; and limited training conducted by U.S. military and civilian teams in foreign countries. Also, the U.S. Coast Guard provides education and training in maritime search and rescue, operation and maintenance of aids to navigation, port security, at-sea law enforcement, international maritime law, and general maritime skills. Furthermore, all students attending IMET courses are exposed to a DoD-managed informational program: a specialized, outside the classroom activity to assist the international student in acquiring an understanding of American society, institutions, ideals and values, including an awareness of the importance the United States places on the role of the military in a democratic society, and respect for internationally recognized human rights.

Strategy for FY1999:

In its relations with friendly countries, the United States pursues a host of foreign policy objectives associated with American political, economic, social, and security interests throughout the world. IMET serves these interests directly by providing an increased understanding of America among foreign militaries and key civilian officials, with a consequent improvement in mutually beneficial relations. From a military perspective, the principal value of IMET is to enhance the military efficiency and effectiveness of the participant nations. Professional military competence is improved at all levels, thereby promoting self-sufficiency as well as furnishing many of the skills essential to nation-building. This in turn, provides a wide range of benefits to the United States in terms of collective security, stability, and peace. As foreign militaries improve their knowledge of U.S. military principles, military cooperation is strengthened. Similarly, opportunities for military-to-military interaction, information sharing, joint planning, and combined force exercises, as well as essential requirements for access to foreign military bases and facilities, are notably expanded. IMET fosters important military linkages throughout the world that are essential to preserving the security of U.S. friends and allies, and advancing the global security interests of the United States.

The IMET program assists U.S. friends and allies in the professionalization of their militaries through their participation in U.S. military educational programs. Additionally, the program reaches a sector of society, both military and civilian, that is essential to the transition to and sustainment of democracy. The IMET program uniquely supports the following efforts:

- Professionalization of militaries: Last year, IMET funded training for over 8,000 students from approximately 120 countries. The majority of students are military officers who attend U.S. professional military educational programs provided by DoD and Service schools in the United States. Such training has long been recognized by U.S. friends and allies as essential for the progression of their own military leaders, as evidenced by the number of students who ultimately rise to significant leadership positions in the military, government, and other important sectors in their respective countries.

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- Democratization: The issues of military justice, to include internationally recognized human rights, effective defense resource management, and improved civil-military relations are specifically addressed under Expanded-IMET (E-IMET). A growing number of programs available to U.S. friends and allies under this initiative are provided to civilians who perform defense-related functions, militaries, parliamentarians, and nongovernmental organizations. Ultimately, the goal is to effect institutional change, culminating in a professional, apolitical military, under true civilian control.
 - Strengthened regional relationships: IMET continues to strengthen regional friendships, while bolstering the U.S. military's forward presence. Furthermore, the training provided enhances the self-defense capabilities of U.S. friends and allies, while decreasing the chances for conflict that might require commitment of U.S. forces abroad.

Indicators:

- Increased evidence and demonstration of militaries in fostering the promotion of civilian control of the military, improved civil-military relations, and support for democratization.
- Continued opportunities for military-to-military interaction, information sharing, joint planning, combined force exercises, and access to foreign military bases, facilities, and airspace.
- Promulgation of military regulations which improve military justice systems and procedures in accordance with internationally recognized human rights.
- Increase in the number of U.S.-trained military and civilian personnel in military, defense ministry, and legislative leadership positions. Elevation of these people in positions of prominence within their government bureaucracy has a positive effect on support for U.S. policies.
- Continued improvement of governments to utilize their defense resources, including U.S.-origin equipment, with maximum effectiveness, thereby contributing to greater self-reliance.

The following table shows the FY1999 IMET request. Detailed justification for the proposed programs is included in the section on Regional and Country programs.

**International Military Education And Training
Program Summary**
(Dollars in thousands)

<i>Country</i>	<i>FY1997 Actual</i>	<i>FY1998 Estimate</i>	<i>FY1999 Request</i>
Sub-Saharan Africa (AF)			
Angola	174	200	175
Benin	350	350	350
Botswana	391	500	450
Cameroon	104	125	-
Cape Verde	208	100	100
Central African Republic	158	150	90
Chad	27	100	50
Comoros	76	75	75
Congo (Brazzaville)	147	-	-
Congo (Kinshasa)		-	70
Cote d'Ivoire	170	150	150
Djibouti	94	100	100
Eritrea	413	425	425
Ethiopia	313	475	575
Gabon		-	50
Ghana	243	340	400
Guinea	55	150	150
Guinea-Bissau	119	125	125
Kenya	304	400	400
Lesotho	76	75	75
Liberia		-	100
Madagascar	113	100	100
Malawi	228	275	335
Mali	152	275	280
Mauritius	22	50	50
Mozambique	204	175	180
Namibia	188	200	175
Rwanda	359	300	300
Sao Tome & Principe	72	75	75
Senegal	697	735	735
Seychelles	50	75	75
Sierra Leone	3		
South Africa	656	800	800
Swaziland	85	75	75
Tanzania	5	225	150
Togo	25	40	50
Uganda	342	400	400
Zambia	172	150	150
Zimbabwe	298	350	300
AF Totals	7,993	8,140	8,140

Country	FY1997 Actual	FY1998 Estimate	FY1999 Request
East Asia & Pacific (EAP)			
Cambodia	463	-	
Indonesia	105	400	400
Malaysia	631	700	700
Mongolia	365	425	425
Papua New Guinea	111	200	200
Philippines	1,295	1,350	1,350
Solomon Islands	146	150	150
Thailand	1,600	1,900	1,600
Tonga	105	100	100
Vanuatu	99	100	100
Western Samoa	95	100	100
EAP Totals:	5,015	5,425	5,125
Europe and the NIS (EUR/NIS)			
Albania	666	600	600
Belarus	273	100	100
Bosnia & Herzegovina	500	600	600
Bulgaria	903	950	950
Croatia	427	425	425
Czech Republic	737	1,350	1,350
Estonia	572	650	650
Georgia	312	375	380
Greece	28	25	25
Hungary	1,014	1,500	1,500
Kazakhstan	389	550	550
Kyrgyzstan	257	325	325
Latvia	535	650	650
Lithuania	523	650	650
Malta	104	100	135
Moldova	268	450	450
Poland	1,000	1,600	1,600
Portugal	551	800	700
Romania	922	1,025	1,025
Russia	842	900	900
Slovakia	621	600	600
Slovenia	400	650	650
The FYRO Macedonia	319	450	450
Turkey	1,454	1,500	1,500
Turkmenistan	262	300	300
Ukraine	1,015	1,250	1,250
Uzbekistan	286	400	485
EUR/NIS Totals:	15,180	18,775	18,800

Country	FY1997 Actual	FY1998 Estimate	FY1999 Request
Latin America & Caribbean (ARA)			
Argentina	603	600	600
Bahamas	107	100	100
Belize	208	250	250
Bolivia	509	550	550
Brazi	222	225	225
Chile	395	450	450
Colombia	-	900	800
Costa Rica	200	200	200
Dominican Republic	622	500	500
Eastern Caribbean	420	450	450
Antigua	(93)	(115)	(115)
Barbados	(103)	(92)	(90)
Dominica	(32)	(38)	(40)
Grenada	(49)	(49)	(50)
St. Kitts	(56)	(55)	(55)
St. Lucia	(43)	(47)	(50)
St. Vincent	(44)	(54)	(50)
Ecuador	425	500	500
El Salvador	455	500	500
Guatemala	205	225	225
Guyana	178	175	175
Haiti	275	300	300
Honduras	425	500	500
Jamaica	487	500	500
Mexico	1,008	1,000	1,000
Nicaragua	57	200	200
PACAMS	520	550	550
Panama	-	-	100
Paraguay	284	200	200
Peru	483	450	450
Suriname	149	100	100
Trinidad & Tobago	95	125	125
Uruguay	332	300	300
Venezuela	388	400	400
ARA Totals	9,052	10,250	10,250
Near East (NEA)			
Algeria	61	125	125
Bahrain	149	250	225
Egypt	1,000	1,000	1,000
Jordan	1,655	1,600	1,600
Lebanon	547	550	550
Morocco	812	900	900
Oman	117	225	225
Tunisia	837	900	900
Yemen	52	125	125
NEA Totals:	5,230	5,675	5,650

Country	FY1997 Actual	FY1998 Estimate	FY1999 Request
South Asia (SA)			
Bangladesh	342	375	350
India	404	475	450
Maldives	85	100	100
Nepal	196	225	200
Pakistan	-	-	350
SriLanka	200	225	200
SA Totals:	1,227	1,400	1,650
Non-Regional General Costs	678	335	385
Non-Regional Totals:	678	335	385
GRAND TOTALS:	43,475	50,000	50,000

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Economic Support Fund

Foreign Operations Resources: (Dollars in thousands)

	FY1997 Actual	FY1998 Estimate	FY1999 Request
ESF	\$2,358,600	\$2,419,928	2,513,600

U.S. Foreign Policy Objectives:

The Economic Support Fund (ESF) addresses economic and political foreign policy interests of the United States by providing economic assistance to allies and countries in transition to democracy, supporting the Middle East peace process, and financing economic stabilization programs, frequently in a multi-donor context. The U.S. Agency for International Development (USAID) implements most ESF-funded programs, with overall guidance from the Department of State. Key objectives of ESF are to:

- Increase the role of the private sector in the economy, reduce government controls over markets, enhance job creation, and improve economic growth.
- Assist in the development of effective and accessible, independent legal systems operating under the rule of law, as measured by an increase in the use of the courts to decide allegations of human rights abuses or abuses of government authority.
- Develop and strengthen institutions necessary for sustainable democracy through support for the transformation of the public sector, including assistance and training to improve public administration, promote decentralization, strengthen local governments, parliaments, independent media and nongovernmental organizations.
- Transition to transparent and accountable governance and the empowerment of citizens, working through their civic and economic organizations and democratic political processes

that ensure broad-based participation in political and economic life, and respect for human rights and fundamental freedoms.

- Strengthen capacity to manage the human dimension of the transition to democracy and a market economy, and to help sustain the neediest sectors of the population during the transition period.

Strategy for FY1999:

The largest share of the ESF request remains focused on supporting Middle East peace by providing assistance to foster economic stability and development in Israel, Egypt and other Arab countries pledged to support the peace process. ESF is also requested to support peace and reconciliation in Ireland and Cyprus as well. In other countries, economic dislocation and political strife continue to place great strains on many countries. Depending on the recipient country's economic situation, balance of payments or budgetary support may create leverage to bring about the adoption of more rational economic and fiscal policies required to sustain economic growth. In the short term, however, measures to create more rational and efficient economic structures and practices often exacerbate social and political tensions unless buffered by external assistance. In these circumstances, ESF can help to prevent or diminish economic and political dislocation that may threaten the security and independence of key allies and friends.

The United States has a strong stake in strengthening democratic development globally. The intensity of U.S. engagement will vary. In countries such as Haiti where the United States has invested significant resources and international leadership, ESF will continue to support programs to sustain the democratic transition with a high level of engagement. In this and other countries in transition, ESF is used to address a full range of problems through an integrated strategy, including balance of payments and other economic support measures designed to create employment and conditions conducive to international investment and trade, and through support for programs that nurture democratic institutions and a vibrant civil society. ESF also finances programs to enhance the administration of justice and rule of law, as well as police training and technical assistance administered by the Department of Justice.

Integrated ESF-supported programs have effectively performed in countries in transition to democracy. Success is closely related to the degree that programs give people the hope that a radical break with an authoritarian, repressive, or conflict-ridden past can be sustained. For example, ESF has:

- Continued U.S. support of programs for nascent democracies like Mongolia, strengthening democratic institutions such as legislatures and transparent electoral processes, improving access to health care and education, and maintaining or creating critical infrastructure required to lay the foundation for thriving private sectors in new democracies.
- Provided assistance in Sub-Saharan Africa for elections, political party-building, and legislative training for countries in transition, such as Liberia and Mali. The Africa Regional Democracy Fund uses U.S. NGOs to provide training for legislatures, which enhances institutional independence, legislative oversight, and constituent representation in Togo and the Central African Republic.
- Assistance to Middle Eastern countries such as Yemen, that receive little or no peace process related assistance in transition to democracy for electoral support.
- Sustain democratic progress in South Asian countries.

Through regional accounts, ESF supports carefully-targeted programs to assist democratic forces in new or threatened democracies, and, in some cases, programs designed to strengthen pro-democratic forces. Typical areas of assistance include technical assistance to administer and monitor elections, capacity-building for nongovernmental organizations, judicial training, and women's participation in politics. For FY1999, ESF for democracy will be used for a range of programs to help strengthen and consolidate democratic processes and institutions in countries that have recently embarked on a democratic course, or where democracy is threatened.

Indicators:

- Improved economic development through projects that promote broad-based economic growth.
- Strengthened democratic institutions and processes that reinforce a pluralistic society and transparent, accountable government.
- Passage of civil laws that ensure basic rights, support privatization and economic development for all citizens, and allow nongovernmental organizations to work freely.
- Reduction in governmental censorship of the media, as measured by the increase in members of independent media.
- Increased economic restructuring, as measured by transfer of state-owned assets to the private sector, encouragement of private small business activity, and improvement of government fiscal policies.
- Through Department of Justice programs, enactment of legislation or establishment of policies and procedures for overall management of a civilian police force or any of its component parts, such as an office of professional responsibility, handling crime scene evidence, use of force, or ethical standards of conduct for police.
- Promotion of sound environmental resource management.
- Improved national population, health, and education policies.
- Development of effective and accessible independent legal systems operating under the rule of law, as measured by an increase in the use of courts to decide allegations of human rights abuses or abuses of government authority.
- Increased private sector investment; return of flight capital; expanded regional infrastructure; acceleration of privatization of state owned enterprises; enhanced regional economic policy harmonization; and expansion of regional projects in the Middle East.

The following Table shows the ESF proposal for FY1999. Further detailed justification for the proposed programs are found in the "Country and Regional Programs" section of this presentation.

**FY1999 Economic Support Funds
Program Summary
(Dollars in Thousands)**

Country	FY1997 Actual	FY1998 Estimate	FY1999 Request
Africa (AF)			
Angola	5,500	10,000	2,000
Liberia	-	-	5,000
Democratic Republic of the Congo (DROC)	-	-	8,000
South African Development Community Initiative (SADC)	-	-	2,000
Great Lakes Initiative	-	-	25,000
Education for Development and Democracy	-	-	10,000
Africa Regional	4,500	15,000	15,000
Total, AF:	10,000	25,000	67,000
East Asia & Pacific (EAP)			
ASEAN Environmental Initiative	-	-	4,000
Cambodia	35,000	20,000	20,000
East-Asia Pacific Regional Security Fund	-	250	250
Mongolia	7,000	12,000	6,000
East-Asia Pacific Regional Democracy Fund	4,800	8,750	5,000
South Pacific Fisheries	14,000	14,000	14,000
Total, EAP	60,800	55,000	49,250
Europe (EUA)			
Albania	-	-	10,000
Cyprus	15,000	15,000	15,000
Ireland	19,6000	19,600	19,600
Turkey	22,000	-	-
Total, EUR	56,600	34,600	44,600
Latin America (ARA)			
Latin America Regional	17,812	11,000	13,000
El Salvador	5,000	1,000	2,000
Dominican Republic	-	2,500	2,300
Nicaragua	7,112	1,000	1,500
Cuba	1,500	2,000	3,000
Mexico	700	1,000	1,500
Paraguay	200	500	800
Ecuador	300	1,000	1,200
Wi nward Islands	-	2,000	700
LAC Regional	3,000	-	-
Guatemala	20,000	25,000	25,000
Haiti	56,888	70,000	140,000
Administration of Justice	7,500	10,000	10,000
Total, ARA:	102,200	116,000	188,000
Near East (NEA)			
Egypt	804,223	815,000	815,000
Israel	1,200,000	1,200,000	1,200,000
Jordan	122,977	150,000	150,000
Lebanon	12,000	12,000	12,000
ME Multaterals	3,250	5,000	5,000
ME Regional	7,000	7,000	7,000

	FY1997	FY1998	FY1999
Country	Actual	Estimate	Request
West Bank/Gaza	75,000	85,000	100,000
N. Iraq Peacekeeping	1,500	-	-
MENA Bank	1,000	-	52,500
Middle East Democracy	750	5,000	4,000
Middle East Peace and Stability	[89,223]	[125,670]	
Total, NEA	2,127,700	2,153,333	2,143,000¹
South Asia (SA)			
South Asia Democracy	-	3,000	2,750
Total, SA		3,000	2,750
Other			
Human Rights and Democracy Fund	1,300	10,000	9,000
Holocaust Victims Trust Fund	-	-	10,000
Reserve	-	22,995	-
Total, Other	1,300	32,995	19,000
Total Budget Authority	\$2,358,600	\$2,419,928	\$2,513,600

1. Individual requests for the Middle East total \$2.345 billion. The Administration intends to work with Congress to keep total ESF spending for the Near East at a level not to exceed \$2.143 billion.

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Human Rights and Democracy Fund

Foreign Operations Resources: (Dollars in thousands)

	FY1997	FY1998	FY1999
	Actual	Estimate	Request
ESF		\$10,000	\$9,000

U.S. Foreign Policy Objectives:

Fiscal year 1998 marked the inauguration of the Human Rights and Democracy Fund. This Fund exists to protect and promote human rights and democracy, and to respond to human rights and democratization crises around the world. The Human Rights and Democracy Fund is administered by the Bureau of Democracy, Human Rights, and Labor (DRL) to ensure that resources are available to meet U.S. foreign policy objectives in this area. These resources provide the Secretary with a flexible instrument to respond to conflicts, human rights emergencies, and requirements of intentionally-mandated agreements. The Fund has an additional benefit of decreasing disruption of scheduled funding for other important U.S. foreign policy objectives and leveraging contributions for U.S. foreign policy initiatives from other governments and organizations.

Advancing U.S. interests often require efforts to forestall or halt human rights disasters and democratic reversals. In the past few years, the United States has either led or joined the rest of the international community in a number of efforts to avert or mitigate significant human

rights abuses, affecting both the lives and futures of millions of people. Some of these efforts include the establishment of the UN War Crimes Tribunals, support for the International Civilian Mission to Haiti, the attempt to avert further genocide in Rwanda and Burundi through monitoring operations, the implementation of the Dayton agreements through OSCE mechanisms, and the establishment of the International Commission on the Missing in Bosnia. These efforts have set historical precedents for the responsibility of the international community to protect human rights and democratic transitions. An ongoing commitment to such operations is required. In FY1999 the Administration seeks \$9 million for these types of activities.

Strategy for FY1999:

The Administration requests \$9 million in FY1999 Economic Support Funds (ESF) for the Human Rights and Democracy Fund. This Fund will continue to allow the Secretary of State the ability to implement human rights agreements reached through international mediation and to support nascent democratic institutions. In FY1999 the Fund will support the Dayton Accord undertaking to fund the Bosnia Human Rights Commission; the International Commission on Missing Persons (ICMP); the International Criminal Tribunal for the Former Yugoslavia (ICTY) and International Criminal Tribunal for Rwanda.

The Fund will also seek to fund NGO and host-government projects which further the G8 Democracy Initiative in the areas of women's political participation, business and labor support for democracy, civil society and the rule of law and good governance.

Fiscal year 1999 funding will allow the Administration to support the efforts of UN High Commissioner for Human Rights Mary Robinson, as agreed to in the Washington Meeting of the G8 Democracy Initiative by expanding the UN's human rights field operations and programs to key countries of concern to the United States. In addition, we will explore funding for human rights training in peacekeeping and peace building operations.

As a crisis instrument, these funds will enable the U.S. to respond to unanticipated human rights or democratization crises in FY1999. Past and current conflicts in the Great Lakes region of Sub-Saharan Africa have proved a need for voluntary contributions to UN Human Rights Center (HRC)-led human rights monitoring and investigative operations. By responding rapidly and decisively to human rights emergencies as they develop, the United States can minimize human rights abuses and prevent refugee migration and humanitarian disasters. Deploying teams of human rights monitors into an area where human rights abuses are occurring can help deter further atrocities and gather reliable information upon which to base foreign policy decisions.

Countries in transition from conflict or authoritarian systems of government will require international assistance to begin or consolidate fragile democratic processes, often on an emergency basis. Requirements can range from elections related assistance, criminal justice reform, or assistance to national reconciliation efforts, such as truth commissions. We anticipate that in FY1999 countries in Sub-Saharan Africa, Central Asia and the Balkans will require such assistance. the availability of resources for this Fund will further demonstrate U.S. leadership in the promotion of democracy.

Indicators:

- Timely responses to prevent or halt human rights disasters, especially in the Great Lakes region of Sub-Saharan Africa;
- Improved adherence to international obligations;

- Improved coordination among the international community on democracy and human rights assistance; and
- Implementation of the Dayton Accords.

* * * * *

**Peacekeeping Operations
Foreign Operative Resources**
(Dollars in Thousands)

	FY1997	FY1998	FY1999
	Actual	Estimate	Request
PKO	\$69,000 ^a	\$77,500	\$83,000

U.S. Foreign Policy Objectives:

Under certain circumstances, the United States has an interest in supporting, on a voluntary basis, peacekeeping activities that are not UN mandated and/or are not funded by UN assessments. In so doing, we help support regional peacekeeping operations for which neighboring countries take primary responsibility. Similarly, the United States has a strong interest in enhancing the ability of other nations to participate in voluntary peacekeeping and humanitarian operations in order to reduce the burden on the United States.

Although peacekeeping is not a substitute for a strong national defense and vigorous alliances, it has demonstrated its capacity, under appropriate circumstances, to separate adversaries, maintain cease-fires, facilitate delivery of humanitarian relief, allow repatriation of refugees and displaced persons, demobilized combatants, and create conditions under which political reconciliation may occur and democratic elections may be held. Thus, peacekeeping operations can reduce the likelihood of interventions by regional powers, prevent the proliferation of small conflicts, facilitate the establishment and growth of new market economies, contain the cost of humanitarian emergencies, and limit refugee flows. Key objectives of peacekeeping funds are to:

- Promote peace and security by supporting multilateral peacekeeping initiatives;
- Encourage fair-share contributions to peacekeeping efforts from those countries with greater potential to pay, while facilitating increasing participation of poorer countries when resource constraints would otherwise prevent their taking part; and
- Encourage greater participation of foreign forces in international peacekeeping activities.

Strategy for FY1999

The Peacekeeping Operations (PKO) account provides the flexibility to pro-actively support conflict resolution, multilateral peace operations, sanctions enforcement, and similar efforts outside the context of assessed UN peacekeeping operations. The PKO account promotes increased involvement of regional organizations in conflict resolution, which may result in

^aAdditionally, in FY97, \$28.27 million in ESF and SEED was transferred from USAID to State for Haiti (\$9.84 million), Northern Iraq Peace Monitoring Force (\$1.5 million) Liberia (electronics support and ICITAP) (\$1.95 million), Bosnia programs (\$9.96 million), and Bosnia Demining (\$5.02 million).

more politically- or cost-effective operations. The account is also used to encourage fair-share contributions to joint efforts where no formal cost sharing mechanism is available. As a result, the United States is often better able to assist countries in creating an environment of security and stability essential to their social, economic, and political progress. For example, such support *has included*:

- Recruitment and building of a multinational force comprised of both military and international police monitors in Haiti.
- Establishment of a joint Baltic Peacekeeping Battalion (BALTBAT) consisting of 700-800 soldiers from the three Baltic States. In coordination with Denmark, Finland, Norway, Sweden, France, the United Kingdom, and Germany, the United States has provided critically needed assistance to support deployment of the BALTBAT to regional as well as global peacekeeping operations, such as its successful deployments to Croatia and Bosnia.
- Under the African Crisis Response Initiative, enhancements of the existing capabilities of select African states to respond quickly to regional humanitarian crises.
- As part of an overall UN sanctions enforcement effort, implemented a multilateral effort to assist the states neighboring Serbia and Montenegro in tightening sanctions enforcement to encourage a settlement in the former Yugoslavia.
- Working through regional organizations such as the Organization for Cooperation and Security in Europe (OSCE), supporting conflict prevention and crisis management missions in selected Central European countries and the New Independent States, as well as implementation of the Dayton Peace Accords in Bosnia.
- As part of a multilateral effort with France, Syria, Lebanon, and Israel, established a monitoring group to promote stability in the volatile southern Lebanon region by helping to limit civilian casualties and by providing an important confidence building forum for all parties.
- In a multilateral role, provides assistance that permits Israel and Egypt to work toward progress in the peace process, secure in the knowledge that their common border is monitored by the Multinational Force and Observers (MFO) in the Sinai.
- As part of a multilateral effort, assisted the Economic Community of West African States' Military Observer's Group (ECOMOG) in Liberia in implementing the Abuja Peace Accord. Transportation and non-lethal equipment provided along with communications assistance from the United States facilitated ECOMOG's deployment, disarming and demobilizing of the warring factions, and monitoring of free and fair Liberian elections.

Indicators:

- Continued security along the Egyptian-Israeli border.
- Increased regional involvement in conflict resolution, which can result in more politically- and cost-effective operations.
- Improved ability of peacekeeping forces to quickly respond to regional and international peace or humanitarian crises.
- Continued stability in countries emerging from social, economic, and political instability.

The following table depicts the PKO request for FY1999. Detailed justifications for the proposed programs are found in the Country and Program Papers section.

**Peacekeeping Operations
Program Summary
(Dollars in Thousands)**

Program	FY1997 Actual	FY1998 Estimate	FY1999 Request
Africa Regional	2,000	7,130	8,000
UNTAES CIVPOL	-	1,500	-
African Crisis Response Initiative	10,500	10,000	15,000
Europe Regional/OSCE	18,400	25,000	30,000
Israel-Lebanon Monitor Group	738	870	1,000
Haiti	15,728	15,500	10,000
MFO - Sinai	15,434	15,500	16,000
Organization of African Unity	3,000	2,000	2,000
Northern Iraq Peace Monitor Force	1,500	-	-
UN Rapid Deployable Mission HQ	200	-	-
Albania	1,500	-	-
OAS (Haiti)	-	-	1,000
Total, PKO	\$69,000	\$77,500	\$83,000

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**Nonproliferation, Antiterrorism, Demining and Related Programs (NADAR)
Foreign Operations Resources:
(Dollars in Thousands)**

	FY1997 Actual	FY1998 Estimate	FY1999 Request
Nonproliferation and Disarmament Fund	15,000	15,000	15,000
Exports Control assistance	n/a	3,000	5,000
Science Centers	[14,000] ¹	[18,000] ²	21,000
IAEA Voluntary Contribution	36,000	36,000	40,000
CTBT Preparatory Commission	-	[7,573] ³	28,900
KEDO	25,000	400,000 ⁴	35,000
Antiterrorism Assistance	18,000	19,000	21,000
Israel Emergency CT Assistance	50,000	-	-
Demining	7,000	20,000	50,000
Totals	\$151,000	\$133,000	\$215,900

¹FY1998 funding in Freedom Support Act.

²Ibid.

³FY1998 funding in ACDA and International Conferences and Contingencies accounts. Up to \$13 million authorized pursuant to PL 105-119.

⁴Includes a special \$10 million appropriation for KEDO debt repayment, contingent on contributions from non-U.S. sources.

Overview:

The Non-Proliferation, Antiterrorism, Demining, and Related Programs (NADR) account was created by the FY1997 Foreign Operations Appropriation Act to consolidate in one appropriations account a number of related programs previously funded through several different accounts. For FY1999 we are submitting under this account the Administration's funding requests for those programs that were appropriated in this account last year, and have included in this year's request certain other programs that fall within the scope defined for NADR. These include our first request for export control assistance as a separate program activity; funding for the Science Centers in Moscow and Kiev, which was previously included in the Freedom Support Act programs funded through the Assistance for the New Independent States account; and funding for the Preparatory Commission of the Comprehensive Test Ban Treaty, which was previously funded through the Arms Control and Disarmament Agency and International Conferences and Contingencies accounts in the Commerce, State, Justice, the Judiciary, and Related Agencies Appropriation Act.

Non-Proliferation And Related Programs

U.S. Foreign Policy Objectives:

The United States Strategic Plan for International Affairs identifies as a key goal eliminating the threat to the United States and its allies from weapons of mass destruction and destabilizing conventional weapons. The most direct and serious threat to U.S. security is the possibility of conflict involving weapons of mass destruction (WMD). The United States and most nations, both those that possess WMD and those that do not, value the constraint provided by arms control treaty regimes. Of greatest concern are the threshold states and terrorists that seek to acquire WMD. Unbridled acquisition of conventional arms can similarly threaten U.S. interests by destabilizing regional relations. A number of programs specifically tailored to pursue this objective are funded through the NADR account.

Non-Proliferation and Disarmament Fund

Strategy for FY1999:

The Nonproliferation and Disarmament Fund (NDF) is a sharply focused fund to permit rapid response to unanticipated, high priority requirements or opportunities to: 1) halt the proliferation of nuclear, biological, and chemical weapons, their delivery systems, and related sensitive materials; 2) destroy or neutralize existing weapons of mass destruction, their delivery systems, and related sensitive materials; and 3) limit the spread of advanced conventional weapons and their delivery systems. To permit this rapid response to such unanticipated requirements or opportunities, these funds have been appropriated to remain available until expended, and notwithstanding any other provision of law.

Increased expenditures to fund a number of existing activities and known proliferation problems are likely to leave the NDF under funded in FY1999 and thus limit its ability to serve as a contingency fund. During FY1997 the NDF funded \$24.9 million in new projects (reducing its strategic reserve from \$12 million to approximately \$4 million; \$2 million came from a reprogramming of previously obligated FY1996 project funds). Two important but classified missile destruction projects are likely to require expenditures of \$2 million in FY1998 and \$10-12 million in FY1999. Significant reductions in DOE and DOD nonproliferation-related funding will decrease the ability of those agencies to respond directly to new events, and may increase pressure on the NDF to respond to new requirements or opportunities arising during the course of the year

The Administration is requesting \$15 million for bilateral and multilateral assistance programs under the NDF in FY1999.

Indicators:

- Ability to respond rapidly to unanticipated requirements or opportunities, for which programmatic funding is not available and existing legal authorities may preclude timely action.

The funding and special authorities of the NDF have permitted us to move quickly to remove inadequately protected nuclear materials from NIS countries, to destroy or remove sophisticated weapons systems from countries throughout the world, and to provide export control assistance in cases where delays required to satisfy regular programmatic management requirements would have meant missed opportunities.

Export Control Assistance

Strategy for FY1999:

The USG Nonproliferation/Export Control Assistance program strengthens national export control systems in key countries, many of which only recently became independent, to curb the proliferation of WMD and their delivery systems, and sensitive dual-use goods and technologies, as well as advanced conventional arms.

To this end, the export control assistance program helps foreign governments:

- establish the necessary legal and regulatory basis for effective export controls;
- coordinate, train, and equip enforcement agencies;
- develop licensing procedures and practices;
- establish effective interaction between government and industry on export controls;
- develop and install integrated, automated information systems for licensing and enforcement; and
- reinforce to policy-makers the importance of developing and maintaining an effective system for controlling exports.

Development of effective export control systems in the four nuclear successor states of the former Soviet Union (Russia, Ukraine, Belarus, and Kazakhstan), as primary repositories of WMD materials and technology, is the first priority for the export control assistance program. The second priority is states on the periphery of the four nuclear successor states and key global transit points: the Southern Tier states of the former Soviet Union (Central Asia and the Caucasus); the Baltics, Central and Eastern Europe; and key global transit points (i.e. Singapore, Hong Kong, Taiwan, Cyprus, Malta, Jordan, and the UAE). China, India, and Pakistan are also high priority countries, but currently present only limited access.

In addition to funds appropriated during FY1999 through the Nonproliferation, Antiterrorism, Demining and Related Programs (NADR) account, the USG program will be comprised of the Department of Energy Export Control program; the DOD/USCS Counter-

Indicators:

- Ensure that the verification system for the CTBT is established promptly and will be capable of performing effectively. International Monitoring System (IMS) commissioning is planned to be accelerated in 1998 with the completion of site surveys for 65 monitoring stations utilizing four different detection technologies, and installation/upgrading of 63 stations. The initial computer facilities and communications links for the International Data Center should be established and initial operations commenced.
- International political commitment to the objective of ending all nuclear weapons testing.

Korean Peninsula Energy Development Organization (KEDO)

Strategy for FY1999:

The United States, Japan and the Republic of Korea (ROK) established KEDO on March 9, 1995, to implement the Agreed Framework between the U.S. and the Democratic People's Republic of Korea (DPRK), signed on October 21, 1994. KEDO is responsible for arranging the financing and construction of two light-water reactors (LWRs) in North Korea and for providing annual shipments of heavy fuel oil (HFO) to the DPRK until completion of the first LWR.

The implementation of major elements of the Agreed Framework by KEDO is vital to U.S. security interests in Northeast Asia. The Agreed Framework is the primary means of ensuring: (1) the complete dismantlement of the DPRK's nuclear weapons capability; and (2) North Korea's full compliance with its nuclear nonproliferation obligations. KEDO and the Agreed Framework also provide a unique mechanism to promote North-South Korean dialogue and a vehicle for the U.S. to discuss other issues of bilateral concern with the DPRK, such as North Korea's missile sales and the return of remains of U.S. servicemen from the Korean War.

The KEDO Executive Board consists of representatives of the United States, the ROK, and Japan, the organization's founding members, and of the European Union, which joined in September 1997. There are eight additional members. The U.S., along with other members of the Executive Board, will continue to seek additional financial support for KEDO and to urge other countries to join the organization.

KEDO remains dependent on the U.S., along with the ROK and Japan, for funding to continue to fulfill its important mission. The U.S. will continue to play the primary role in funding HFO shipments, while the ROK and Japan will continue to bear the major responsibility for the LWR project. The European Union will also provide significant funding to KEDO.

We will continue to use our participation in KEDO to promote and maintain peace and security on the Korean Peninsula, primarily by ensuring full DPRK compliance with its nonproliferation obligations.

As of December 31, 1997, the U.S., Japan, the ROK and 19 other countries and the European Union had contributed over \$167 million to KEDO. (This amount does not include pledged future contributions such as an EU commitment to provide 15 million ec—about \$17 million—annually for five years.) The U.S. contributed a total of \$80.5 million in FY95-97 for KEDO and its activities in support of the Agreed Framework. This includes approximately

\$24 million for the safe storage of the DPRK's spent nuclear fuel. Thus far the ROK has contributed \$13.67 million plus a \$45 million loan for the LWR project, while Japan's contribution amounts to \$31.7 million, including a \$19 million special contribution fund used as collateral for KEDO HFO-related loans.

Indicators:

- Groundbreaking for the LWR project took place on August 19, 1997. Six protocols to the LWR Supply Agreement (signed by KEDO and the DPRK in 1995) were negotiated in 1996-97 and signed by KEDO and the DPRK. Discussion on remaining protocols will be held between KEDO and the DPRK at a mutually agreed upon time and place.
- Canning of the spent fuel rods from the DPRK's existing reactor was essentially completed in October 1997, with only clean-up operations remaining.
- Maintenance of the freeze, under continuous IAEA monitoring, on the DPRK's nuclear program.
- Continued HFO deliveries.

Special Notice: Information Related to Section 62OG of the Foreign Assistance Act of 1961, as amended.

Fourteen governments which are recipients of U.S. assistance covered by section 62OG of the Foreign Assistance Act have contributed, or are expected to contribute, to KEDO. They are Indonesia, the Philippines, the Republic of Korea, Malaysia, Singapore, Thailand, the Czech Republic, Greece, Hungary, Poland, Argentina, Brazil, Chile, and Oman. A detailed explanation of the assistance to be provided to each of these countries, including an estimate of the dollar amount of such assistance, and an explanation of how the assistance furthers United States national interests, may be found in the Regional and Country Programs section of this document.

Anti-Terrorism Assistance

Program Summary
(Dollars in Thousands)

	FY1997 Actual	FY1998 Estimate	FY1999 Request	Inc/Ded
Total Budget authority	\$18,000	\$19,000	\$21,000	+2,000
Full-Time Permanent Appointment, end-of-year	13	13	13	-

U.S. Foreign Policy Objectives:

The United States has a direct national interest in preventing terrorist attacks on U.S. citizens and interests. We also have a strong national interest in preventing terrorists from adversely affecting other national interests of the United States, such as undermining the

stability in countries and regions where U.S. foreign policy, economic, and security interests are at stake. Reducing terrorist threats requires effective international cooperation. This includes the provision of antiterrorism training for security officials of friendly foreign governments, as well as the use of diplomatic, economic, and intelligence-related tools against terrorists and their sponsors.

Under the Department of State's Anti-Terrorism Assistance (ATA) program, specialized training is provided to foreign governments to help increase their capability and readiness to deal with terrorist incidents. The program is designed to develop skills required for protecting individuals, facilities, and nations against the terrorist threat. The ATA program seeks to strengthen U.S. bilateral ties with the participating countries by offering concrete assistance in areas of greatest mutual concern, and at the same time working to increase respect for human rights by sharing modern, humane and effective antiterrorism strategies.

A basic premise of the ATA program is that the United States must rely on local law enforcement agencies overseas in order to counter international terrorism activity, especially on the participating country's soil. Foreign police and security officials are the first line of defense against terrorism for Americans abroad.

Strategy for FY1999:

Since the ATA program was authorized in 1983, approximately 20,000 students representing nearly 100 countries have participated, learning such antiterrorism skills as crisis management, hostage negotiations, airport security management, and deactivation of improvised explosive devices. The curriculum and instructors give trainees a solid foundation that enables them to operate in the field as well as share their new skills with colleagues. The program has authority to provide training in selected courses overseas at sites where the students will employ their skills.

During FY1997, of the more than 130 activities initiated under the ATA program, 37 were overseas events which included assessments, evaluations, consultations on explosives management, airport security, senior crisis management, terrorist interdiction seminars and passenger screening. The nine training events involved over 150 participants.

The ATA program augments student capabilities by providing them with valuable skills, some support equipment and, on occasion, technical advice. It also establishes a professional relationship between the student and United States officials and police. These ties open new avenues of communication and cooperation for U.S. Government officials overseas.

Countries in which United States air carriers operate are an important part of the ATA program. The ATA program trains airport officials in procedures and techniques for operating a safe, secure airport and for protecting civilian passenger aircraft on the ground. The ATA airport security curriculum is based on security procedures more rigorous than those required by ICAO Annex 17 standards. In addition, the ATA program has provided limited quantities of equipment such as walk-through metal detectors, state-of-the-art X-ray machines, and dogs trained in the detection of explosives, to improve airport security.

The FY1999 request is based on a comprehensive plan to provide ATA training and equipment to countries that meet one or more of the following criteria:

- The country is categorized as a critical or high threat post and cannot meet the terrorist threat within its own resources.

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- There is a substantial United States presence in the country.
 - The country is a last point of departure for flights arriving in the United States, or is served by an American carrier.
 - There are important bilateral policy interests at stake.

In sum, the ATA program is an essential element in the United States' effort to combat international terrorism.

The FY1999 budget request of \$21,000,000 reflects a \$2,000,000 funding increase over the FY1998 funding level. The additional funding will enable the ATA Program to meet the highest priority of accumulated needs identified through assessments of the foreign country capabilities and requirements. The funding will also enable completion of initial development, pilot presentation and necessary revision, and on-line presentation of two new course initiatives -- Rural Border Patrol Operations and Border Interdictions. Development was initiated on both of these courses in FY1998 in response to the increased emphasis for training involving countries in the Middle East region.

- Improved counter-terrorism capabilities of friendly governments.
- Increased bilateral and multilateral cooperation in countering terrorism.
- Strengthened international aviation security systems.
- The proposed FY1999 funding will enable the provision of training to additional countries in the Middle East as well as completing the development of new courses.

Global Humanitarian Demining

U.S. Foreign Policy Objectives:

A key U.S. -foreign policy goal is to eliminate the unbridled acquisition of conventional arms that can threaten U.S. interests by destabilizing regional relationships. Antipersonnel landmines have proven to be one weapon that is very destabilizing and damaging to the restoration of peace and prosperity once the conflict is over. Landmines emplaced during past conflicts now constitute a scourge that kills or maims thousands of people each year, impeding political reconciliation and the return of land and people to productive economic activities. Last October, Secretary Albright and Secretary of Defense William Cohen announced a major new Presidential initiative to ensure that civilians in every country on every continent are secure from the threat of land mines by the end of the next decade.

Strategy for FY1999:

A primary objective of the President's Demining 2010 Initiative is, through U.S. leadership, to stimulate substantially increased resources internationally, both from other governments and the private sector. To meet this leadership commitment and build on our significant and successful experience in humanitarian demining, the Department is seeking \$50 million for demining in FY1999. The scale and urgency of the problem require a massive increase in global resources devoted to identifying and clearing mines. We need to intensify research into better methods of demining—in this era of technological miracles, the most common tool we have for detecting landmines is still a stick attached to a person's arm. And we need to expand efforts to heighten awareness among vulnerable populations, so that when

we achieve our goal of eliminating landmines that threaten civilian populations, the children of the world will be there to witness it.

Funds under this program are allocated to demining in selected countries based on a careful review of the requirements and prospects for successful completion of the national demining program. Prior to any allocation of funds under this program, a joint State/DOD survey team conducts an in-country site assessment to evaluate requirements, ensure that national infrastructure can manage the local effort effectively, and refine cost projections. Actual implementation of demining is performed by a National Demining Center established under the auspices of the national government or an international organization. The requested \$50 million will sustain and expand existing U.S. efforts in 17 countries and permit expansion into some of the other 50 mine-affected countries of the world. For countries with an advanced program, it will allow procurement of heavy equipment for humanitarian demining and expansion of dog detection teams. It will also demonstrate the commitment of the United States to rid the world of the scourge of anti-personnel landmines and serve as a stimulus to other governments, international organizations, nongovernmental organizations, and the private sector to increase their commitment and contributions towards global humanitarian demining.

Since the U.S. program was initiated in 1993, 17 countries have been included in U.S. supported humanitarian demining programs:

Afghanistan (UNOCHA) ⁵	Angola (UNDP) ⁶
Bosnia-Herzegovina	Cambodia
Chad	Costa Rica (OAS/IADB) ⁷
Eritrea	Ethiopia
Jordan	Honduras (OAS/IADB) ⁷
Laos	Lebanon
Mozambique	Namibia
Nicaragua (OAS/IADB) ⁷	Rwanda
Yemen	

In fourteen of these countries, mines are coming out of the ground now. Programs are being started this year in Yemen, Chad, and Lebanon, and program assessments will be performed in Zimbabwe and Guatemala. Other countries have begun to make preliminary inquiries about participation in the program.

Indicators:

- Establishment of indigenous national demining centers capable of managing and directing its own national demining program.
- Within the next several years, Costa Rica, Nicaragua, and Honduras should be able to declare themselves mine-free, and Rwanda, Namibia, and Eritria are making rapid progress.
- Level of pledges from other governments and private sector sources.

⁵UNOCHA: United Nations Office for the Coordination of Humanitarian Assistance in Afghanistan.

⁶UNDP: United Nations Development Program.

⁷OAS/IADB: Organization of American States/Inter-American Defense Board.