

# President's FY 2006 International Affairs Budget Request

By

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**SECRETARY RICE:** Thank you, Mr. Chairman. This is a time of challenge, hope and opportunity for America, and for the world. And as I mentioned during the Committee's consideration of my nomination, I look forward to working with you to build a strong bipartisan consensus behind America's foreign policy and to ensure that the men and women of American diplomacy have the resources they need to conduct their vital mission.

The President's [FY 2006 International Affairs Budget](http://www.state.gov/m/rm/rls/iab/2006/pdf/) [www.state.gov/m/rm/rls/iab/2006/pdf/] for the Department of State, USAID and other foreign affairs agencies totals \$33.6 billion. On Monday, President Bush submitted an FY 2005 supplemental request [www.whitehouse.gov/omb/budget/amendments/supplemental\_2\_14\_05.pdf], including \$6.3 billion for international affairs activities, of which \$701 million is for tsunami relief funding for the Department of State and USAID.

If I may, Mr. Chairman, I will begin with an overview of President Bush's foreign policy mission, which we seek this Committee's support to advance.

In his recent State of the Union Message, President Bush spoke of the unprecedented efforts we have undertaken since September 11, 2001 with allies and friends around the world to defeat terrorism. The President spoke of the significant progress we have made confronting the enemy abroad, removing many of al-Qaida's top commanders, cutting off terrorist finances,

and putting pressure on states that sponsor or harbor terrorists or seek to proliferate weapons of mass destruction. But in the long term, as President Bush said, "The only force powerful enough to stop the rise of tyranny and terror, and replace hatred with hope, is the force of human freedom."

President Bush has charged the men and women of the Department of State with helping to create a balance of power in the world that favors freedom, and I feel privileged to lead them in this effort.

To advance our diplomatic mission of freedom, I recently traveled, as you know, to Europe and the Middle East. I spoke with European leaders about how America and Europe can best work together to serve freedom's cause worldwide. President Bush will continue that conversation when he arrives in Europe on February 21.

Our European allies and we must put the power of our partnership to work to meet the challenges of a changing world – particularly in the Broader Middle East and North Africa. Efforts to encourage political pluralism, economic openness and the growth of civil society are critical to the future of this strategically important region. Recognizing this, through the G-8 we have established the Forum for the Future -- a new partnership of progress between the democratic world and the nations of a vast region extending from Morocco to Pakistan. The first meeting of the Forum in Rabat last December was a

success. We must now follow up on that success and we are committed to assisting the Forum to play a central role in advancing reform in the region.

Next month in London, Prime Minister Blair will convene an important conference of major donors to help the Palestinian people advance their political, security and economic reforms and build infrastructure for self-government. Also in March, under the auspices of the Broader Middle East and North Africa Initiative, Egypt will host a meeting in Cairo of G-8 and Arab League members to broaden the base of support for peace and reform.

The path of democratic reform in the Middle East will be difficult and uneven. The spread of freedom is the work of generations, but it is also urgent work that cannot be deferred.

From Morocco to Jordan to Bahrain, we are seeing elections and new protections for women and minorities, and the beginnings of political pluralism. In support of these hopeful trends, the FY 2006 budget request proposes enhanced funding for diplomatic and assistance activities in the Middle East, North Africa and other majority Muslim countries. The request includes \$120 million for the Middle East Partnership Initiative for reform, \$40 million for the National Endowment for Democracy to support the Broader Middle East and North Africa Initiative, \$180 million for Muslim outreach through educational and cultural exchanges, and increases for a wide range of other public diplomacy and broadcasting initiatives geared toward Muslim publics, particularly populations not typically reached by other programs including women and young people. The success of freedom in Afghanistan and

Iraq will give strength to reformers throughout the region, and accelerate the pace of reforms already underway.

Every leader in Europe I spoke to understands our common interest in building on recent successes and stabilizing and advancing democratic progress in Afghanistan and Iraq. For our part, to build on the momentum in Afghanistan following last October's elections, President Bush has requested nearly \$1.1 billion. This money will be used to invest in health, education, clean water and free market infrastructure that create conditions for sustained growth and stability. The \$1.1 billion includes funds for operations to continue the fight against drugs. The FY 2005 supplemental seeks \$2 billion for expanding police and counter-narcotics programs and accelerating reconstruction and democracy and governance activities. The supplemental also includes \$60 million for Embassy security and operational costs.

The European leaders I spoke with agree that it is time to close the book on our past differences over Iraq, and time for all of us to help the Iraqi people write a new book – the history of a democratic Iraq. To help the advance of democracy in Iraq, President Bush has requested \$360 million for economic assistance to continue work already begun under the IRRF and targeted towards helping the Iraqi government to create a functioning democracy and a justice system governed by the rule of law, to deliver basic services to its people, to collect revenues, to generate jobs and to develop a free market system capable of joining the global economy. The FY 2005 supplemental includes \$690 million to continue U.S. mission operations and \$658 million to

construct a new embassy compound in Baghdad.

Of course, the process of reform in the Muslim world is not detached from the resolution of important political issues. In my recent travels I found no difference of view, at all, between the United States and Europe on the goal of an independent Palestinian state living side-by-side in peace with the Jewish State of Israel. We all support the process of reform in the Palestinian Authority. The successful Palestinian elections of January 9, and the Israeli withdrawal plan for Gaza and parts of the West Bank, have created a new climate that is propitious for movement back to the Roadmap. And we thank Senators Biden and Sununu for serving on the U.S. Delegation that observed those key elections.

At their meeting in Sharm el-Sheikh with President Mubarak and King Abdullah, both Prime Minister Sharon and President Abbas called this a time of opportunity must not be lost. And President Bush has invited both leaders to Washington in the spring. President Bush also has announced an additional \$350 million to help the Palestinians build infrastructure and sustain the reform process over the next two years. Of the \$350 million, \$150 million is included in the FY 2006 budget request and \$200 million is included in the FY 2005 supplemental.

And so I have returned from my travels to the Middle East and Europe confident that the parties now have before them the best chance for advancing peace that they are likely to see for some years to come.

Even as we work with allies and friends to meet the great challenge of advancing freedom and peace in the broader Middle

East and North Africa, we will seize other important opportunities to build a world of peace and hope.

We will work to strengthen the community of democracies, so that all free nations are equal to the work before us. We must do all we can to ensure that nations which make the hard choices and do the hard work to join the free world deliver on the high hopes of their citizens for a better life. In much of Africa and Latin America, we face the twin challenges of helping to bolster democratic ideals and institutions, and alleviating poverty. We will insist that leaders who are elected democratically have an obligation to govern democratically. We will work in partnership with developing nations to fight corruption, instill the rule of law, and create a culture of transparency that will attract the trade and investment crucial to poverty reduction.

We seek \$3 billion for the third year of the Millennium Challenge Corporation, our bold, growth-promoting approach to development, which helps countries that govern justly, adopt sound economic policies and invest in the welfare of their people. We also seek \$2.4 billion in development, child survival and health assistance. This Budget exceeds the President's 2002 commitment for overall growth in core development assistance by requesting a total of \$19.8 billion, \$8.2 billion more than in 2002.

We will help countries enhance their capabilities to protect their citizens from traffickers and terrorists.

Our FY 2006 request includes \$734.5 million for the Andean Counter Drug Initiative to consolidate gains made in

recent years in eradication, interdiction and alternative development.

We are requesting \$5.8 billion in assistance to our partners in the global war on terror. And the FY 2005 supplemental proposes \$750 million to support our coalition partners, including those standing steadfastly with us in Afghanistan and Iraq.

When they engage effectively, multilateral institutions can multiply the strength of freedom-loving nations. We are requesting nearly \$1.2 billion for U.S. obligations to international organizations, including the United Nations, and a little over \$1 billion to pay projected U.S. assessments for UN peacekeeping missions. We are seeking \$114 million to enhance the peacekeeping capabilities of non-UN forces, with a particular focus on Africa. The FY 2005 supplemental request seeks \$780 million to fund the UN-assessed costs of new and planned peacekeeping missions in the Ivory Coast, Haiti, Burundi, and Sudan/Darfur, and includes \$55 million for a possible Sudan tribunal. In addition, the supplemental seeks \$100 million to support the North-South peace agreement and \$242 million to address urgent humanitarian needs arising from the ongoing Darfur crisis.

We have seen how states where chaos, corruption and cruelty reign can pose threats to their neighbors, to their regions, and to the entire world. And so we are working to strengthen international capacities to address conditions in failed, failing and post-conflict states. We know that this is an issue of special interest to you, Mr. Chairman, and President Bush already has charged us at the State Department with coordinating our nation's post-conflict and stabilization efforts. We are asking for \$24 million for the new

Office of the Coordinator for Reconstruction and Stabilization housed in the Department. The FY 2005 supplemental seeks \$17 million for start-up and personnel costs for the Coordinator's Office. And the FY 2006 budget proposes a \$100 million Conflict Response Fund to quickly address emerging needs and help deploy trained and experienced civilian personnel immediately to an unstable region. We appreciate your support, Mr. Chairman, and that of the Committee, for this funding and look forward to working with you closely on reconstruction and stabilization issues.

The United States must stay at the forefront of the global fight against HIV/AIDS. We are requesting \$3.2 billion in total U.S. funding for care, treatment and prevention efforts. We will demonstrate the compassion of the American people in other ways as well. Through our continued support of international and non-governmental organizations, we will ensure that America remains the world's most generous food and non-food humanitarian assistance provider. We are requesting \$2.59 billion in food aid and famine relief and non-food humanitarian assistance. The FY 2005 supplemental seeks \$950 million for relief, rehabilitation and reconstruction of areas devastated by the Indian Ocean tsunami and for tsunami early warning and mitigation, including the \$350 million initially pledged by President Bush. \$701 million of the supplemental is for State and USAID, including for coverage of USAID's expenditures for relief efforts to date.

In all of these endeavors, the primary instrument of American diplomacy will be the Department of State, and the dedicated

men and women of its Foreign and Civil Services and Foreign Service Nationals. Together, we will apply the tools of diplomacy to protect our homeland and advance the values for which it stands and to strengthen the community of democracies for the work of freedom worldwide.

I welcome this Committee's help in ensuring that the men and women of American diplomacy are well equipped for the challenges ahead in terms of training, technologies and safe workplaces. Secretary Powell and his team made important progress in these areas and we must build on the foundation they established.

We are requesting \$1.5 billion for security-related construction and physical security and rehabilitation of U.S. embassies and consulates, and \$690 million to increase security for diplomatic personnel and facilities. We have a solemn obligation to protect the people of our diplomatic missions and their families, who serve at our far-flung posts in the face of an ever-changing global terrorist threat.

We must strengthen the recruitment of new personnel. We are seeking \$57 million for 221 new positions to meet core staffing and training requirements. And as we seek out new talent, we also seek to further diversify our workforce in the process. We send an important signal to the rest of the world about our values and what they mean in practice when we are represented abroad by people of all cultures, races, and religions. Of course, we also must cultivate the people we already have in place – by rewarding achievement, encouraging initiative, and offering a full range of training opportunities. That includes the training

and support needed to make full use of new technologies and tools, and we are asking for \$249 million from appropriations and fee revenues for investment in information technology.

Public diplomacy will be a top priority for me, as I know it is for this Committee, and the FY 2006 request includes \$328 million for activities to engage, inform and influence foreign publics. America and all free nations are facing a generational struggle against a new and deadly ideology of hatred. We must do a better job of reaching hard to reach populations, confronting hostile propaganda, dispelling dangerous myths, and proactively telling a positive story about America. In some cases, that may mean we need to do more of what we are already doing, and in other cases, it may mean we need new ways of doing business.

If our public diplomacy efforts are to succeed, we cannot close ourselves off from the world. We are asking for \$931 million to improve border security and for an increase of \$74 million over FY 2005 for educational and cultural exchange programs, bringing the total to \$430 million in FY 2006. We will continue to work closely with the Department of Homeland Security to identify and prevent terrorists and other adversaries from doing harm, even as we maintain the fundamental openness that gives our democracy its dynamism and makes our country a beacon for international tourists, students, immigrants, and businesspeople. We will keep America's doors open and our borders secure.

Mr. Chairman, Members of the Committee, this time of global transformation calls for transformational diplomacy. More than ever, America's

diplomats will need to be active in spreading democracy, reducing poverty, fighting terror and doing our part to protect our homeland. And more than ever, we will need your support if we are to succeed in our vital mission for the American people.

Thank you, Mr. Chairman. I would be pleased to answer any questions that you and the other distinguished Committee Members may have.