

Summary and Highlights

INTERNATIONAL AFFAIRS
FUNCTION 150



FISCAL YEAR 2008 BUDGET REQUEST

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FY 2008 INTERNATIONAL AFFAIRS REQUEST			
(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
DEPARTMENT OF STATE, USAID and FOREIGN OPERATIONS (INTERNATIONAL AFFAIRS)	31,389,613	29,916,040	36,186,518
I. Department of State and USAID Bilateral Economic Assistance	18,074,969	17,713,444	20,266,913
Andean Counterdrug Initiative (ACI)	727,155	569,350	442,812
Assistance for Eastern Europe and the Baltic States (AEEB)	357,390	269,200	289,322
Assistance for the Independent States of the Former Soviet Union (FSA)	508,860	435,480	351,585
Child Survival & Health Programs Fund (CSH)	1,591,425	1,518,359	1,564,279
Global Fund to Fight AIDS, Tuberculosis, & Malaria	[247,500]	[247,500]	[0]
Development Assistance (DA)	1,508,760	1,508,000	1,041,248
Development Credit Authority - Subsidy (DCA)	[21,000]	[0]	[21,000]
Economic Support Fund (ESF)	2,616,075	2,603,540	3,319,567
U.S. Emergency Refugee & Migration Assistance (ERMA)	29,700	30,000	55,000
Foreign Military Financing (FMF)	4,464,900	4,454,900	4,536,000
Global HIV/AIDS Initiative (GHAI)	1,975,050	1,852,525	4,150,000
Global Fund to Fight AIDS, Tuberculosis & Malaria	[198,000]	[198,000]	[0]
International Disaster and Famine Assistance (IDFA)	361,350	348,800	297,300
International Military Education & Training (IMET)	85,877	85,237	89,500
International Narcotics Control and Law Enforcement (INCLE)	472,428	703,600	634,600
Migration and Refugee Assistance (MRA)	783,090	750,206	773,500
Nonproliferation, Anti-Terrorism, Demining (NADR)	405,999	392,821	464,000
Peacekeeping Operations (PKO)	173,250	170,000	221,200
P.L. 480 Title II	1,138,500	1,223,100	1,219,400
Transition Initiatives (TI)	39,600	40,000	37,200
USAID Operating Expenses (OE)	623,700	641,000	609,000
Foreign Service Retirement and Disability Fund [Mandatory]	[42,000]	[38,700]	[36,400]
USAID Capital Investment Fund (CIF)	69,300	75,942	126,000
USAID Inspector General Operating Expenses	35,640	37,915	38,000
Development Credit Authority - Administrative Expenses	7,920	3,469	7,400
Democracy Fund	94,050	-	-
Iraq Relief and Reconstruction Fund (IRRF)	4,950	-	-
II. Independent Department and Agencies Bilateral Assistance	3,012,408	2,354,024	4,373,509
African Development Foundation (ADF)	22,770	22,225	30,000
Broadcasting Board of Governors			
International Broadcasting Operations	633,257	636,060	618,777
Broadcasting to Cuba	-	-	38,700
Broadcasting Capital Improvements	10,754	7,624	10,748
Subtotal, Broadcasting Board of Governors	644,011	643,684	668,225
Department of Agriculture			
McGovern-Dole International Food for Education	99,000	98,260	100,000
Department of the Treasury			
Treasury Technical Assistance	19,800	23,700	24,800
Debt Restructuring	64,350	20,000	207,300

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Subtotal, Department of the Treasury	84,150	43,700	232,100
Export-Import Bank			
Loan Subsidy	74,000	26,382	68,000
Administrative Expenses	72,468	69,234	78,000
Inspector General	990	-	1,000
Direct Loans, Negative Subsidy	-50,000	-45,000	-
Offsetting Collections	-	-	-146,000
Subtotal, Export-Import Bank	97,458	50,616	1,000
Foreign Claims Settlement Commission	1,303	1,417	1,684
Inter-American Foundation (IAF)	19,305	19,268	19,000
International Trade Commission (ITC)	61,951	62,575	67,100
Millennium Challenge Corporation (MCC)	1,752,300	1,135,000	3,000,000
Overseas Private Investment Corporation (OPIC)			
Administrative Expenses	41,851	41,856	47,500
Net Offsetting Collections	-223,000	-175,279	-236,000
Credit Subsidy	20,073	9,423	29,000
Net Negative Budget Authority, OPIC	-161,076	-124,000	-159,500
Peace Corps	318,780	324,000	333,500
Trade and Development Agency (TDA)	50,391	50,300	50,400
United States Institute of Peace	22,065	26,979	30,000
III. Multilateral Economic Assistance	1,581,124	1,392,361	1,788,350
International Financial Institutions	1,277,236	1,066,198	1,498,950
Global Environment Facility	79,200	56,250	106,763
International Development Association	940,500	752,400	1,060,000
Multilateral Investment Guarantee Agency	1,287	1,288	1,082
Asian Development Fund	99,000	99,000	133,906
African Development Fund	134,343	134,343	140,584
African Development Bank	3,602	3,613	2,037
European Bank for Reconstruction & Development	1,006	1,006	10
Enterprise for the Americas Multilateral Investment Fund	1,724	1,724	29,232
Inter-American Investment Corporation	1,724	1,724	7,264
International Fund for Agricultural Development	14,850	14,850	18,072
Arrears	[5,453]	[4,018]	[175,000]
International Organizations & Programs (IO&P)	303,888	326,163	289,400
IV. Department of State Operations and Related Programs	8,721,112	8,456,211	9,757,746
State Administration of Foreign Affairs	6,434,123	6,238,058	7,194,596
State Programs	4,421,359	4,561,170	5,013,443
Diplomatic and Consular Programs	4,294,734	4,460,084	4,942,700
Ongoing Operations	3,614,018	3,664,914	3,977,940
Worldwide Security Upgrades	680,716	795,170	964,760
Capital Investment Fund	58,143	34,319	70,743
Centralized IT Modernization Program	68,482	66,767	-

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Embassy Security, Construction & Maintenance	1,489,726	1,182,585	1,599,434
Ongoing Operations	591,152	605,652	792,534
Worldwide Security Upgrades	898,574	576,933	806,900
Capital Security Construction	799,852	478,211	692,178
Compound Security	98,722	98,722	114,722
Other Administration of Foreign Affairs	523,038	494,303	581,719
Office of Inspector General	29,645	29,645	32,508
Educational and Cultural Exchange Programs	426,275	425,162	486,400
Representation Allowances	8,175	8,175	8,175
Protection of Foreign Missions and Officials	9,270	9,270	18,000
Emergencies in the Diplomatic and Consular Service	28,872	4,940	19,000
Repatriation Loans Program Account	1,302	1,285	1,285
Payment to the American Institute in Taiwan	19,499	15,826	16,351
Foreign Service Retirement and Disability Fund	[131,700]	[125,000]	[122,500]
International Organizations	2,173,592	2,144,792	2,461,400
Contributions to International Organizations (CIO)	1,151,317	1,122,318	1,354,400
Contributions for International Peacekeeping Activities	1,022,275	1,022,474	1,107,000
Related Appropriations	113,397	73,361	101,750
The Asia Foundation	13,821	13,821	10,000
National Endowment for Democracy (NED)	74,042	50,000	80,000
East-West Center	18,994	3,000	10,000
Center for Middle Eastern-Western Dialogue - Trust Fund	4,936	4,936	-
Center for Middle Eastern-Western Dialogue - Program	740	740	875
Eisenhower Exchange Fellowship Program	494	494	500
Israeli Arab Scholarship Program	370	370	375
<p>Note: A regular FY 2007 appropriation had not been enacted at the time the budget was prepared; therefore, these accounts are operating under a continuing resolution. The amounts included for FY 2007 in this budget reflect the levels provided by the continuing resolution.</p>			

**FY 2008 INTERNATIONAL AFFAIRS SUMMARY
SUPPLEMENTAL AND EMERGENCY**

(\$ in thousands)	FY 2006	FY 2007	FY 2008
	Supplemental	GWOT Supplemental	GWOT Emergency
DEPARTMENT OF STATE, USAID and FOREIGN OPERATIONS (INTERNATIONAL AFFAIRS)	4,466,755	5,993,446	3,301,408
I. Department of State and USAID Bilateral Economic Assistance	2,868,030	4,812,700	1,366,800
Assistance for Eastern Europe and the Baltic States (AEEB)	-	279,000	-
Child Survival and Health Programs Fund (CSH)	113,000	161,000	-
Development Assistance (DA)	16,500	-	-
Economic Support Fund (ESF)	1,681,000	3,025,000	1,111,000
U.S. Emergency Refugee & Migration Assistance Fund (ERMA)	-	30,000	-
Foreign Military Financing (FMF)	-	220,000	-
International Disaster and Famine Assistance (IDFA)	217,630	105,000	-
International Narcotics Control and Law Enforcement (INCLE)	107,700	260,000	159,000
Migration and Refugee Assistance (MRA)	75,700	71,500	35,000
Nonproliferation, Anti-Terrorism, Demining, and Related Programs (NADR)	-	27,500	-
Peacekeeping Operations (PKO)	178,000	278,000	-
P.L. 480 Title II	350,000	350,000	-
USAID Operating Expenses (OE)	101,000	5,700	61,800
Democracy Fund (DF)	22,500	-	-
Iraq Relief and Reconstruction Fund (IRRF)	5,000	-	-
II. Independent Department and Agencies Bilateral Assistance	50,100	12,750	-
Broadcasting Board of Governors			
International Broadcasting Operations	10,274	10,000	-
Broadcasting Capital Improvements	25,826		
Subtotal, Broadcasting Board of Governors	36,100	10,000	-
Department of the Treasury			
Treasury Technical Assistance	13,000	2,750	-
United States Institute of Peace	1,000	-	-
IV. Department of State Operations and Related Programs	1,548,625	1,167,996	1,934,608
State Administration of Foreign Affairs	1,418,825	967,996	1,881,608
Diplomatic and Consular Programs	1,397,525	912,996	1,881,608
Ongoing Operations	20,150	21,900	-
Iraq Operations	1,327,275	823,941	1,881,608
Worldwide Security Upgrades	50,100	67,155	-
Other Administration of Foreign Affairs	21,300	55,000	-
Office of Inspector General	1,300	35,000	-
Educational and Cultural Exchange Programs	5,000	20,000	-
Emergencies in the Diplomatic and Consular Service	15,000	-	-
International Organizations	129,800	200,000	53,000
Contributions to International Organizations	-	-	53,000
Contributions for International Peacekeeping Activities	129,800	200,000	-

UNITED STATES FOREIGN ASSISTANCE: INVESTING IN TRANSFORMATIONAL DIPLOMACY

The United States has a proud history of bringing hope to millions who live under oppressive poverty, face starvation, battle disease and suffer the consequences of conflict and insecurity. In present times, improving the lives of others has become central to our national security. The locus of threats has shifted to the developing world, where poverty, injustice and indifference are exploited by our foes to provide haven for criminals and terrorists and the planning of criminal acts.

Our nation's security depends on the stability of other nations. Foreign assistance and the development it supports are therefore more important than ever, now not just in terms of our moral responsibility to alleviate suffering, but as foundational pillars of our new national security architecture and the Global War on Terror (GWOT). American diplomacy must integrate and advance our security interests, our development efforts, and our democratic ideals. American foreign assistance must support these efforts by promoting responsible sovereignty, not permanent dependency, as it seeks to meet the needs of poor and vulnerable populations.

Commensurate with the global challenges that our country faces, this Administration has sought significant innovations and increases in funding for foreign assistance, while maintaining our support for our key partners in the Global War on Terror. The President's Emergency Plan for AIDS Relief (PEPFAR), Malaria and Africa Education initiatives; the establishment of the Millennium Challenge Corporation (MCC); and efforts to promote and strengthen trade capacity and effective democracies have only solidified the United States as the world leader in championing human dignity and human potential. These increased resources, however, have also come with a new focus on performance, results, accountability, and, ultimately, a means to define success as the ability of a nation to graduate from development assistance and become a self-sustaining partner in international peace and prosperity. In support of this effort, the FY 2008 Foreign Operations request is \$20.3 billion, representing a 12 percent increase over the FY 2006 enacted budget.¹

Foreign Assistance Reform

Under Secretary Rice's leadership, the United States has reformed its organization, planning and implementation of foreign assistance in order to maximize the impact of our foreign assistance dollars to achieve U.S. foreign policy objectives and improve the lives of those around the world. New leadership has been established with the creation of a Director of United States Foreign Assistance, who serves concurrently as the Administrator of the United States Agency for International Development (USAID). In this capacity, the Director of Foreign Assistance has developed a new Strategic Framework for U.S. Foreign Assistance, within which the Department of State and USAID are developing a fully integrated process for foreign assistance policy, planning, budgeting, and implementation. For the first time in our nation's history, all \$20.3 billion of U.S. foreign assistance under authority of the Department of State and USAID, as well as resources provided by MCC, are being applied to the achievement of a single overarching goal—transformational diplomacy:

To help build and sustain democratic, well-governed states that respond to the needs of their people, reduce widespread poverty and conduct themselves responsibly in the international system.

¹ Throughout the analysis described in this document, comparisons are made between FY 2006 enacted and FY2008 Foreign Assistance request levels. The analysis includes Foreign Assistance program funds only, and excludes such things as USAID OE, and requests for international financial institutions and independent agencies.

The new Strategic Framework for U.S. Foreign Assistance, included for reference at page 13, articulates a strategy for achieving this goal, focusing on five objectives that together address the underlying causes of persistent poverty, despotic governance, insecurity, and economic stagnation:

- **Peace and Security:** These are necessary conditions for further political, economic, and social progress;
- **Governing Justly and Democratically:** Effective, accountable, democratic governance is a vital foundation for sustainable progress;
- **Investing in People:** Human capacity must be strengthened and poverty and disease addressed in order to promote and sustain success;
- **Economic Growth:** Economic progress and poverty reduction are critical underpinnings of sustainable development; and
- **Humanitarian Assistance:** The United States maintains its long-standing commitment to alleviate human suffering and respond to destabilizing humanitarian disasters.

The FY 2008 budget is focused, strategic, and prioritized to these shared objectives. In addition, the Department of State and USAID have jointly developed common definitions and indicators to describe, account for, and evaluate our foreign assistance programs and their impact in achieving the objectives of the strategy. A new budget and performance tracking system will house budget and planning data that will allow us to track objectives to programs, dollars, and results. Performance evaluations will allow us to further refine and focus our foreign assistance dollars.

Strategic Principles

Consistent with the reform of foreign assistance, the Department of State and USAID are presenting a unified foreign assistance budget request for FY 2008 based on the following strategic principles:

1. Integrate planning based on the totality of U.S. Government resources. The fragmentation of foreign assistance across multiple agencies, offices, and bureaus risked uncoordinated strategies, inadequate accountability, and the misdirection of resources. In building the FY 2008 budget, planning was integrated, seeking the most complete picture of U.S. activities and programs by country and region. To that end, interagency teams were assembled and tasked with ensuring that resources were coordinated, mutually supportive, targeted to the achievement of shared objectives, and able to maximize existing U.S. investments. For FY 2008, these resources included all programs and activities under the authority of the Secretary of State, in coordination with resources managed by the MCC.

2. Maximize country progress. The new Strategic Framework for U.S. Foreign Assistance categorizes each country receiving U.S. foreign assistance based on common traits, and places them on a trajectory to achieve the transformational diplomacy goal. The FY 2008 request reflects a focus on the specific gaps and obstacles countries face in moving from one country category to another, and identifying the target objective or objectives appropriate to the individual country context. The ultimate intent is to support recipient country efforts to *move from a relationship defined by dependence on traditional foreign assistance to one defined by full sustaining partnership status*. Chart 1 identifies the concentration of resources by country category and objective, including resources from across State and USAID and projected disbursements from the MCC, with outlined cells denoting assistance priorities and the proportion of FY 2008 foreign assistance resources devoted to each cell.

Chart 1: FY 2008 Concentration of Resources by Country Category and Objective

2008 Country Category by Objective Including Projected FY 2008 MCC Disbursements					
	Peace and Security	Governing Justly and Democratically	Investing in People	Economic Growth	Humanitarian Assistance
Rebuilding	35%	18%	16%	20%	11%
Developing	34%	6%	40%	18%	1%
Transforming	6%	3%	52%	38%	0%
Sustaining	76%	1%	21%	1%	0%
Restricted	2%	63%	16%	8%	11%
Regional	13%	12%	36%	38%	1%
Global	16%	3%	34%	7%	41%

Rebuilding States are countries in or emerging from internal or external conflict. In these countries, a critical priority is achieving the security conditions that provide a platform for social, economic, and political progress. At the same time, support for basic human needs, the establishment of institutions of government and foundations for economic growth are also necessary for securing peace and stability. Accordingly, in FY 2008, 35 percent of resources in this category are targeted to achieving peace and security, with a relatively even distribution of funds across the other four objectives.

Developing States are low or lower-middle income countries, not yet meeting performance criteria related to effective and democratic governance, investments in people, and economic freedom. Poverty, governance, and human capacity are the greatest barriers to progress. Collectively, in FY 2008 these programs account for 64 percent of the resources for this category of countries, compared to 58 percent in FY 2006. Note that in those countries where continued progress and partnership on security issues are critical to success in the Global War on Terror, investments in security programs remain significant.

Transforming States are low or lower-middle income countries, meeting performance criteria related to effective and democratic governance, investments in people, and economic freedom. Transforming countries are characterized by relative stability and well-functioning governments, but poverty, unchecked disease, and human capacity remain barriers to progress. Appropriately, therefore, 90 percent of FY 2008 resources, including those provided by the MCC, are concentrated in activities such as health, education, poverty alleviation and economic growth.

Sustaining Partnership States are those countries at upper-middle income levels or greater for which targeted U.S. support is provided to sustain partnerships, progress, and peace. Income levels in these states are such that in general, development assistance is not required. Our largest investment in these states is in security, supporting programs that improve military interoperability with the U.S., NATO, and regional coalitions; strengthen military alliances and the international coalition against terrorism; and promote more professional militaries through education and training. In FY 2008, 76 percent of resources to these countries are targeted to programs under the peace and security objective. An exception is South Africa, where the HIV/AIDS epidemic

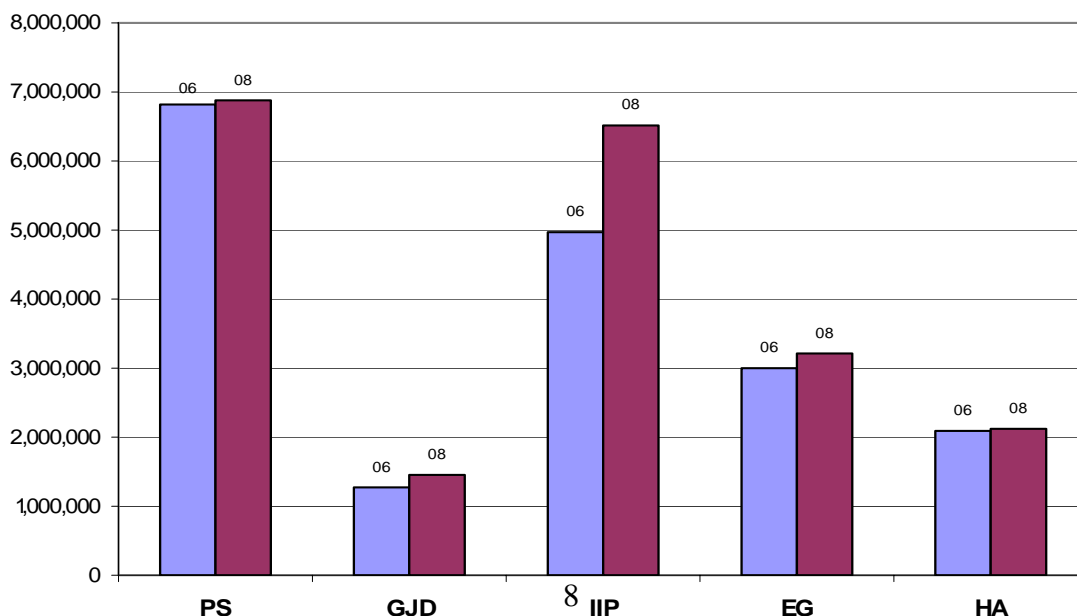
threatens progress, and for which the U.S. provides assistance through the President’s Emergency Plan for AIDS Relief.

Restrictive States are those with significant freedom and human rights issues; therefore, resources are prioritized for programs that foster effective democracy, build civil society capacity, and promote responsible sovereignty. Legislative restrictions on direct U.S. funding and limited absorptive capacity in many of these countries also limit the amount and type of foreign assistance support. In FY 2008, 63 percent of resources for Restrictive countries are targeted to programs under the governing justly and democratically objective, compared with 28 percent in FY 2006.

3. Invest in states critical to long-term regional stability and prosperity. State and USAID resources are concentrated in Rebuilding and Developing countries, at 51 percent of program assistance. These countries are farthest away from the transformational diplomacy goal; as measured by instability, poverty, human capacity, life expectancy, governance, and barriers to economic growth; and are critical barriers to regional stability and success in the Global War on Terror. The Democratic Republic of the Congo, Liberia, Somalia, Sudan, Afghanistan, Iraq, Colombia, Haiti, and Kosovo are examples of states that, without progress, will have a negative impact on regional stability and national security. Additionally, with continued progress, Developing states such as Nigeria, Ukraine, Georgia, Pakistan, Jordan, and Indonesia and Sustaining Partnership countries like South Africa and Egypt represent those that can serve as anchors for regional stability and prosperity.

4. Focus on demand-driven interventions that are critical levers for sustainable progress and transformation. The country-driven process resulted in significant allocation increases for critical and effective programs. Funding was increased to programs targeted to improving governance and democratic participation; mitigating diseases that threaten the human and economic capacity of countries to progress on their own; expanding access to and improving the quality of education; and enhancing economic opportunity and skills to participate in the global economy. Together, in FY 2008, the three objectives targeted to achieving long-term development progress (Governing Justly and Democratically, Investing in People, and Economic Growth) increase by 14 percent over FY 2006 levels for these Objectives. When projected FY 2008 MCC disbursements are considered, investments in these objectives increased by 24 percent over FY 2006. Chart 2 below describes this focus.

Chart 2: Allocations to Objectives by Year, including projected FY 2008 MCC disbursements (in \$ Millions)



5. Allocate funds intended for country programs to country-level budgets. In order to ensure a coordinated response and effective and sustainable impact, the reform process sought to maximize all resources implemented at the country level within country budgets. Resources within global or regional budgets allocated to specific countries were accordingly shifted to specific country programs and planned together with other country-based support. Recognizing that not all foreign assistance is implemented on a country basis, and that some issues such as trade capacity are best addressed as part of a global or regional strategy, the foreign assistance framework includes a category for global and regional initiatives, defined as those activities that transcend a single country's borders. Such activities may include emergency humanitarian assistance, support to regional institutions, multilateral organizations, or research.

6. Match accounts with the country circumstances and intent they are designed to address. The reform process sought to maximize the use of account authorities in support of effective implementation of foreign assistance programs. Overall, funding for Development Assistance which is intended to support poor countries that demonstrate performance has been prioritized to Developing and Transforming countries. Conversely, Economic Support Funds (ESF) which focus on providing economic support under special economic, political, or security conditions has been prioritized to support activities in the Rebuilding and Restrictive Country Categories. In these later country categories, total funding in the three Objectives supporting long-term development increased by 63% over FY 2006 levels. However, the balance between DA and ESF changed with DA declining by 87% and ESF increasing by 158%.

Changes in DA and ESF Levels in Rebuilding and Restrictive Countries for the Three Objectives Supporting Long-term Development

	FY 2006 DA	FY 2006 ESF	DA & ESF FY2006 Total	FY2008 DA	FY 2008 ESF	DA & ESF FY 2008 Total
TOTAL	331,312	524,862	856,174	41,991	1,354,151	1,396,142
Governing Justly & Democratically	59,190	211,097	270,287	17,200	544,917	562,117
Investing in People	96,533	41,133	137,666	3,985	178,535	182,520
Economic Growth	175,589	272,632	448,221	20,806	630,699	651,505

Regional Strategies

Africa. The FY 2008 request for Africa represents a 41 percent increase over FY 2006. Including actual disbursements and projected FY 2008 disbursements from the MCC, resources for Africa have quadrupled from 2001-2008. The request prioritizes interventions critical to achieving sustainable progress and transformation on a country-by-country basis. Over 73 percent of the FY 2008 budget will focus on Investing in People in order to address the crippling effects of disease and poverty, a \$2 billion increase from FY 2006. Programs to address HIV/AIDS, malaria, children's health, and expanded access to quality education predominate within this objective. Programs to support economic growth comprise 10 percent of the request for the region. When MCC disbursements are considered, FY 2008 resources for economic growth in the region increase by 43 percent over FY 2006. The FY 2008 request for Africa also includes additional resources for anti-corruption programs (a 93 percent increase over FY 2006) and for critical security programs in support of the Global War on Terror (38 percent increase over FY 2006).

The FY 2008 budget for Africa also targets funding for states critical to long-term regional stability and prosperity. The FY 2008 request for Sudan is \$679 million, a 36 percent increase over FY 2006 and 12 percent of the region's total budget request. In addition to Sudan, other rebuilding states such as Liberia, the Democratic Republic of Congo, and Somalia were given priority. Budgets for Ethiopia, Kenya, South Africa and Nigeria also increased, as progress in these countries will greatly impact progress and prosperity in the region. These eight countries make up over 56 percent of the FY 2008 budget.

East Asia and the Pacific. The FY 2008 request for the East Asia and Pacific region represents a slight increase over the FY 2006 budget. With projected FY 2008 MCC disbursements included, proposed FY 2008 funding increases by 15 percent over FY 2006. Democratic challenges and terrorist threats require that peace and security programs emphasize counterterrorism and conflict mitigation while also maintaining military assistance for key Global War on Terror partners. Resources for these types of key security programs make up 18 percent of the request. Within Investing in People, the request increases 15 percent from FY 2006, prioritizing HIV/AIDS interventions and education initiatives, increasing 71 percent and 25 percent respectively over FY 2006 levels for these activities. Countries such as Indonesia, the Philippines, and Mongolia collectively receive 53 percent of the region's request. Regionally, governing justly and democratically efforts are also prioritized in order to promote movement toward democracy in Burma and Vietnam, and strengthen democratic institutions in Cambodia and the Philippines.

Europe and Eurasia. The FY 2008 request for Europe and Eurasia represents a 26 percent decrease from FY 2006 reflecting success achieved in the region. When projected FY 2008 MCC disbursements in Georgia and Armenia are included, the reduction is 13 percent from FY 2006. While U.S. assistance has played a substantial role in supporting reform in Eurasia furthering the integration of countries in Eastern Europe and the Western Balkans into Euro-Atlantic institutions, a number of difficult challenges remain across the range of foreign assistance objectives. The allocation of resources within the region reflects the need to secure the Balkans in the Euro-Atlantic Community, support Eurasian countries at the forefront of reform, and confront democratic challenges. Thus funding for Peace and Security and Governing Justly and Democratically collectively represent 76 percent of the request. Balkan peace implementation is a primary focus; funds for Kosovo and Serbia represent 27 percent of the region's request. Countries at the forefront of reform -- Ukraine, Georgia, and Moldova -- and countries that present democratic challenges -- Russia and Belarus -- together represent 30 percent of the region's budget.

Near East. The FY 2008 request for the Near East represents a 4 percent increase over FY 2006, including reduced levels for Egypt and Israel under glidepath agreements. The Near East region presents both challenges and opportunities to implement U.S. objectives and bolster efforts at political and economic reform to achieve success in the Global War on Terror. The FY 2008 request emphasizes continued investments in Peace and Security and political reform. Accordingly, funding for Peace and Security increase by 4 percent, while investments in Governing Justly and Democratically increase by more than 80 percent. To address social conditions that contribute to conflict, the FY 2008 request includes a 41 percent increase in Investing in People, primarily in health and education.

The FY 2008 request is concentrated in the priority states of Iraq, Israel, Egypt and Jordan, representing 93 percent of the region's budget. The FY 2008 request is also influenced by adjustments to priorities based on significant changes in political conditions in Lebanon, West Bank/Gaza and Iran. Lebanon receives a 21 percent increase with large increases in peace and security investments, governance and democracy programs, as well as support for economic growth.

Together these seven countries are all critical to long-term regional stability and prosperity, making up 97 percent of the request.

South and Central Asia. Funding to South and Central Asia increased by 6 percent in the FY 2008 request compared to FY 2006 levels for the region. Funding will continue to support the Global War on Terror through security, reconstruction, development and democracy efforts, particularly in Afghanistan and Pakistan, which represent 84 percent of the region's request. Success in these countries is critical to achieving peace, stability, and development progress throughout South and Central Asia. Funding under the Peace and Security objective makes up 36 percent of the request, including support to counterterrorism and counternarcotics programs which received 11 and 21 percent increases collectively from FY 2006. Funding for Economic Growth activities have increased by 6 percent over FY 2006, particularly for trade and investment and private sector competitiveness programs, reflecting the USG's efforts to integrate South and Central Asia through economic development, trade and reconstruction.

Funding for the five Central Asian countries declined by nearly 24 percent from FY 2006 to FY 2008. Much of the decline comes in Uzbekistan, where the government has worked actively to limit U.S. assistance related to reform, and in Kazakhstan, whose oil wealth lessens the need for our assistance. Assistance is instead focused on the Kyrgyz Republic, Tajikistan, and Turkmenistan, where there are opportunities to consolidate stability and promote democratization. Funding for India has also declined, by 35 percent from the FY 2006 level. India's economy has been among the world's best-performing economies for a quarter century, and India has emerged as a significant donor in its own right.

Western Hemisphere. Foreign assistance for Latin America has nearly doubled since the start of the Administration, rising from \$862 million in FY 2001 to \$1.6 billion in FY 2008 including FY 2008 projected MCC disbursements. When projected FY 2008 MCC disbursements are considered, funding for Latin America increases by 4 percent over FY 2006. The Western Hemisphere has made significant progress -- of the 26 countries in Latin America that receive foreign assistance, over half (14) are either in the Transforming or Sustaining Partnership categories. Seven countries are in the Developing category, six of which are close to graduating into the Transforming country category, as dictated by their performance related to indicators in the areas of Investing in People, Governing Justly and Democratically, and Economic Growth. Our strategy for FY 2008 recognizes that key levers for sustained success are economic empowerment and strengthening of democratic structures -- in effect, helping democracy deliver on behalf of development. The request reflects a 5 percent increase in Governing Justly and Democratically, and when projected FY 2008 MCC disbursements are included, an 84 percent increase in Economic Growth, including support for implementation of the Central American and Dominican Republic Free Trade Agreement. Programs under the Peace and Security objective, including programs for counternarcotics and programs to address gang-related violence, make up 53 percent of the request for the region.

Colombia, Bolivia, Ecuador, Peru, and Haiti account for 70 percent of the region's FY 2008 budget request and remain the focus of transformational diplomacy efforts.

Conclusion

Overall, State and USAID have strategically realigned resources in order to accomplish key national security and development goals with maximum efficiency and fiscal responsibility. The FY 2008 Foreign Operations budget request represents a \$2.16 billion increase over the FY 2006 enacted level. Within this level, HIV/AIDS has increased by \$1.9 billion over FY 2006, and funding for critical countries in the Global War on Terror and others in or emerging from conflict, many among the poorest countries with the most disenfranchised populations, has increased by \$749 million over FY

2006. As discussed above, in FY 2008, the three objectives targeted to achieving long-term development progress (Governing Justly and Democratically, Investing in People, and Economic Growth) increase by 14 percent over FY 2006 levels for activities related to these objectives. The foreign assistance reform process has aided in this endeavor, resulting in a strategic shift of \$4.5 billion from FY 2006 to FY 2008.

The transformational diplomacy goal acknowledges that an appropriate balance must be struck among development objectives in order to bring about lasting change in countries. Development must engender fundamental changes in governance and institutions, human capacity, and economic structures concurrently so that countries can sustain further economic and social progress on their own. The strategy reflected in the FY 2008 budget request seeks to implement these principles and enable human potential such that United States Foreign Assistance achieves the greatest measure of development progress: That each generation do better than the one before, in freedom, prosperity, and security.

FOREIGN ASSISTANCE FRAMEWORK

Goal		"To help build and sustain democratic, well-governed states that respond to the needs of their people, reduce widespread poverty and conduct themselves responsibly in the international system."					End Goal of US Foreign Assistance		Graduation Trajectory
Objectives	Peace and Security	Governing Justly and Democratically	Investing in People	Economic Growth	Humanitarian Assistance				
Accounts within State USAID	FMF, TI, IMET, ESF, INCLE, NADR, PKO, ACI, FSA, SEED	DA, TI, SEED, FSA, DF, ESF, INCLE, IO&P, ACI	DA, CSH, ESF, IDFA, IO&P, FSA, SEED, GHAI, ACI, Title II	DA, ESF, SEED, FSA, IO&P, ACI, Title II	IDFA, MRA, ERMA, Title II				
Foreign Assistance Program Areas	<ul style="list-style-type: none"> > Counter Terrorism > Combating WMD > Stabilization Operations and Defense Reform > Counternarcotics > Transnational Crime and Response 	<ul style="list-style-type: none"> > Rule of Law and Human Rights > Good Governance > Political Competition and Consensus-Building > Civil Society 	<ul style="list-style-type: none"> > Health > Education > Social Services and Protection for Vulnerable Populations 	<ul style="list-style-type: none"> > Macroeconomic Foundation for Growth > Trade and Investment > Infrastructure > Agriculture > Private Sector Competitiveness > Environment 	<ul style="list-style-type: none"> > Protection, Assistance and Solutions > Disaster Readiness > Migration Management 				
Category Definition	Other USG Agency Contributions								
Rebuilding Countries	Prevent or mitigate state failure and/or violent conflict.	Assist in creating and/or stabilizing a legitimate government and a supportive environment for civil society and media.	Start or restart the delivery of critical social services, including health and educational facilities, and begin building or rebuilding institutional capacity.	Assist in the construction or reconstruction of key internal infrastructure and market mechanisms to stabilize the economy.	Address immediate needs of refugee, displaced, and other affected groups.	Stable environment for good governance, increased availability of essential social services, and initial progress to create policies and institutions upon which future progress will rest.			Advance to the Developing or Transforming Category.
Developing Countries	Address key remaining challenges to security and law enforcement.	Support policies and programs that accelerate and strengthen public institutions and the creation of a more vibrant local government, civil society and media.	Encourage social policies that deepen the ability of institutions to establish appropriate roles for the public and private sector in service delivery.	Encourage economic policies and strengthen institutional capacity to promote broad-based growth.	Encourage reduced need for future HA by introducing prevention and mitigation strategies, while continuing to address emergency needs.	Continued progress in expanding and deepening democracy, strengthening public and private institutions, and supporting policies that promote economic growth and poverty reduction.			Advance to the Transforming Category.
Transforming Countries	Nurture progress toward partnerships on security and law enforcement.	Provide limited resources and technical assistance to reinforce democratic institutions.	Provide financial resources and limited technical assistance to sustain improved livelihoods.	Provide financial resources and technical assistance to promote broad-based growth.	Address emergency needs on a short-term basis, as necessary.	Government, civil society and private sector institutions capable of sustaining development progress.			Advance to the Sustaining Partnership Category or graduate from foreign assistance.
Sustaining Partnership Countries	Support strategic partnerships addressing security, CT, WMD, and counter-narcotics.	Address issues of mutual interest.	Address issues of mutual interest.	Create and promote sustained partnerships on trade and investment.	Address emergency needs on a short-term basis, as necessary.	Continued partnership as strategically appropriate where U.S. support is necessary to maintain progress and peace.			Continue partnership or graduate from foreign assistance.
Restrictive Countries	Prevent the acquisition/proliferation of WMD, support CT and counter-narcotics.	Foster effective democracy and responsible sovereignty. Create local capacity for fortification of civil society and path to democratic governance.	Address humanitarian needs.	Promote a market-based economy.	Address emergency needs on a short-term basis, as necessary.	Civil society empowered to demand more effective democracies and states respectful of human dignity, accountable to their citizens, and responsible towards their neighbors.			Advance to other relevant foreign assistance category.
Global or Regional	Activities that advance the five objectives, transcend a single country's borders, and are addressed outside a country strategy.								Determined based on criteria specific to the global or regional objective.

I. DEPARTMENT OF STATE, USAID, and FOREIGN OPERATIONS

Andean Counterdrug Initiative

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Andean Counterdrug Initiative - ACI	727,155	569,350	442,812

The FY 2008 **\$442.8 million** request will be used to support and enhance the multi-year counterdrug program (ACI) that aims to reduce the flow of drugs to the United States and prevent instability in the Andean region. Account allocations represent the product of an integrated agency planning process based on consideration of the totality of U.S. government resources.

ACI funding snapshot (For a complete list of all programs funded under this account, please refer to the tables at the back of this volume.)

- Colombia -- **\$367.0 million** to continue to support the comprehensive campaign against drug trafficking and narcoterrorists as part of Plan Colombia. Funding includes **\$50 million** for the Critical Flight Safety Program.
- Peru -- **\$36.8 million** to carry out key counternarcotics activities such as expanding the Narcotics Affairs Section (NAS) presence in isolated areas where drug traffickers and terrorists operate, maintaining the aviation program, and cooperating with the government to develop its counter-terrorism intelligence and operational capabilities and performance through information sharing, training and assistance programs.
- Bolivia -- **\$30.0 million** to support the eradication of illicit coca cultivation, increase interdiction of precursor chemicals and cocaine products, continue current level of prosecutions of narcotics related cases, and improve the quality of investigations into alleged human rights violations.

Statement of Changes

The total amount of funding requested for the ACI account in FY 2008 is a 39 percent decrease from the FY 2006 enacted level primarily due to the shift of Alternative Development program funding in the region to the Economic Support Fund (ESF) account.

Assistance for Eastern Europe and the Baltic States

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Assistance for Eastern Europe and the Baltic States	357,390	269,2000	289,322

The President's FY 2008 **\$289.3 million** request for SEED (Support for East European Democracy) Act and Foreign Assistance ACT (FAA) funding will continue to help stabilize Southeast Europe, which suffered the violent breakup of Yugoslavia and its aftermath in the 1990s. Stability in Kosovo and Serbia – essential for sustained stability in the region – are top priorities for SEED funding. Programs will focus on integrating Southeast Europe into the Euro-Atlantic community with its values of democracy, rule of law, individual freedom and market economies.

The governments of the region are committed to reform and Euro-Atlantic integration; some are further along than others. Promoting democratic reform and stability, economic development, and rule of law will deepen their relationship with NATO, the European Union, the Stability Pact and the Central Europe Free Trade Agreement. SEED funding will support programs that fight international crime, trafficking, and corruption; build socio-economic bridges between ethnic communities; and consolidate the region's democratic and economic progress.

AEEB (SEED) Funding Snapshot (For a complete list of all programs funded under this account, please refer to the tables at the back of this volume.)

- Kosovo -- **\$151.2 million**, following a status determination, to help Kosovar institutions adjust to the challenge of self-governance; develop judicial and law enforcement systems; support key industries and drive economic growth through policy reform; strengthen democratic institutions; and mitigate conflict by building multiethnic communities that embrace tolerance.
- Serbia -- **\$51.3 million** to help Serbia's fragile reformist leadership keep political and economic reform on track. Major work remains in the areas of rule of law, privatization, economic growth, law enforcement, and building democracy. Serbia's stability and reform are fundamental to the success of U.S. foreign policy in the region. Assistance to Serbia following its peaceful split with Montenegro in 2006 and a looming final determination of Kosovo's status remains focused on accelerating Serbia's progress toward Euro-Atlantic integration.
- Bosnia and Herzegovina -- **\$22.9 million** to help develop fledgling state-level institutions; strengthen the rule of law, including the ability to address war crimes, organized crime, and terrorism; foster an investor-friendly climate and sound financial and business regulatory environment for the private sector; and build the capacity of local government, media, and civil society.
- Regional SEED -- **\$21.2 million** to help restore the regional ties broken by conflict as well as to support economic integration initiatives; fund grants programs promoting cross-border work on reconciliation and democratic reform; support law enforcement cooperation

including fighting organized crime and corruption; and part of the U.S. contribution to the Organization for Security and Cooperation in Europe (OSCE).

- Macedonia -- **\$18.9 million** to support sustained stability and Euro-Atlantic integration through the Ohrid Framework Agreement's full, practical implementation by further enhancing the government's ability to combat cross-border crime, strengthen rule of law, and advance macroeconomic reforms.
- Albania -- **\$16.2 million** to improve the government's law enforcement and military capabilities, build democratic institutions, promote private-sector led growth, strengthen capacity in the health sector and fight trafficking, organized crime, and corruption.

Statement of Changes

The FY 2008 SEED request of \$289.3 million is a 19 percent decrease from \$357.4 million in FY 2006, reflecting graduation of several countries from foreign assistance. FY 2006 was the last year of SEED funding for Croatia, Romania and Bulgaria.

Assistance for the Independent States of the Former Soviet Union

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Assistance for the Independent States	508,860	435,480	351,585

The FY 2008 request of **\$351.6 million** for FREEDOM Support Act (FSA) and Foreign Assistance Act funding reflects the vital U.S. national interest in helping the independent states of the former Soviet Union meet the transformational diplomacy goal by assisting them to advance along the path toward becoming stable, pluralistic, and prosperous countries that can assist the United States in combating transnational threats.

While FSA assistance has played a substantial role in supporting reform in Eurasia, dramatically illustrated by the democratic breakthroughs in 2003-2005, a number of difficult challenges remain across the range of foreign assistance objectives. FSA funding will support programs that promote democratic and economic reform, fight transnational threats, improve health care and education, and provide humanitarian assistance. The priority for FSA funding is supporting countries at the forefront of democratic reform – Ukraine, Georgia, Moldova, and the Kyrgyz Republic. Each of these countries has either qualified or is under consideration for receiving Millennium Challenge Corporation (MCC) assistance. In these cases, FSA funding is focused to complement MCC resources and maximize the impact of its development activities. Another priority for FSA funding is democracy promotion assistance in countries that present democratic challenges such as Russia, Belarus, and Uzbekistan.

IS (FSA) Funding Snapshot (For a complete list of all programs funded under this account, please refer to the tables at the back of this volume.)

- Ukraine -- **\$71.0 million** to promote development of a democratic, prosperous, and secure Ukraine fully integrated into the Euro-Atlantic community. FSA programs will support civil society, the rule of law, justice sector reform, and anti-corruption efforts; promote energy security; combat the HIV/AIDS epidemic; and improve health care.
- Georgia -- **\$50.5 million** to help consolidate Georgia's democratic and economic reforms, address rural poverty, increase the country's engagement with separatist regions, and decrease its energy dependence on Russia.
- Russia -- **\$50.0 million** to intensify support for civil society, independent media, the rule of law, and human rights, with a focus on promoting a democratic presidential election in 2008. Funding will also combat HIV/AIDS, trafficking in persons, and other transnational threats. Conflict mitigation programs in the North Caucasus will help stem the spread of instability and development.
- Armenia -- **\$35.0 million** to help implement economic and democratic reform and fight corruption. FSA assistance will complement major MCC resources for agricultural development.

- Tajikistan -- **\$26.9 million** to promote democratic and economic reform, fight infectious diseases, combat extremism, improve education, and strengthen Tajikistan's borders in the face of an increasing flow of illegal drugs from Afghanistan.
- Kyrgyz Republic -- **\$23.8 million** to help implement reforms that allow for sustained progress and stability, including strengthening democratic institutions; addressing corruption, economic development, and social issues; securing borders; and fighting drug trafficking and infectious diseases.
- Regional FSA -- **\$22.2 million** to support regional efforts to combat transnational threats, promote cross-border economic and energy linkages, track country progress towards transition goals, mitigate cross-border health problems, facilitate U.S. investment and exports to the region, and contribute to regional organizations such as the Organization for Security and Cooperation in Europe (OSCE).
- Azerbaijan -- **\$18 million** to promote economic reforms that will enable Azerbaijan to manage its energy resources transparently and support private enterprise development; support law enforcement reform; strengthen borders; and encourage democratization, including supporting a free and fair presidential election process in 2008.

Statement of Changes

The FY 2008 FSA request of \$351.6 million is a 31 percent decrease from \$508.9 million in FY 2006. FY 2006 was the last year of funding for economic programs in Russia, with the exception of limited assistance in areas of special importance, including the Russian Far East and the North Caucasus. Across objectives, the proportion of funding for Governing Justly and Democratically and Investing in People increased from FY 2006 to FY 2008, a strategic shift of resources based on high economic growth rates in some Eurasian countries, the importance of democracy promotion in the region, and the re-focusing of economic assistance in Georgia and Armenia to complement MCC resources.

Child Survival and Health Programs Fund

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Child Survival and Health Programs Fund	1,591,425	1,518,359	1,564,279

The FY 2008 request of **\$1.56 billion** for the Child Survival and Health Programs Fund (CSH) reflects the President’s continuing commitment to improve interventions that address critical health, HIV/AIDS, malaria, nutrition and family planning needs worldwide. Programs expand basic health services and strengthen national systems to significantly improve people’s health, especially that of women, children, and other vulnerable populations.

CSH funds are focused on countries where impact will be maximized based on the country’s complete development picture, including consideration of health indicators, host country absorptive capacity, the totality of USG resources in country, and the work of other donors in country. Allocation decisions were planned in collaboration with the Office of the Global AIDS Coordinator in order to maximize complementarity with health interventions requested under the Global HIV/AIDS Initiative account.

CSH funding snapshot (For a complete list of all programs funded under this account, please refer to the tables at the back of this volume.)

Country levels:

Sub-Saharan Africa

- Nigeria -- **\$31.3 million** for tuberculosis, malaria, maternal and child health, family planning and reproductive health.
- Malawi -- **\$27.7 million** for HIV/AIDS, tuberculosis, malaria, maternal and child health, family planning and reproductive health.
- Democratic Republic of the Congo -- **\$26.9 million** for HIV/AIDS, tuberculosis, malaria, maternal and child health, family planning and reproductive health.
- Ethiopia -- **\$25.5 million** for tuberculosis, malaria, maternal and child health, family planning and reproductive health.
- Tanzania -- **\$22.1 million** for tuberculosis, malaria, maternal and child health, family planning and reproductive health.
- Uganda -- **\$20.9 million** for tuberculosis, malaria, maternal and child health, family planning and reproductive health.
- Ghana -- **\$18.2 million** for HIV/AIDS, malaria, maternal and child health, family planning and reproductive health and other public health threats.

- Zimbabwe -- **\$18.0 million** for HIV/AIDS, family planning and reproductive health.
- Kenya -- **\$17.0 million** for tuberculosis, malaria, maternal and child health, family planning and reproductive health.
- Mozambique -- **\$15.7 million** for tuberculosis, malaria, maternal and child health, family planning and reproductive health.
- Angola -- **\$15.4 million** for HIV/AIDS, malaria, maternal and child health, family planning and reproductive health.

East Asia & Pacific

- Indonesia -- **\$32.1 million** for HIV/AIDS, tuberculosis, maternal and child health.
- Cambodia -- **\$24.7 million** for HIV/AIDS, tuberculosis, maternal and child health, family planning and reproductive health and other public health threats.
- Philippines -- **\$17.5 million** for HIV/AIDS, tuberculosis, maternal and child health, family planning and reproductive health.

South and Central Asia

- Afghanistan -- **\$65.9 million** for tuberculosis, maternal and child health, family planning and reproductive health, and other public health threats.
- India -- **\$62.2 million** for HIV/AIDS, tuberculosis, maternal and child health, family planning and reproductive health.
- Pakistan -- **\$39.8 million** for HIV/AIDS, tuberculosis, maternal and child health, family planning and reproductive health, water supply and sanitation.
- Bangladesh -- **\$39.6 million** for HIV/AIDS, tuberculosis, maternal and child health, family planning and reproductive health.
- Nepal -- **\$18.0 million** for HIV/AIDS, maternal and child health, family planning and reproductive health and other public health threats.

Near East

- Jordan -- **\$21.3 million** for HIV/AIDS, maternal and child health, family planning and reproductive health, and water supply and sanitation.

Western Hemisphere

- Haiti -- **\$18.0 million** for HIV/AIDS, tuberculosis, maternal and child health, family planning and reproductive health.

Technical Areas:

- **\$385.0 million for malaria programs**, supporting the President's Malaria Initiative that will be expanded from seven to fifteen high-burden countries in FY2008 (Funding for this area is also requested in the following accounts: **\$2.5 million** ESF).
- **\$314.3 million for HIV/AIDS programs** to focus on prevention, care, and treatment efforts, and the support of children affected by AIDS in 99 countries (Funding for this area is also requested in the following accounts: **\$26.0 million** is FSA, and **\$6.0 million** ESF).
- **\$345.6 million for Child Survival and Maternal Health programs** (Funding for this area is also requested in other accounts: **\$20.7 million** ESF, **\$5.1 million** FSA, and **\$0.7 million** SEED).
- **\$301.7 million for Family Planning and Reproductive Health programs** (Funding for this area is also requested in the following accounts: **\$14.3 million** ESF, **\$7.1 million** FSA, **\$1.7 million** SEED).
- **\$100 million** to support programs that contain or prevent an **avian influenza** pandemic.
- **\$79.4 million for programs to combat tuberculosis**, which is a serious and common co-infection for HIV-infected individuals (Funding for this area is also requested in the following accounts: **\$10.0 million** IS, **\$0.5 million** ESF).
- **\$34.2 million** for other public health threats, including water supply and sanitation (Funding for this area is also requested in the following accounts: **\$91.0 million** ESF, **\$22.6 million** DA, **\$7.3 million** AEEB, **\$4.2 million** FSA).

Statement of Changes

The FY 2008 request is a decrease of 17 percent from FY 2006 CSH family planning and reproductive health levels, reflecting significant successes that have been achieved after 40 years of worldwide family planning efforts. FY 2008 funds are targeted to Africa, where significant family planning needs remain. The decision to decrease funds to this sector was "demand-driven," that is, identified by interagency teams, with input from field Missions. In FY 2008, a \$300 million contribution to the Global Fund for AIDS, Tuberculosis and Malaria is requested within the Department of Health and Human Services/National Institutes of Health budget.

The funding request for malaria in FY 2008 increases by \$285 million over FY 2006 \$100 million levels. The increased request will fund assistance for all 15 targeted countries under the President's Malaria Initiative as well as ongoing bilateral programs worldwide. While first funded in a FY 2006 supplemental, continued funding is needed to respond to avian influenza outbreaks which have expanded from a concentration in Southeast Asia to a total of 53 countries across Eurasia, Middle East, Africa, as well as Southeast Asia.

Development Assistance

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Development Assistance	1,508,760	1,508,000	1,041,248

The FY 2008 request of **\$1.04 billion** for Development Assistance will focus on programs to promote transformational diplomacy in Developing and Transforming countries. The request level in FY 2008 reflects the intent to limit the use of DA in Rebuilding and Restrictive countries where special economic, political, and security circumstances are better served through the use of ESF. Funds will be focused on demand-driven interventions that address critical barriers to sustainable progress, including basic education, foundations for equitable economic growth, and natural resources management. In addition, funds are targeted to help government and civil society strengthen their institutions to qualify for additional resources, such as merit-based grants offered through MCC compact and threshold funds.

DA funds will also support, to a limited degree, programs in Rebuilding states that enhance stability and develop key institutional capacities for lasting recovery, as well as global issues and concerns related to sustainable development. DA funds will be allocated on a limited basis to Sustaining Partnership countries, which are characterized as states with upper-middle income.

DA funding snapshot

Note that the figures below do not represent the totality of USG assistance in these sectors. Additional resources for these sectors are funded from other accounts.

Country Levels:

Sub-Saharan Africa

- Ethiopia -- **\$39.8 million** for programs focused on investing in people, economic growth, and governing justly and democratically.
- Nigeria -- **\$31.4 million** to advance the rule of law through democracy and governance programs, promote basic education, and increase economic growth.
- Uganda -- **\$29.5 million** to support peace and security programs, basic education, and economic growth with a focus on agriculture.
- Kenya -- **\$28.3 million** for programs in democracy and governance, basic education, and economic growth.
- Mozambique -- **\$22.0 million** for economic growth, with a focus on improving agricultural productivity, and democracy and governance.
- Senegal -- **\$17.9 million** for conflict mitigation and reconciliation, basic education, and environment programs.

- Zambia -- **\$17.0 million** for programs focused primarily on basic education and economic growth.
- Burundi -- **\$17.0 million** for programs focused on good governance, strengthening civil society and improving economic growth.

East Asia & Pacific

- Indonesia -- **\$61.0 million** to support a major basic education initiative, water supply and sanitation, and natural resources programs.
- Philippines -- **\$22.9 million** to support critical investments in economic growth and basic education.

South and Central Asia

- Bangladesh -- **\$39.7 million** for programs focused primarily in good governance, political competition and consensus building, basic education and economic growth.
- Pakistan -- **\$18.0 million** for economic growth programs, focusing on improving private sector competitiveness.

Western Hemisphere

- Bolivia -- **\$39.0 million** for programs focused on governing justly and democratically, economic growth and education.
- Honduras -- **\$16.7 million** for programs focused on good governance, trade and investment and education.

Technical Areas:

- **\$215.0 million for education** programs that promote equitable access to quality basic education and strengthen public and private higher education institutions.
- **\$209.9 million for democracy and governance** programs that support free and fair elections, encourage open and competitive political and electoral processes, promote the rule of law and respect for human rights, develop civil societies, encourage anti-corruption reforms, and promote more transparent and accountable government.
- **\$162.2 million for agriculture and natural resources management** programs, including the President's Initiative to End Hunger in Africa, that reform and strengthen agricultural market systems, improve agricultural productivity, and support sustainable natural resources management.
- **\$112.2 million for environment** to support programs that address global climate change, protect biodiversity and implement the President's Initiative Against Illegal Logging through programs such as the Congo Basin Forest Partnership.

- **\$87.0 million for trade and investment** programs to promote stronger linkages between trade and development by increasing the capacity of developing countries to participate in and benefit from trade and investment.
- **\$69.1 million for private sector competitiveness** economic growth programs that work to strengthen private markets, providing economic opportunity for the rural and urban poor, and supporting access to clean energy, environmentally sound urbanization, and micro-enterprise development.

Statement of Changes

The FY 2008 DA budget represents a \$404.2 million strategic decrease from FY 2006 enacted levels. The reform process sought to maximize the use of account authorities in support of effective implementation of foreign assistance programs. In congruence with this principle, DA, which has the intent of supporting poor countries that demonstrate performance has been prioritized to Developing and Transforming countries with 57 percent of DA resources allocated to these categories. Economic Support Funds (ESF) focus on economic support under special economic, political, or security conditions. ESF, therefore, was prioritized to support activities for countries in the Rebuilding and Restrictive countries with 52 percent of ESF resources allocated to these categories. DA funds will be allocated on an extremely limited basis to Sustaining Partnership countries, which are characterized as states with upper-middle income.

The programs that DA has traditionally supported which focus on long-term, sustainable development progress and poverty alleviation are being funded at higher levels in FY 2008 than in FY 2006. Together, the three objectives targeted to achieving long-term development progress (Governing Justly and Democratically, Investing in People, and Economic Growth) account for 54 percent of total resources in FY 2008, compared to 51 percent in FY 2006. When MCC resources are considered, investments in these objectives increase from 51 percent in FY 2006 to 57 percent in FY 2008.

Development Credit Authority

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Development Credit Authority – Administrative Expenses	7,920	3,469	7,400
Development Credit Authority – Transfer Authority	21,000	-	21,000

The FY 2008 request includes **\$21 million** in transfer authority to provide loan guarantees in all regions and sectors. The Development Credit Authority (DCA) uses credit to leverage private capital in host countries for critical development interventions.

Up to \$5 million of this transfer authority will support the Africa Housing and Infrastructure Facility (AHIF). This innovative credit facility will use DCA transfer authority to support the subsidy cost of partial guarantees for private sector financing of water, infrastructure, and housing projects in Africa. The AHIF will also be used to support the Presidential Water for the Poor Initiative. In addition, USAID will use up to \$1 million in AHIF transfers to fund project development costs.

The request also includes \$7.4 million for credit administrative costs. In accordance with the Federal Credit Reform Act of 1990, this will fund the total cost of development, implementation, and financial management of the DCA program, as well as the continued administration of the Agency’s legacy credit portfolios which amount to more than \$22 billion.

The sound management and equitable access to water, forest, coast and biological resources is essential to sustainable economic development and a healthy environment. Recognizing this, the USG has endeavored to implement strategies that reflect the intrinsic linkages connecting healthy ecosystems to sustainable economies, good governance, and equitable and just societies. As a demand-driven initiative, committed to developing and partnering with the indigenous private sector, the DCA is uniquely able to promote the kinds of partnerships that enhance the sustainability of water and environmental interventions. In FY 2008, therefore, DCA intends to focus on projects related to water infrastructure and the environment in order to demonstrate the viability of transformational investing in these critical areas.

Economic Support Fund

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Economic Support Fund	2,616,075	2,603,540	3,319,567

The President requests **\$3.32 billion** for the Economic Support Fund (ESF). Part II, Chapter 4, section 531 of the Foreign Assistance Act (FAA) recognizes that under special economic, political, or security conditions, the national interests of the U.S. may require economic support for countries in amounts that could not be justified under Development Assistance (DA). The FAA authorizes the President to “furnish assistance to countries and organizations, on such terms and conditions as he may determine, in order to promote economic or political stability.”

Rebuilding and Developing countries require ESF resources to create the stable environment necessary for the country to address the needs of its people and contribute productively to the international community. ESF focus on economic support under special economic, political, or security conditions. ESF, therefore, was prioritized to support activities for countries in the Rebuilding, Developing and Restrictive categories, even when some of those are development activities. ESF funds are highly concentrated in these categories at 89 percent. Among other priorities, programs funded with ESF resources provide assistance to allies in the global war on terror, help countries provide basic education and health services to their populations, aid countries in their transition to democracy, support the Middle East peace process, and finance economic stabilization programs.

ESF funding snapshot (For a complete list of all programs funded under this account, please refer to the tables at the back of this volume.)

Sub-Saharan Africa -- **\$374.3 million** for programs that support reconstruction, recovery and economic growth in key African countries.

- Sudan -- **\$245.9 million** to support implementation of the Comprehensive Peace Agreement and ensure a full transition to a just peace. A portion will support the resolution of conflict in Darfur and eastern Sudan and the implementation of the Darfur Peace Agreement.
- Liberia -- **\$73.5 million** for a broad range of programs supporting the recovery from years of civil unrest.
- Democratic Republic of the Congo -- **\$29.0 million** to support the development of the DRC’s nascent democratic institutions following the successful Presidential elections held in 2006.

East Asia and the Pacific -- **\$152.7 million** to strengthen democracy and economic development in the region.

- Indonesia -- **\$60.0 million** for peace and reconciliation efforts in Aceh and Papua, democracy and governance and trade and investment.

- Philippines -- **\$26.0 million** for conflict mitigation activities in Mindanao and strengthening democratic and economic institutions.
- State EAP Regional -- **\$25.8 million** for commitments under the South Pacific Fisheries Treaty and a variety of additional regional programs that reinforce U.S. relations with the EAP region.

Europe and Eurasia -- **\$12.9 million** for programs that promote peace and reconciliation and contribute to the stability of the region.

- Cyprus -- **\$11.0 million** to support the peace process and eventual reunification of the island. Funding will also support activities to strengthen the Turkish Cypriot economy and economic integration of the island.

Near East -- **\$1.26 billion** to encourage democratic reform and political institution building in the Middle East and to target the economic despair and lack of opportunity exploited by extremists.

- Egypt -- **\$415.0 million** to support important reforms in economic growth and governance, the justice sector, civil society and independent media, maternal and child health, and basic and higher education.
- Iraq -- **\$298.0 million** to stabilize strategic Iraqi cities through rehabilitation of community infrastructure, job training and vocational education, youth programs, and micro-loans. In addition, the U.S. seeks to improve local and provincial governance through projects directed by Provincial Reconstruction Teams, while continuing governance reforms at the national level.
- Jordan -- **\$263.5 million** to provide budget support to the Jordanian government and to support democratization, accessibility of education and health care, and judicial reform.
- Iran -- **\$75.0 million** to support the aspirations of the Iranian people for a democratic and open society by promoting civil society, civic participation, media freedom and freedom of information.
- The Middle East Partnership Initiative (MEPI) -- **\$75.0 million** to sustain the momentum for democratic reform in the Middle East by encouraging political, economic and educational change and the empowerment of women.
- West Bank and Gaza -- **\$63.5 million** to promote good governance, bolster the justice system, foster the growth of political parties, support local government and investments in public health, basic education and micro-enterprise.
- Lebanon -- **\$42.1 million** to support Lebanon's democratic traditions by establishing credible, transparent governing institutions, fostering human rights, supporting civil society organizations, and improving educational and economic opportunities among the Lebanese people. Certain funds will be targeted to securing Lebanon's water resources, reducing the ability of Hizbollah to make water an issue that divides the populace and erodes support for the current Government.
- Morocco -- **\$15.5 million** to support good governance, civil society and political competition. Funds will also provide functional literacy training for women, skills training for increased employability and promotion of foreign direct investment.

South Asia -- \$1.08 billion for economic reconstruction and development, earthquake reconstruction, demobilization, democracy building, education, training, and public diplomacy programs.

- Afghanistan -- **\$693.0 million** for four strategic sectors: roads and other critical infrastructure, such as power generation and transmission, particularly in the South and East; alternative livelihoods support in rural areas to reduce poppy cultivation; Provincial Reconstruction Team projects to extend reconstruction into difficult areas; and capacity-building of the central government to deliver basic services, pay salaries and extend its authority to the provinces. Funds will also support critical economic development activities in the border area with Pakistan.
- Pakistan -- **\$382.9 million**, including budget support, to be monitored by the Shared Objectives Process and for social sector programs such as education reform, expansion of basic health services for women and children, accountable and participatory democratic governance, and expansion of economic opportunities. The funds will also help invigorate Pakistan's new Federally Administered Tribal Areas Sustainable Development Plan to assure basic human services are on par with the rest of the country to minimize the appeal of joining the insurgency. \$50 million supports the U.S. pledge for earthquake reconstruction projects.

Western Hemisphere -- \$363.7 million to bolster security, strengthen democratic institutions, promote prosperity and invest in people.

- Colombia -- **\$139.5 million** in alternative development to help Colombia consolidate and extend improvements in its democratic institutions, promote respect for human rights and the rule of law, foster socio-economic development, address humanitarian needs, and counter threats to democracy posed by narcotics trafficking and terrorism.
- Haiti -- **\$63.4 million** for key support to the new government, the Haitian National Police, justice system reform, anti-corruption efforts, trafficking in persons and the protection of human rights.
- Cuba -- **\$45.7 million** to further implement program recommendations from the Committee to Assist a Free Cuba II, including strengthening civil society.
- Peru -- **\$30.0 million** to support alternative development. Funds will also finance training and technical assistance for regional and local governments and community organizations in seven states (the coca source zone).
- Western Hemisphere Regional -- **\$28.2 million** for trade capacity building congruent with implementation of CAFTA, for Third Border Initiative to improve the secure flow of people, goods, and services from and within the Caribbean, and support for Summit of the Americas deliverables.
- Bolivia -- **\$17.0 million** to support alternative development that will help reinforce democratic stability.

ESF Global Programs -- \$76.0 million

- Asia-Pacific Partnership on Clean Development and Climate -- **\$26.0 million** to support and promote clean development, enhance energy security, catalyze economic growth, and address climate change.

- Human Rights and Democracy Fund -- **\$35.0 million** for programs that promote democratic reform and result in greater political pluralism and respect for fundamental freedoms; promote the protection and enforcement of legal rights and an independent judiciary; increase popular participation in government; and develop civil society in China.
- Oceans, Environment and Science Partnerships -- **\$8.3 million** to promote cooperation and build global capacity for sound stewardship of environmental and natural resources in concert with global economic growth and social development.
- Trafficking in Persons -- **\$6.7 million** to promote the rule of law, in particular to help draft legislation, train law enforcement, and encourage governments to develop or expand comprehensive assistance to victims. FY 2008 funds will support anti-trafficking efforts in new Tier 3 and Tier 2 countries identified in the 2007 and 2008 Trafficking in Persons Reports.

Statement of Changes

Funding for ESF has increased by 27 percent over the FY 2006 level of \$2.6 billion. This increase represents the strategic shift to prioritize ESF in Rebuilding and Restrictive countries with 52 percent of ESF resources allocated to these categories. This shift does not mean that activities formerly funded with DA will be discontinued. To the contrary, funding in the three objectives traditionally funded with DA, Governing Justly and Democratically, Investing in People, and Economic Growth, receive a *net* gain of \$108 million when DA decreases in these objectives are considered. Together, the three objectives targeted to achieving long-term development progress (Governing Justly and Democratically, Investing in People, and Economic Growth) account for 54 percent of total resources in FY 2008, compared to 51 percent in FY 2006. When MCC resources are considered, investments in these objectives increase from 51 percent in FY 2006 to 57 percent in FY 2008.

The reform process sought to maximize the use of account authorities in support of effective implementation of foreign assistance programs. In congruence with this principle, DA was prioritized to Developing and Transforming countries (at 57 percent), with the goal of directing DA to poor countries demonstrating performance. ESF is focused on economic support under special economic, political, or security conditions. ESF, therefore, was prioritized to support activities for countries in the Rebuilding, Developing and Restrictive categories, even when some of those are development activities.

U.S. Emergency Refugee and Migration Assistance Fund

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
U.S. Emergency Refugee and Migration Assistance Fund	29,700	30,000	55,000

A request for **\$55 million** in FY 2008 will ensure readiness to respond to future urgent and unexpected refugee and migration needs. There was a high demand for ERMA funds in FY 2006, and anticipated high demands in FY 2007. Without replenishment, the Administration expects this account to be fully drawn down by the start of FY 2008.

Foreign Military Financing

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Foreign Military Financing	4,464,900	4,454,900	4,536,000

The Administration requests **\$4.54 billion** for Foreign Military Financing (FMF) in FY 2008 to provide articles and services to support coalition partners and states critical to the Global War on Terror. This program serves to strengthen the security of the United States and to promote peace in general. FMF is allocated strategically within regions with the largest proportion (54%) directed to our sustaining partners and a significant proportion (41%) to developing countries to support their advancement to the transforming category.

FMF funding snapshot (For a complete list of all programs funded under this account, please refer to the tables at the back of this volume.)

- **\$3.9 billion** for the Near East region, to include **\$2.4 billion** for Israel; **\$1.3 billion** for Egypt to foster a modern, well-trained Egyptian military; and **\$200 million** to support Jordan's force modernization, border surveillance and counterterrorism efforts.
- **\$300.0 million** to support the armed forces of Pakistan, to include equipment and training to enhance its counterterrorism capabilities and provide for its defense needs.
- **\$129.3 million** for ongoing efforts to incorporate the most recent NATO members into the Alliance, support prospective NATO members and coalition partners, and assist critical coalition partners in Iraq and Afghanistan.
- **\$78.0 million** for operational support and specialized equipment to the Colombian armed forces, focusing on specialized and mobile units of the Colombian Army.
- **\$43.5 million** for FMF administrative costs.
- **\$27.2 million** for Poland to maximize Poland's capability to deploy and sustain professional forces in close support of U.S. security operations.
- **\$18.4 million** for Romania to assistance in the continued integration into NATO, expand its capabilities, and support continued contributions to NATO and coalition operations, including in Iraq and Afghanistan.
- **\$15.7 million** for Indonesia to promote defense reform and to improve maritime security, counterterrorism, mobility, and disaster relief capabilities.

Statement of Changes

The FY 2008 FMF request is overall a slight increase from FY 2006 levels. The increases are reflected in Israel, Egypt, Lebanon, Bulgaria, Romania, and Indonesia, and are consistent with requesting the funds necessary to fight the Global War on Terror and to secure Middle East peace.

Global HIV/AIDS Initiative

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Global HIV/AIDS Initiative	1,975,050	1,852,525	4,150,000

The Administration requests **\$4.15 billion** for the Global HIV/AIDS Initiative (GHAI) account. GHAI is the largest source of funding for the President’s Emergency Plan for AIDS Relief (the Emergency Plan). The Emergency Plan’s vision is to help turn the tide against this global pandemic. The request includes funding for country-based activities, centrally-funded programs, international partners, technical oversight and management, and strategic information and evaluation activities.

GHAI funding snapshot (For a complete list of all programs funded under this account, please refer to the tables at the back of this volume.)

- **\$3.6 billion** to expand integrated prevention, care, and treatment programs in 15 focus countries, consisting of Botswana, Côte d’Ivoire, Ethiopia, Guyana, Haiti, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, Vietnam, and Zambia. An additional **\$50.0 million** will be used to fund HIV/AIDS activities in other countries, complementing funds provided primarily from CSH and other USAID-managed accounts, and the U.S. Department of Health and Human Services accounts.
- **\$363.0 million** to support centrally-funded technical leadership and assistance activities in a variety of program areas including the following: anti-retroviral therapy, safe medical injections, safe blood supply, orphans and vulnerable children, abstinence and faithfulness, human capacity development, twinning of U.S. and overseas institutions, and supply chain management.
- **\$61.0 million** for technical oversight and management costs, including funding for salaries and travel costs associated with program oversight, management and implementation.
- **\$36.0 million** for Strategic Information activities that monitor program performance, track progress toward goals, and evaluate the efficacy of interventions.
- **\$27.0 million** for a contribution to UNAIDS. (Separate from this request, \$300 million is requested within the Department of Health and Human Services’ National Institutes of Health budget for a contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria.)
- **\$13.0 million** for management and administration of the Office of the Global AIDS Coordinator

Statement of Changes

The FY 2008 GHAI request reflects an increase of \$2.18 billion, or 110 percent, over the FY 2006 enacted level of \$1.98 billion. With FY 2008 being the last year of the initial phase of the Emergency Plan, the significant increase is required for the final push to meet the treatment and prevention goals in the focus countries. The increase will capitalize on the programmatic successes of prevention, care, and treatment activities in the 15 focus countries.

International Disaster and Famine Assistance

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
International Disaster and Famine Assistance	361,350	348,800	297,300

The FY 2008 request of **\$297.3 million** will provide funds for the management of humanitarian relief, rehabilitation and reconstruction assistance to countries affected by natural and man-made disasters, and support for disaster mitigation, prevention, and preparedness. The request funds the purchase of commodities including temporary shelter; blankets; supplementary food; potable water; medical supplies; and agricultural rehabilitation aid, including seeds and hand tools.

Approximately **\$113.5 million** of the FY 2008 IDFA funding request is currently planned to meet humanitarian and post-conflict needs in Sudan.

Statement of Changes

The signing of three peace agreements in Sudan promises a gradual transition of the country from a state of crisis to reconstruction. Congruent with anticipated progress, \$50.0 million of Sudan's programs previously funded through the IDFA account are requested in the ESF account in FY 2008.

International Military Education and Training

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
International Military Education and Training	85,877	85,237	89,500

The Administration requests **\$89.5 million** for IMET for FY 2008. The IMET program addresses U.S. peace and security challenges by strengthening military alliances around the globe and building a robust international coalition to fight the Global War on Terror. IMET increases the capability of countries to cooperate with the U.S. and its allies by developing professional militaries and exposes foreign military and civilian personnel to democratic values and human rights. As such, IMET programs are focused in both Sustaining Partnership and Developing countries to build and maintain strategic security partnerships and strengthen political rights.

IMET funding snapshot (For a complete list of all programs funded under this account, please refer to the tables at the back of this volume.)

- **\$26.0 million** for new NATO members and major coalition partners, in order to promote regional security and integration among U.S., NATO, and European armed forces. Funds also support a new IMET program for Kosovo, a country whose continued stability is key to the region.
- **\$15.7 million** for programs in the Near East region, with a focus on Jordan, Iraq, Egypt, Morocco, Tunisia, Lebanon and Oman. New IMET programs will be launched in Sustaining Partnership countries, the United Arab Emirates and Qatar.
- **\$13.7 million** for programs in Africa, including **\$1.5 million** to restart IMET programs in Kenya and South Africa, states critical to long term regional peace and stability.
- **\$12.0 million** for IMET programs across the Western Hemisphere, to include **\$1.7 million** for El Salvador, **\$1.5 million** for Colombia and **\$2.8 million** for Argentina, Dominican Republic, and Honduras.

Statement of Changes

The FY 2008 IMET request represents an overall increase from FY 2006 levels, with a particular increase in allocations to rebuilding countries, e.g. Afghanistan, Sudan, Liberia, Kosovo and new requests for key countries including Iraq, Kenya, South Africa, and Libya. Increases and decreases in other countries are based on the projected student training requirements and available schoolhouse quotas.

International Narcotics Control and Law Enforcement (INCLE)

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
International Narcotics Control and Law Enforcement	472,428	703,600	634,600

The FY 2008 request of **\$634.6 million** for the International Narcotics Control and Law Enforcement (INCLE) account supports country and global programs that are critical to secure the U.S. and its allies against terrorist networks in the illegal drug trade and international criminal enterprises. Programs supported with INCLE funds seek to close the gap between law enforcement jurisdictions and to strengthen law enforcement institutions that are weak or corrupt.

INCLE funds are focused in Rebuilding countries where security situations are most dire and where U.S. resources are used in tandem with host country government strategies in order to maximize impact. Resources are also focused in countries that have specific challenges to overcome to establish a secure, stable environment.

INCLE funding snapshot (For a complete list of all programs funded under this account, please refer to the tables at the back of this volume.)

- Afghanistan -- **\$274.8 million** to expand three major programs: law enforcement, counternarcotics and justice sector reform.
- Iraq -- **\$75.8 million** to support programs in: development of the criminal justice system, public integrity, justice and rule of law, as well as administrative oversight.
- Africa -- **\$34.2 million** to support the Comprehensive Peace Agreement in Sudan, provide technical assistance for the Liberian police and support programs providing technical assistance, equipment and training throughout the region.
- Pakistan -- **\$32.0 million** to continue projects and activities in border security, law enforcement development, and counternarcotics.
- Mexico -- **\$27.8 million** to support homeland/border security, counternarcotics, and institutional development.
- East Asia and Pacific -- **\$18.2 million** to continue to support the development of the Indonesian National Police, crop control and demand reduction programs in Laos; technical and training assistance in the Philippines and Thailand; counternarcotics training in border control and drug interception in Vietnam; and law enforcement and counternarcotics development programs in Cambodia, East Timor and Mongolia.
- Global Programs -- **\$131.1 million** to counter transnational crime and law enforcement and counternarcotics challenges. Some of the specific components include:

- Inter-regional Aviation Support -- **\$60.1 million** to provide core services associated with support functions centered at Patrick Air Force Base necessary to operate a fleet of 189 fixed- and rotary-wing aircraft, which support counternarcotics aviation and border security operations.
- International Law Enforcement Academy -- **\$16.5 million** to continue to fully support existing ILEAs in Bangkok, Budapest, Gaborone, Roswell, and the newest ILEA in San Salvador.
- Anti-Crime Programs -- **\$14.0 million** for programs focused on anticorruption; crimes involving information technology; financial crimes and money laundering; alien smuggling; and border security.

Statement of Changes

The FY 2008 request for INCLE represents a 46 percent increase over the FY 2006 request. Funding increases are attributable to ramped-up programs in Afghanistan and inclusion of funds for Iraq in the base budget for the first time.

Migration and Refugee Assistance

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Migration and Refugee Assistance	783,090	750,206	773,500

The FY 2008 request of **\$773.5 million** provides resources to respond to the projected humanitarian needs of refugees and conflict victims worldwide. Funding will be provided to international organizations as well as to non-governmental organizations filling critical gaps in the international community's multilateral response to humanitarian needs overseas and resettling refugees in the United States. These funds support programs to protect refugees and conflict victims; address basic needs to sustain life and health; resolve refugee problems through voluntary repatriation, local integration, or permanent resettlement in a third country; and foster the humane and effective management of international migration flows.

MRA funding snapshot (For a complete list of all programs funded under this account, please refer to the tables at the back of this volume.)

- Overseas Assistance -- **\$497.6 million** for international efforts to protect refugees and conflict victims worldwide, including programs that guard against the exploitation of beneficiaries of humanitarian assistance, the provision of the basic needs to sustain their life and health, and the resolution of refugee situations through durable solutions.
- Refugee Admissions -- **\$213.4 million** for the Administration's continued commitment to a robust U.S. resettlement program. Funding levels reflect higher admissions' targets and the increased costs of admitting refugees to the United States.
- Humanitarian Migrants to Israel -- **\$40.0 million** for continued longstanding USG support for relocation and integration of Jewish migrants to Israel.
- Administrative expenses -- **\$22.5 million** for the Bureau of Population, Refugees, and Migration to manage effectively and responsibly humanitarian programs funded through the MRA and ERMA appropriations.

Statement of Changes

The FY 2008 MRA request of \$773.5 million is essentially a straightline of the \$783.1 million appropriated in FY 2006. It continues the USG's support for critical humanitarian assistance programs for refugees and conflict victims worldwide with priority placed on refugee resettlement – a program whereby the United States offers refugees a durable solution by offering them a permanent opportunity to resettle in the United States.

Nonproliferation, Anti-terrorism, Demining, and Related Programs

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Nonproliferation, Anti-terrorism, Demining, and Related Programs	405,999	392,821	464,000

The FY 2008 NADR request for this account totals **\$464 million**, comprised of nonproliferation activities, antiterrorism programs, and regional stability and humanitarian activities. The NADR account provides resources to support critical security and humanitarian-related priority interventions.

NADR funding snapshot (For a complete list of all programs funded under this account, please refer to the tables at the back of this volume.)

Non-proliferation activities -- \$192.8 million

- **\$53.5 million** for Global Threat Reduction Program (formerly the Nonproliferation of WMD Expertise program) to support specialized programs aimed at reducing the threat of terrorist or proliferant state acquisition of WMD materials, equipment, and expertise.
- **\$50.0 million** for voluntary contributions to the International Atomic Energy Agency to support programs in nuclear safeguards, safety, and security.
- **\$41.3 million** for the global Export Control and Related Border Security program, which is designed to help prevent and interdict the proliferation of WMD, missile delivery systems, and advanced conventional weapons.
- **\$30.0 million** for the Nonproliferation and Disarmament Fund to halt the proliferation of weapons of mass destruction (WMD), their delivery systems, and advanced conventional weapons systems, with particular emphasis on denying such weapons to terrorists. Funds also support the destruction of existing weapons.
- **\$18.0 million** for the Comprehensive Nuclear-Test-Ban Preparatory Commission to pay the U.S. share for the ongoing development and implementation of the International Monitoring System.

Anti-Terrorism Programs -- \$150.0 million

- **\$124.3 million** for the Anti-Terrorism Assistance program to support the global campaign against terrorism by providing strategic, operational, and technical training and equipment. The FY 2008 request includes new in-country programs in Iraq and continues funding for programs in Afghanistan, Pakistan, Indonesia, Kenya, the Philippines and Colombia.
- **\$18.3 million** to expand and strengthen the Terrorist Interdiction Program (TIP) in highest priority countries such as Iraq, Afghanistan, Pakistan, Yemen and Kenya.

Regional Stability and Humanitarian Assistance -- \$121.2 million

- **\$66.5 million** for the Humanitarian Demining program, which supports a range of humanitarian mine action (HMA) initiatives, such as landmine and unexploded ordnance clearance, landmine surveys, and mine-risk education.
- **\$44.7 million** to support the Small Arms/Light Weapons Destruction initiative, designed to eliminate excess, loosely secured, or other at-risk small arms and light weapons worldwide, including Man Portable Air Defense Systems (MANPADS).
- **\$10.0 million** to support the International Trust Fund (ITF) for Demining and Mine Victims' Assistance in South East Europe to conduct a broad range of mine action initiatives.

Statement of Changes

Overall, the FY 2008 NADR request represents a 14 percent increase from FY 2006 levels. This includes a \$12.9 million increase to TIP to support program expansion and strengthening within the highest priority countries. TIP strives to derail terrorist international travel by providing select countries with a computer network enabling immigration and border control officials to quickly identify suspect persons attempting to enter or leave the country. \$11.0 million in increased funding to the Humanitarian Demining Program continues the Administration's commitment to initiate, sustain, or expand U.S. HMA efforts in some 15 countries across the globe. Also included is \$36.0 million in increased funding to support initiatives to counter the proliferation of MANPADS, including stockpile security and destruction. Destruction of these and other light weapons contributes to U.S. force protection and regional security efforts by helping to prevent the spread of illicit weapons to insurgent groups and terrorist organizations. Destruction of MANPADS, a weapon sought after and used by terrorist groups, will be the priority in FY 2008.

Peacekeeping Operations

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Peacekeeping Operations	173,250	170,000	221,200

The FY 2008 request of **\$221.2 million** in PKO is intended to advance international support for voluntary multi-national efforts, including support for international missions and U.S. conflict prevention activities. PKO funding provides the security assistance to help curtail conflict, enhancing states' ability to meet basic human needs and to progress in governance, investing in people, and economic growth. To maximize the U.S. investment, these funds promote involvement of regional organizations and help leverage support for multi-national efforts where no formal cost-sharing mechanisms exist.

PKO funding snapshot (For a complete list of all programs funded under this account, please refer to the tables at the back of this volume.)

- **\$95.2 million** to foster the Presidential *Global Peace Operations Initiative*, which in FY 2008 will include training over 14,000 troops. This program incorporates the *African Contingency Operations Training and Assistance* program, and the *Enhanced International Peacekeeping Capabilities (EIPC)* program, previously funded under the FMF account.
- **\$63.7 million** to continue efforts to transform the Southern Sudanese, Liberian, and the Democratic Republic of Congo militaries into professional armed forces, capable of maintaining national peace and security.
- **\$21.0 million** to continue the U.S. contribution to the *Multinational Force and Observers* mission in the Sinai.
- **\$10.0 million** to continue support for the *Trans-Sahara Counter-terrorism Partnership (TSCTP)*, a multi-disciplinary initiative designed to counter terrorist threats, promote interoperability and facilitate coordination between countries in the region.

Statement of Changes

The FY 2008 PKO request represents a 28 percent increase from FY 2006 levels. This increase reflects new funding for programs such as TSCTP, and a shift of funding for programs that were previously funded from the FMF account. Additionally, funds are requested for multi-lateral peacekeeping and regional stability operations in Somalia and security sector reform.

P.L. 480 - Title II

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
P.L. 480 - Title II	1,138,500	1,223,100	1,219,400

The FY 2008 request for Title II Food Aid is **\$1.22 billion**. Title II Food Aid of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) is requested by the Department of Agriculture and administered by USAID.

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

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

Statement of Changes

The request represents an increase of seven percent from \$1.14 billion in FY 2006. In addition, within the account the Administration strategically shifted resources to prioritize the most food insecure countries using established criteria including poverty and malnutrition indicators.

The request includes authority to use up to 25 percent of the Title II funds for the local or regional purchase and distribution of food to assist people threatened by a food crisis. In particular, the language is intended to authorize the Administrator of USAID, when deemed appropriate, to procure food locally or regionally from developing countries and to distribute such food in response to a food crisis. This authority will be used to save more lives by decreasing the time and cost of providing food in the most critical emergency food crises.

Transition Initiatives

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Transition Initiatives	39,600	40,000	37,200

The FY 2008 request of **\$37.2 million** for the Transition Initiatives account will be used to address the opportunities and challenges facing conflict-prone countries and those making the transition from initial crisis stage of a complex emergency to the path of sustainable development and democracy.

TI funds are focused on advancing peace and stability. Examples include: support for demobilization and re-integration of ex-combatants; community self-help programs; grass-roots democratic media programs; and conflict resolution measures.

USAID Operating Expenses

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
USAID Operating Expenses	623,700	641,000	609,000

For FY 2008, the Administration is requesting **\$609 million** for USAID Operating Expenses (OE) to fund the administrative costs of managing Agency programs. The USAID OE budget covers salaries and benefits, overseas and Washington operations, and central support, which includes human capital initiatives, security, and information technology. In addition, the Agency expects to have \$49.1 million in other funding sources, including carry-forward, trust funds, and special authorities.

The Agency is looking carefully at the composition of its workforce, training, and hiring practices in order to maximize its ability to achieving the transformational diplomacy goal. FY 2008 funds will cover salaries, building costs, and other expenses commensurate with meeting this challenge. Additionally, it is anticipated that in FY 2008 there will be requirements above the Agency's basic operations that will be covered by reallocation within the request level. Some examples are:

- Sudan mission operations
- Consolidation of overseas administrative services with the Department of State

OE funding snapshot (including carry-over)

- **\$339.3 million** for overseas operations will fund USDH salaries and benefits (\$126.3 million) for approximately 700 Foreign Service Officers serving overseas and other costs associated with maintaining mission operations including travel, office space, security, and residences for expatriate personnel.
- **\$198.6 million** for Washington operations will fund U.S. Direct Hire (USDH) salaries and benefits (\$172.4 million), for approximately 1,580 General Service and Foreign Service employees, general office support, and advisory and assistance services.
- **\$120.0 million** will provide funding for information technology, office space in the Ronald Reagan Building and other mandatory services and costs of the Agency.

Statement of Changes

The OE request level reflects a 15 percent cut from the FY 2006 estimate, not including supplemental funding. USAID plans to operate within this lower level by undertaking institutional reforms to streamline the Agency and improve the efficiency and effectiveness of supporting the delivery of foreign assistance. OE is being requested in the FY 2007 supplemental and in the FY 2008 GWOT Emergency funding for Iraq and Afghanistan (explained in separate narratives, specific to emergency funding).

USAID Capital Investment Fund

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
USAID Capital Investment Fund	69,300	75,942	126,000

For FY 2008, the Administration requests **\$126 million** in no-year funding for the Capital Investment Fund (CIF) to provide USAID to manage investments in information technology and facility construction. CIF provides funding for the capital investment portion of both information technology and facility construction while the USAID Operating Expense account funds the annual operating and maintenance costs of information systems and facilities infrastructure.

USAID CIF funding snapshot

- **\$99.5 million** for facility construction to fund USAID’s participation in the Capital Security Cost Sharing Program (CSCS). The Secure Embassy Construction and Counterterrorism Act of 1999 requires USAID to co-locate on new embassy compounds. These funds will support USAID’s ability to move into facilities that meet standards for physical security.
- **\$26.5 million** for information technology to modernize antiquated software systems and invest in the integration of financial systems with State, improve the procurement process, participate in e-government initiatives, and improve the Agency’s reporting systems. These investments support Presidential Management Agenda initiatives, Agency transformation goals, congressional recommendations, and the efficiency of Agency staff.

Statement of Changes

The CIF request reflects an 82 percent increase from FY 2006 to cover USAID’s full cost of participation in the CSCS program. FY 2008 is the fourth year of the five year phase-in period for financing the CSCS program. During the phase-in period, the cost of participation increases annually.

USAID Foreign Service Retirement and Disability Fund

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
USAID Foreign Service Retirement and Disability Fund	42,000	38,700	36,400

In FY 1974, amendments to the Foreign Assistance Act of 1961, as amended, permitted USAID career Foreign Service employees to become participants in the Foreign Service Retirement and Disability Fund.

The extension of coverage to USAID employees created an unfunded liability in the system. An actuarial determination by the Department of the Treasury shows that \$36,400,000 will be required in FY 2008 to amortize this liability and the unfunded liability created by pay raises and benefit changes since FY 1974. For FY 2008, USAID is requesting an appropriation of this amount.

USAID Inspector General Operating Expenses

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
USAID Inspector General Operating Expenses	35,640	37,915	38,000

The FY 2008 request of **\$38.0 million** for the USAID Office of the Inspector General (OIG) funds salaries and benefits for Washington and overseas staff and operating expenses which support audit and investigative coverage of USAID programs and activities.

The OIG assists USAID in implementing its programs by providing the Agency with information and recommendations to improve program and operational performance. The OIG also works with USAID to protect and maintain the integrity of the Agency and its programs.

FY 2007 Global War on Terror (GWOT) Supplemental

The FY 2007 supplemental request totals **\$4.81 billion** in the following accounts.

Assistance for Eastern Europe and the Baltic States (SEED)

Kosovo - The **\$279 million** FY 2007 supplemental request will support the outcome of the political process under the auspices of UN Special Envoy Martti Ahtisaari to determine Kosovo's status. As settlement, expected to be completed early this year, will fall outside of the normal budget process, we are requesting significant resources to support the outcome. Immediate needs for Kosovo's future growth and stability will include building government sector capacity, solidifying the rule of law, and developing much-needed infrastructure. Funds may also be used to cover the operational and staffing costs of U.S. participation in the International Civilian Office, which will oversee implementation of the civilian aspects of the settlement; possible participation in the EU-led civilian rule of law mission in Kosovo; and a contribution to reduce any share of Serbia's international debt that Kosovo may inherit.

Together these efforts will support implementation of the standards, promote economic and democratic development in Kosovo, and help stabilize the region. The European Union and IFIs would, however, bear the brunt of these costs, which could be as high as \$2 billion. "Frontloading" of U.S. assistance immediately post-status through an FY 2007 supplemental will promote stability and economic growth, enable quicker reduction of U.S. troop presence in Kosovo, prevent additional debt-service costs, and leverage greater contributions from other donors.

Child Survival and Health Programs (CSH)

Avian Influenza – The President requests **\$161 million** to be able to maintain and expand its efforts to stop the spread of the avian flu virus and pre-empt the emergence of a virus capable of causing a global influenza pandemic. The success of USAID's efforts over the past year has been closely linked to the rapid commitment and obligation of available funds in support of emergency field operations. At current expenditure-rates, USAID expects AI funds will be fully spent by the summer of 2007.

Recent events have highlighted the need for the earliest possible receipt of emergency supplemental for avian influenza. Over the past 5 weeks outbreaks of avian influenza involving both poultry and humans have been reported in a dozen countries spanning Asia, Europe and Africa, with new mutations reported in countries as dispersed as Egypt and Indonesia signaling that the virus continues to change rapidly. The threat posed by the avian influenza virus is expected to continue to increase in the coming months. This recent surge in reported AI outbreaks is consistent with the seasonal surge reported during the first six months of 2006 when the H5N1 virus spread with unexpected speed across 53 countries.

International Disaster and Famine Assistance (IDFA)

The IDFA supplemental request of **\$105 million** includes funding for the following programs:

Sudan - The request for **\$40 million** in FY 2007 supplemental funding will ensure the USG's continued ability to provide humanitarian assistance to 1.9 million internally displaced persons (IDPs) and host communities in the more than 60 IDP camps in which we work. The funding would allow the USG expand access to communities and remote and rural areas, security permitting, laying the

foundation for returns. The funding would also build upon nascent efforts at conflict mitigation among critical groups, including nomads and pastoralists. Key sectors to be targeted include health, water and sanitation, food security, which includes agricultural and livestock requirements, relief commodities, logistics and transport of humanitarian goods and partners, and shelter and livelihoods support (such as fuel efficient stoves which also protect women from Sexual and Gender-Based Violence (SGBV), and shelter needs in Darfur). A small portion of the funding would support relief needs of host communities of Darfurian refugees and the increasing number of IDPs in Eastern Chad. These non-food humanitarian projects have proven essential to mitigating tension and conflict between Darfurian refugees and host Chadian communities.

Other -This request provides **\$65 million** to carry out unanticipated humanitarian assistance activities or to replenish costs incurred as a result of the humanitarian crises in Iraq and Somalia. The request includes funds for continued support for humanitarian needs of persons affected by the violence in Iraq, and to meet emergency needs arising from the current humanitarian crisis in Somalia.

The request would support expansion of the current IDP response in Iraq, to meet the needs of an increased number of beneficiaries. Although the recent intensification of conflict in Somalia has not resulted in an immediate escalation of humanitarian needs, substantial emergency needs exist as a result of over a decade of repeated. Currently, more than 1.8 million vulnerable Somalis are without consistent access to basic health, nutrition, water, or sanitation services. In order to support the stabilization of the country, Somalis must have access to basic services, which is currently constrained by insecurity and a lack of access.

Economic Support Funds (ESF)

The request of **\$3.025 billion** additional ESF includes funds for the following programs:

Iraq – The **\$2.072 billion** FY 2007 supplemental request will go to support programs that contribute to security, economic, and political stability. In the security area, \$1.254 billion will support programs coordinated through Provincial Reconstruction Teams (PRTs) which will both improve the capacity of local Iraqi governments and will improve prosperity and stability at the local level, reinforcing security initiatives carried out by the military. Funding will also support Community Stabilization (CSP) and Community Action Programs (CAP), which are vital for counterinsurgency operations by providing funding for rehabilitation of community infrastructure, employment generation and financial support for local businesses. In the economic area, \$100 million will be provided to advance reforms in agriculture and the private sector that are critical to job creation. In the political area, \$718 million will support critical programs for Ministerial Capacity Development, Policy and Regulatory Reforms, and Democracy and Civil Society.

Lebanon – The FY 2007 supplement request is **\$300 million**. Working with the IMF, the Government of Lebanon is launching an ambitious economic reform agenda. The U.S. intends to support this agenda with direct budget support to the Siniora Government conditioned on achievement of select reforms. Our focus on economic stabilization and fiscal responsibility on the part of the Lebanese Government is intended not only to enhance the Government’s credibility in the eyes of its people and the international community, but to lay the groundwork for long-term political stability and economic opportunity for the Lebanese people. The USG will also continue to support the post-conflict reconstruction of Lebanon and will work with the Government of Lebanon and the international community to identify how the USG might best contribute to that effort.

Afghanistan – The FY 2007 Supplemental request of **\$653 million** funds those reconstruction efforts that are critical elements of our strategy to achieve security and development in Afghanistan.

Supplemental funding primarily focuses on expanding reconstruction efforts in provinces that have been targeted by Taliban and other insurgents. These efforts include accelerating power supply distribution, building high priority roads in Afghanistan's south and southeastern regions, expanding rural development programs, and strengthening governance in targeted provinces. The FY 2007 Supplemental funds will support the Northeastern Power System, an effort to supply Kabul and Afghanistan's northern cities with both local and imported powers, and thereby reduce the U.S. funding spent on expensive, short-term diesel fuel purchases. Funding for roads will support road segments that are of strategic military importance and will connect District Centers, key outposts of Afghanistan's central and provincial government in the rural hinterlands, with provincial capitals in the country's southern and eastern provinces.

In addition, the Supplemental will support a critical expansion of alternative economic development initiatives into un-served areas with the potential for increased poppy cultivation. Creating and sustaining improved livelihoods, particularly in rural areas, is a key pillar in the counter-narcotics strategy of the Governments of Afghanistan and the United States. The Supplemental will also permit the necessary deepening and diversification of U.S. efforts to strengthen provincial governance. As the post-Bonn center of gravity for reconstruction and developments shifts from Kabul to the provinces, Provincial Reconstruction Teams are more vital than ever as a primary tool to strengthen provincial governance and thus support transformational diplomacy and development. Support will include infrastructure, tools, and training to help build responsive, sub-national governance.

Activities will be concentrated in the south and east in support of counterinsurgency efforts. Near-term funding is critical to tip the balance of Afghan support for democratic governance so that reconstruction and development programs can successfully serve as incentives for peace and reconciliation and thus rob the Taliban and others of the critical support necessary for the continuance of the insurgency and ability to further destabilize the southern and eastern region of Afghanistan.

Foreign Military Financing (FMF)

Lebanon -- The request for **\$220 million** will help to ensure the success of Nations Security Council Resolution 1701, which relies in part on the performance of the Lebanese Armed Forces (LAF), a multi-confessional, highly motivated, but drastically under-equipped force. Working with the international community, the U.S. will assist in meeting these needs, in particular in training and equipping the LAF.

Treasury International Affairs Technical Assistance (TIATA)

Department of Treasury Office of Technical Assistance -- The **\$2.75 million** request is to enable Treasury's Office of Technical Assistance to deepen its engagement with the Government of Iraq (GOI). Based on new requirements and requests from the GOI, the funding will enable the U.S. to field new advisors including expanded assistance to the Central bank on banking law, and the Ministry of Finance on budget execution. The funds will also permit the creation of a new program with the Iraq Council of Representatives on budget and financial matters. Finally, the funding will enable the U.S. to participate in a new, innovative, and multilateral approach to public financial management training in partnership with the World Bank.

International Narcotics Control and Law Enforcement (INCLE)

The supplemental request of **\$260 million** includes funds for the following programs.

Iraq – The FY 2007 supplemental request for **\$200 million** will strengthen judicial processes and criminal justice required to stabilize Iraq, and allow funding of the most critical elements of development of the criminal justice system, anti-corruption, and corrections capacities, through training, technical assistance, equipment, infrastructure improvements, security enhancements, and prison construction. The overarching strategy to which this funding will contribute is to help build a criminal justice system that is sufficiently fair and effective that Iraqi citizens will trust in and turn to government institutions, not violent militias and other forms of “alternative justice,” to resolve disputes.

Rule of law: Supplemental funding will focus on the most pressing priorities essential to both the success of the new Baghdad Security Plan and the longer-term goals of helping build a democratic society based on the rule of law. Those priorities include (1) judicial and court security - protecting judges, witnesses, court staff, and court facilities so that court proceedings can take place in an environment relative free from intimidation; (2) training and mentoring judges, prosecutors, and judicial investigators in the legal matters and skills necessary to process criminal cases fairly and efficiently; (3) integrating the various components of the judicial system so that defendants do not fall through the cracks – guilty persons are not erroneously released and the innocent are not erroneously detained; and (4) supporting anticorruption efforts so as to enhance citizens’ trust in their government and accountability on the part of that government.

Corrections: Funds will be used to address capacity issues, overcrowding and human rights concerns within Iraq’s jail and prison systems. Specifically, it will fund construction of additional jail/prison beds and provision of technical assistance to the Iraqi Corrections Service (ICS), including to support the expansion of the service as it takes over pre-trial detention responsibilities from the Ministry of Interior and new prison space comes on line.

Lebanon – The FY 2007 supplemental request of **\$60 million** will support the Internal Security Forces (ISF), a force that will play a critical role in support of implementation of UNSCRs 1559 and 1701. In particular, the Internal Security Force has assumed responsibility for guarding Lebanon’s ports, airports, and borders as well as fulfilling a traditional counterterrorism role. The ISF’s capability to undertake these critical missions is woefully inadequate. The force is expanding quickly, but new personnel urgently require training and personal equipment, including uniforms, body armor, personal weapons, communications equipment, vehicles and other items. The U.S. is developing a train and equip program to address the ISF’s critical needs. Assistance will also be required for the customs service to strengthen monitoring and interdiction capabilities, especially at ports of entry and land border crossings.

Migration and Refugee Assistance (MRA)

The 2007 request provides **\$71.5 million** for unforeseen refugee and migration emergencies in Burundi, the Democratic Republic of Congo, and to assist Iraqi refugees and conflict victims, and address the emergency needs of Palestinian refugees. The request would support ongoing repatriation efforts in DRC and Burundi that ramped up in FY 2006. There remain 370,000 Burundi refugees in Tanzania, and several thousand in Rwanda and the DRC. There are over 400,000 DRC refugees in neighboring countries and the peaceful, democratic transformation currently underway, elections in November 2006 paved the way for refugees to return to DRC in 2007. These return operations are critical to the lasting stability and recovery of both Burundi and the DRC.

Funds would support UNHCR, ICRC, and NGO requirements to assist Iraqi refugees in neighboring countries and conflict-affected populations in Iraq. This funding would support the estimated 1,800,000 Iraqi refugees living in increasingly deteriorating conditions in the region (especially

Jordan and Syria), and target extremely vulnerable Iraqis, particularly those who have recent left Iraq due to sectarian violence, by providing health, education, shelter, and protection from deportation. It would also permit quick impact projects throughout Iraq targeting those regions most affected by IDPs and communities hosting people displaced by conflict. Additional funding would maintain health assistance to refugee returnees in the south of Iraq.

With the humanitarian situation in Gaza and the West Bank on the decline and current prospects for progress on the political front slim, UNRWA will likely continue as our only channel of support in FY 2007 for Palestinian refugees, who constitute 70 percent of the population in Gaza and 30 percent in the West Bank. UNRWA's 2007 Emergency Appeal reflects growing humanitarian needs of Palestinian refugees in the West Bank and Gaza due to ongoing conflict and the Palestinian Authority's fiscal crisis.

Non-Proliferation, Anti-Terrorism, Demining and Related Programs (NADR)

The supplemental request of **\$27.5 million** includes funds for the following programs.

Iraq -- The **\$7 million** request in NADR will continue critical demining activities that protect lives in Iraq. All currently available funding has been obligated or disbursed.

Lebanon -- The request for **\$5.5 million** will support a terrorist interdiction program that would provide the Government of Lebanon with a capability to ensure adequate controls, particularly at key points of entry. The capacity to interdict the movement of terrorists into and out of Lebanon is essential to the success of United National Security Council Resolutions 1559 and 1701. A

Afghanistan -- The **\$15 million** FY 2007 request will address the funding gap in support for the Presidential Protection Service. U.S. equipment, training and mentoring is essential to build the capacity of Afghan security forces, enabling them to protect the Afghan leadership and contain terrorist elements.

Peacekeeping Operations (PKO)

The FY 2007 supplemental request of **\$278 million** includes funding for the following programs.

Sudan - The FY 2007 supplemental request of **\$150 million** will be used to support Darfur peacekeeping, including support for the African Union Mission in Sudan (AMIS). This support includes: construction and operations; and maintenance of base camps for AMIS troops; maintenance of vehicles and communications equipment; pre-deployment training and equipping for Rwandan and Senegalese troops in AMIS; strategic airlift of AMIS troops; provision of U.S. contract military observers to AMIS; and support for transition of AMIS to a United Nations peacekeeping force in Darfur. As part of this supplemental the Administration requests transfer authority from the Contributions for International Peacekeeping Activities (CIPA) account to the PKO account.

The FY 2007 supplemental request also includes **\$128 million** to support a number of anticipated new peacekeeping requirements in Africa. The humanitarian tragedy that continues to unfold in the Darfur region of Western Sudan has caused a severe spillover effect in Eastern Chad, with large numbers of Sudanese refugees coming across the border, destabilizing an already delicate situation between the Government of Chad (GOC) and several rebel groups operating in the region. This delicate situation is causing further spillover effect into Northern Central African Republic, threatening even wider conflict in the Central Africa region if action is not taken to stem the tide of violence and destabilization. The additional FY 2007 funds for peacekeeping operations will be

applied to stabilization operations and security sector reform. Funds will also be used to deploy a regional, African stabilization and peacekeeping force in Somalia that will provide a secure environment in which a political process can move forward and effective security institutions can be developed. In addition, support to and develop of nascent institutions serving Somali will provide an important peace dividend that will help our efforts to encourage inclusive political dialogue and reconciliation toward establishment of a legitimate, functioning government that will serve all Somalis.

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The FY 2007 supplemental request of **\$350 million** includes funding for the following programs.

Sudan – An additional **\$150 million** is needed to respond to Sudan and Eastern Chad in FY 2007. USAID will be able to meet 40% of this requirement from its core budget and \$75 million of the proposed supplemental request will allow us to reach the target of 50% of global needs for Sudan and Eastern Chad. An additional \$75 million will be required if increasing insecurity results in greater needs, as it already appears to have done in Eastern Chad, or rising redelivery costs, such as if aid agencies must use aircraft.

Emergencies – The request also includes **\$200 million** to meet other critical food situations elsewhere in the world. For example, inadequate rainfall during April and May 2006, especially in northern Afghanistan, has resulted in drought conditions and an increase in food aid requirements. In southern Africa, slow recovery after two droughts in the last five years, continuing deterioration of economic conditions in Zimbabwe, and the projected below-average upcoming rainy season are resulting in higher-than-expected food aid needs. Increasing displacement of Somalis within the country and to Kenya due to rising insecurity, coupled with slow recovery after several seasons of failed rains, has raised food aid needs significantly over levels previously anticipated in the Horn of Africa.

U.S Emergency and Refugee & Migration Assistance (ERMA)

The request provides **\$30 million** to address unanticipated emergency humanitarian needs in places such as Somalia, Chad, West Bank/Gaza, Iraq, and Sri Lanka. It would also support contingency planning for increased Darfur refugee outflows to Chad (up to 150,000 refugees and IDPs), which is appearing increasingly likely. The current ERMA balance is \$6.2 million, the lowest in more than a decade; that level is insufficient to respond to the likely level of requirements.

USAID Operating Expenses (USAID OE)

A supplemental request of **\$5.7 million** in USAID OE is required to fund the projected extraordinary security, personnel and other costs of operating the USAID's mission in Afghanistan in a deteriorating security environment.

International Broadcasting Operations (IBO)

The supplemental request includes **\$10.0 million** for the Middle East Broadcasting Networks. As part of the U.S. strategy to counter violent extremism, Alhurra will launch a signature three-hour daily television program. The new show will offer the means to set the agenda for news and information in the region, discussing compelling social issues and broadcasting investigative reports. Alhurra provides direct access to the hearts and minds of the people of the Middle East to inform a vast and critical audience about American policies, people, institutions, and perspectives.

FY 2008 Global War on Terror (GWOT) Emergency

The FY 2008 emergency request for Foreign Operations totals **\$1.37 billion** in the following accounts.

Economic Support Funds (ESF)

The **\$1.111 million** request for ESF includes funds for the following programs:

Iraq – The **\$772 million** request in ESF will support programs that contribute to security, economic, and political stability. In the security area, \$390 million will support programs coordinated through Provincial Reconstruction Teams (PRTs) to complete the transition to Iraq’s self-reliance. Funding will also support Community Stabilization (CSP) and Community Action Programs (CAP), which are vital for counterinsurgency operations by providing funding for rehabilitation of community infrastructure, employment generation and financial support for local businesses. In the economic area, \$134 million will fund programs that strengthen Iraqi operations and maintenance of USG-funded infrastructure. In the political area, \$248 million will support training and capacity development for key Iraqi ministries to execute their own budgets and perform critical functions for the Iraqi people. It will also fund programs to ensure that the former regime is held accountable for its crimes.

Afghanistan - \$339 million is requested to continue funding of critical reconstruction efforts that will contribute to efforts counter and prevent further insurgency. This request will meet critical infrastructure requirements for building and maintaining roads in the southern and eastern regions of Afghanistan and power plants and power distribution networks. These infrastructure efforts will help the Government of Afghanistan provide greatly needed services and opportunities for citizens in areas facing insurgent activity and would help prevent insurgents from crossing into Afghanistan from Pakistan.

International Narcotics Control and Law Enforcement (INCLE)

Iraq- The FY 2008 request of **\$159 million** will consolidate and expand the gains in human rights, anti-corruption and rule of law. This request would provide funding for Iraq to enable additional prison/jail bed construction to meet anticipated shortfalls, and further develop Iraqi criminal justice, corrections and anti-corruption entities, including by improving security and boosting technical skills/capacities and management.

Rule of law: We seek to support twin goals through our rule of law programs in Iraq: to help the Iraqis develop the institutional and societal frameworks on which the rule of law rests while on a priority basis addressing more immediate problems that impede the effective functioning of the justice system and thus undermine the confidence of the Iraqi people in their Government and their future. With FY08 Supplemental funding, we expect to continue Baghdad programs while expanding programs for judicial and court security, judicial capacity, justice integration, and anticorruption to the provinces.

Corrections: As Iraqi security forces’ capacities continue to improve, more criminals will be taken off the streets. We will use FY08 Supplemental funds to continue to expand the inmate capacity of Iraq’s already overcrowded jail and prison facilities and provide advisory support for the related continued expansion of the Iraqi Corrections Service.

Migration and Refugee Assistance (MRA)

In FY 2008, MRA funds for Iraq totaling **\$35 million** would support UNHCR, ICRC, and NGO requirements to assist Iraqi refugees in neighboring countries and conflict-affected populations in Iraq, including returns and reintegration-related activities. This funding would support the currently estimated 1,800,000 Iraqi refugees living in increasingly deteriorating conditions in the region (especially Jordan and Syria), and target extremely vulnerable Iraqis, particularly those who have left Iraq due to sectarian violence, by providing health, education and shelter and protection from deportation. It would also permit quick impact projects throughout Iraq targeting those regions most affected by IDPs and communities hosting people displaced by conflict. Additional funding would maintain health assistance to refugee returnees in the south of Iraq. Funding would build on previous support to increase UNHCR's capacity to refer vulnerable refugees to the U.S. refugee resettlement program.

USAID Operating Expenses (USAID OE)

The **\$61.8 million** request for USAID OE includes \$45.8 million to fund projected personnel and support costs in Iraq as well as Washington-based staff backstopping the Iraq Mission, and other operating costs including those associated with moving into the New Embassy Compound in Baghdad. The request also includes \$16 million to support the projected extraordinary security, personnel, including the International Cooperative Administrative Support System (ICASS), and other costs for operating the Mission in Afghanistan.

II. Independent Department and Agencies Bilateral Assistance

African Development Foundation

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
African Development Foundation	22,770	22,225	30,000

The President's request for **\$30.0 million** in FY 2008 for ADF will allow the Foundation to provide African small enterprises with the essential capital, technology, technical assistance, and training they need to grow, generate new jobs in Africa's poorest communities, and deliver significant increases in income to their employees and others involved in their production chain. The funding will also help farming groups and small businesses access the global economy by providing them with resources to diversify their production, create value-added products, satisfy international quality standards, and market their products to regional and overseas buyers.

The ADF will leverage its annual appropriation by securing approximately \$16 million in matching donations from African governments, other donor organizations, and the private sector.

Broadcasting Board of Governors

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
International Broadcasting Operations	633,257	636,060	618,777
Broadcasting to Cuba	-	-	38,700
Broadcasting Capital Improvements	10,754	7,624	10,748
Total, Broadcasting Board of Governors	644,011	643,684	668,225

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

International Broadcasting Operations (IBO)

The FY 2008 request provides **\$618.8 million** for International Broadcasting Operations. Through this account, the BBG funds operations of the Voice of America (VOA), Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), and Middle East Broadcasting Networks (including Alhurra, Alhurra-Iraq, Alhurra-Europe, and Radio Sawa), as well as related program delivery and support activities.

The FY 2008 budget establishes a 10-hour stream of VOA and RFA daily programming to North Korea, launches a daily three-hour live Alhurra television program produced and broadcast from the Middle East, continues the VOA Somali Service's 30-minute daily radio broadcast, and increases VOA Spanish programming to seven days a week.

In addition, the FY 2008 budget includes key initiatives proposed in FY 2007 to expand news coverage on Alhurra television and Radio Sawa, enhance VOA broadcasts to Venezuela, shift RFE/RL Russian radio broadcasting from shortwave radio transmission to more popular UKV frequencies in major cities, and add medium wave transmission for RFA programming to North Korea.

The FY 2008 budget focuses on specific audiences in North Korea, the Middle East, Somalia, and Cuba. Based on this strategy, the BBG is proposing to eliminate its broadcasts in Cantonese; reduce broadcasts in Uzbek, Ukrainian, Tibetan, Portuguese to Africa, Romanian, South Slavic languages, and Kazakh; and reduce the BBG transmission network and support functions. The FY 2008 budget also includes reductions proposed in FY 2007 to BBG broadcasts in Serbian, Albanian, Bosnian, Georgian, Macedonian, Hindi, Russian, English, Croatian, Greek, and Thai.

Broadcasting to Cuba (OCB)

The FY 2008 request provides **\$38.7 million** for Radio Marti and TV Marti broadcast operations to support current schedules and enhance Radio and Television Marti's reach into Cuba through improved transmission and program production. The FY 2008 budget includes on-going costs for operating the aircraft that are broadcasting Office of Cuba Broadcasting programming.

Funding for Broadcasting to Cuba was provided in the International Broadcasting Operations account in FY 2006 and FY 2007. In FY 2008, funding for Broadcasting to Cuba is requested as a separate account.

Broadcasting Capital Improvements (BCI)

The FY 2008 request provides **\$10.7 million** for Broadcasting Capital Improvements to maintain the BBG's worldwide transmission network, including the security of transmission facilities overseas. The FY 2008 budget also addresses the BBG's most critical equipment and infrastructure maintenance, replacement, and repair requirements.

Department of Agriculture

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
McGovern-Dole International Food for Education	99,000	98,260	100,000
Total, Department of Agriculture	99,000	98,260	100,000

The FY 2008 request for the McGovern-Dole International Food for Education and Child Nutrition Program Grants is **\$100 million**. The Department of Agriculture (USDA) administers this program. The FY 2006 program provided \$99 million for the donation of U.S. agricultural commodities and associated technical and financial assistance to carry out preschool and school feeding programs in 13 foreign countries in order to improve food security, reduce the incidence of hunger and malnutrition, and improve literacy and primary education. The program also supports maternal, infant, and child nutrition programs for pregnant women, nursing mothers, infants and children.

Department of the Treasury

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Treasury Technical Assistance	19,800	23,700	24,800
Debt Restructuring	64,350	20,000	207,300
Total, Department of the Treasury	84,150	43,700	232,100

Treasury Technical Assistance

The FY2008 request for Treasury International Affairs Technical Assistance (TIATA) is **\$24.8 million**. The program provides financial advisors to countries seeking assistance in implementing significant economic reforms, especially during critical periods of transition to market-based economies. The program supports economic policy and financial management reforms, focusing on the functional disciplines of budget, taxation, government debt, financial institutions, and financial enforcement.

In FY2008, it is estimated that \$7.37 million of the funds requested will be used by Treasury Technical Assistance to fund resident and short-term advisor projects with countries combating money laundering and terrorist finance activity. A large portion of the funds requested (36%) will be used for assistance programs in sub-Saharan Africa, supporting economic and financial reforms in countries receiving HIPC debt relief. Over 12% of the requested funds will be used to carry out projects in the Greater Middle East. The funds will also be utilized to begin two new high priority country engagements in Vietnam and India.

Debt Restructuring

The FY 2008 request is **\$207.3 million** for Heavily Indebted Poor Countries (HIPC) and poorest country debt reduction, HIPC Trust Fund, and Tropical Forest Conservation Act (TFCA) programs.

For the poorest countries with unsustainable debt, debt reduction provides an incentive to implement macroeconomic and structural reforms necessary for economic growth and also to free up resources for poverty reduction efforts. The bulk of the request will be needed to cover the cost of completing HIPC bilateral debt reduction for the Democratic Republic of the Congo.

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

Export-Import Bank

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Export-Import Bank of the United States	97,458	50,616	1,000

The FY 2008 request seeks **\$1.0 million** to support the expenses of the Inspector General. The FY 2008 Budget estimates that the Bank’s export credit support will total \$18.7 billion in lending activity, and will be funded entirely by receipts collected from the Bank’s customers. The Bank expects to collect \$146 million in receipts in excess of estimated losses in FY 2008. These receipts will be used to cover both the \$68 million for loan programs as well as the \$78 million for administrative expenses.

The Export-Import Bank of the United States is an independent executive agency and a wholly-owned U.S. Government corporation. Ex-Im Bank is the official export credit agency of the United States. Its mission is to support U.S. exports by providing export financing through its loan, guarantee, and insurance programs in cases where the private sector is unable or unwilling to provide financing or when such support is necessary to level the playing field due to financing provided by foreign governments to their exporters that are in competition for export sales with U.S. exporters. By facilitating the financing of U.S. exports, Ex-Im Bank helps companies create and maintain U.S. jobs. The Bank actively assists small and medium-sized businesses.

Foreign Claims Settlement Commission

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Foreign Claims Settlement Commission	1,303	1,417	1,684

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

The FY 2008 request of **\$1.7 million** will enable the Commission to continue this function, while also providing technical assistance to the Departments of State and the Treasury, other Federal agencies, and the public in connection with international and war claims programs.

Inter-American Foundation

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Inter-American Foundation	19,305	19,268	19,000

The FY 2008 request of **\$19 million** will fund the Inter-American Foundation's (IAF) mandate to support programs that promote entrepreneurship, self-reliance, and democratic self-governance as a way to foster economic progress for the poor. A focus on innovation drives the IAF's work in Latin America and the Caribbean, such as its pioneering efforts to work with migrant organizations to help channel some of the vast amounts of remittances that immigrants send home each year into development activities for their home communities. In FY 2008, the IAF will continue its implementation of Opportunity Zones, one of President Bush's mandates from the 2005 Summit of the Americas. This program encourages a combination of business ownership, local investment and civic partnerships to bring people out of poverty in targeted areas. In addition, the IAF will continue to support the economic development initiatives of indigenous peoples, persons with disabilities, as well as African-descendant communities, as part of its implementation of several Summit recommendations.

The IAF will continue to expand its innovative program involving a partnership with an expanding network of 60 Latin American corporations and corporate foundations. Participating corporate partners share criteria for funding and a results measurement system based on IAF's experience with grassroots development, and exceed IAF contributions by a ratio of 2:1 to support local development initiatives. In FY 2008, the IAF will again support the President's priorities in Latin America and the Caribbean to reduce poverty, strengthen local democratic practice, and stem the flow of illegal immigration.

International Trade Commission

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
International Trade Commission	61,951	62,575	67,100

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

The FY 2008 request of **\$67.1 million** for the ITC will fund activities related to these mandates.

Millennium Challenge Corporation

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Millennium Challenge Corporation	1,752,300	1,135,000	3,000,000

For FY 2008, the President's budget requests **\$3.0 billion** for the Millennium Challenge Corporation to continue to realize the President's vision of providing transformative assistance to those countries that govern justly, support economic freedom and invest in their people. The MCC budget request for FY 2008 is based on an estimate of the funds needed to conclude MCC Compacts with currently eligible countries that will be ready to enter into Compacts. MCC projects that it will sign additional Compacts with up to 6 countries in FY 2008 with a projected average Compact size of \$400 to \$500 million. MCC is intentionally increasing the average size of Compacts to support transformational growth and poverty reduction in our partner countries. Up to 25 percent of the appropriation will be used for Compacts with lower middle income countries (LMICs) in keeping with MCC's legislation. MCC legislation allowed for the consideration of LMICs for the first time in FY 2006.

MCC has signed Compacts to date with 11 partner countries: *Armenia, Benin, Cape Verde, El Salvador, Georgia, Ghana, Honduras, Madagascar, Mali, Nicaragua, and Vanuatu*. Six of these 11 Compacts were signed during FY 2006 and the first quarter of FY 2007 (Armenia, Benin, El Salvador, Ghana, Mali, and Vanuatu). MCC has awarded \$3 billion to Compact countries to address various barriers to poverty reduction and economic growth. These Compacts create plans of action for communities to reduce poverty. By the end of FY 2007, MCC expects to have Compacts signed with a total of 15 to 16 countries leaving an additional 9-10 countries in the pipeline. Disbursements will also begin to increase more rapidly in FY 2007 and even more so in FY 2008 as signed compacts move beyond the initial stages of implementation.

MCC will allocate up to 10 percent of its FY 2008 appropriation for countries deemed eligible for Threshold Program assistance. Twenty countries in total have been selected by the MCC Board as eligible for Threshold Program assistance during the past four annual selection cycles, including the one most recently in November of 2006. The Threshold Program was created to help countries who have not yet qualified for MCA Compact funding, but have demonstrated a significant commitment to improve their performance on the eligibility criteria for MCA Compact funding. MCC now has a total of 11 Threshold Agreements representing \$286 million in awards to *Albania, Burkina Faso, Indonesia, Jordan, Malawi, Moldova, Paraguay, Philippines, Tanzania, Ukraine, and Zambia*. These programs focus primarily on improving governance, especially on curbing corruption. Others focus on key social investments such as improving primary education rates among girls as well as the immunization rates.

MCC has built a lean and talented staff of 300 to manage the development and implementation of MCC assistance programs, and has put in place policies and procedures to ensure that U.S. funds are used effectively and responsibly. MCC received an unqualified opinion on its most recent audit, and has worked closely with its Inspector General to review many of its procedures with a view to improving service delivery and management controls. In addition, MCC has taken a number of steps to improve compact development and implementation, including providing detailed guidance to eligible countries early in the process and helping countries put key implementation mechanisms in place before compacts enter into force. As a result, countries are providing more fully developed proposals to MCC, and are better positioned to hit the ground running on implementation.

Overseas Private Investment Corporation

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Overseas Private Investment Corporation	-161,076	-124,000	-159,500

The Overseas Private Investment Corporation (OPIC) is a self-sustaining agency that mobilizes American private investment by providing political risk insurance and financing in support of U.S. foreign policy in 156 developing nations and emerging markets around the world.

OPIC’s FY 2008 budget is fully self-funded. From its estimated offsetting collections of \$236 million in FY 2008, OPIC is requesting \$47.5 million for administrative expenses and \$29 million for credit funding. This amount will support over \$1.45 billion in new direct loans and loan guaranties.

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

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

Peace Corps

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Peace Corps	318,780	324,000	333,500

The FY 2008 budget request provides **\$333.5 million** for the Peace Corps, an increase of nearly \$9.5 million over the estimated FY 2007 level.

By the end of FY 2008, there will be approximately 7,600 American Peace Corps Volunteers assisting host countries and local communities to improve education of students, encourage economic development, protect and restore the environment, and increase the agricultural capabilities of farming communities, expand access to basic health care for families, and address HIV/AIDS prevention and care.

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

Trade and Development Agency

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Trade and Development Agency	50,391	50,300	50,400

The Administration is requesting **\$50.4 million** for USTDA in FY 2008. This request maintains the Agency's ability to spur economic development and advance U.S. commercial interests in developing and middle-income countries.

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

In carrying out its program, TDA leverages the resources of the U.S. private sector to advance the foreign policy priorities of the Administration by creating long-term commercial relationships between the private and public sectors of the United States and its partners in the developing world. The Agency uses various tools to facilitate U.S. business opportunities in the international marketplace. This support comes in the form of technical assistance, feasibility studies, orientation visits, training grants and conferences.

The Agency's FY 2008 budget request encompasses USTDA's assistance programs that support key trade and foreign policy objectives of the Administration, including; 1) building the infrastructure for development by providing early investment analysis, including technical assistance and feasibility studies related to planning, financing, and implementing major infrastructure projects; 2) providing technical assistance to facilitate the Administration's trade policy priorities identified during bilateral and multilateral negotiations and support for trade agreement implementation, including the strengthening of developing countries Intellectual Property Rights (IPR) regimes; 3) enhancing global energy security by providing investment analysis and technical assistance designed to identify, develop, and transport to market new oil and gas reserves to help diversify sources of supply, and to stimulate development of alternative fuels, deploy technologies that promote the clean and efficient use of resources, and improve energy efficiency and; 4) strengthening transportation safety and security by offering technical assistance to build capacity and comply with international safety and security standards.

United States Institute of Peace

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
United States Institute of Peace	22,065	26,979	30,000

The United States Institute of Peace (USIP) is an independent, nonpartisan, national institution established and funded by Congress. Its goals are to help prevent and resolve violent international conflicts, promote post-conflict stability and democratic transformations, and increase peace-building capacity, tools, and intellectual capital worldwide.

The FY 2008 request includes **\$30 million** for the Institute to actively promote peaceful resolution of conflicts in Iraq, Afghanistan, and Sudan; engage the Muslim world to facilitate dialogue, promote democratization, and strengthen moderates; prevent and mediate conflict related to North Korea, Pakistan, Iran, Nigeria, and Israel and its neighbors; as well as empower people with knowledge, skills, and resources through education, training, and research in peace-building.

III. Multilateral Economic Assistance

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
International Financial Institutions			
Global Environment Facility	79,200	56,250	106,763
International Development Association	940,500	752,400	1,060,000
Multilateral Investment Guarantee Agency	1,287	1,288	1,082
Asian Development Fund	99,000	99,000	133,906
African Development Fund	134,343	134,343	140,584
African Development Bank	3,602	3,613	2,037
European Bank for Reconstruction and Development	1,006	1,006	10
Enterprise for the Americas Multilateral Investment Fund	1,724	1,724	29,232
Inter-American Investment Corporation	1,724	1,724	7,264
International Fund for Agricultural Development	14,850	14,850	18,072
Arrears	(5,453)	(4,018)	(175,000)
Total, International Financial Institutions	1,277,236	1,066,198	1,498,950
International Organizations and Programs	303,888	326,163	289,400
Total, Multilateral Economic Assistance	1,581,124	1,392,361	1,788,350

International Financial Institutions (IFIs)

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

The FY 2008 request for the IFIs of **\$1.499 billion** is comprised of \$1.324 billion for scheduled annual commitments and \$175 million to pay a portion of outstanding U.S. arrears to the IFIs. Through U.S. leadership in the IFI replenishment negotiations, key policy reforms were initiated, reinforced and extended in these institutions. The reforms focus on improving debt sustainability, increasing grants, measuring results, increasing transparency and fighting corruption. Through the landmark G-8 Multilateral Debt Relief Initiative, 44 of the world's poorest and most debt vulnerable countries will be eligible to receive 100 percent cancellation of their multilateral development bank (MDB) debt.

Debt sustainability frameworks adopted in IDA and the AfDF will help break the destabilizing lend-and-forgive cycle. IDA will provide approximately 30 percent of its total resources to the world's poorest and most debt vulnerable countries as grants, and the AfDF is also extending nearly one-third of its available resources as grants. The AsDF-9

replenishment agreement established, for the first time in the AfDF, a grant window where approximately 30 percent of assistance to the poorest countries will be in the form of grants.

Results measurement systems have been expanded significantly through replenishment agreements with the adoption of measurable goals and targets and results-based management processes and standards. Continuing work is needed to ensure full implementation of results-based management in all the MDBs.

Measures to improve transparency and efforts to fight corruption in countries, on bank projects, and in the institutions themselves have been strengthened. For example, the AfDB established a new anti-corruption and investigative unit, the IDB overhauled its procurement policies and practices to conform to best international practices, and AsDB significantly increased its in-country governance programs. In FY 2008, IDA will continue its independent assessment of its internal controls framework.

Going forward, Treasury will continue to reinforce these key reforms and build upon achievements in the IFIs on managing for results, increasing transparency and fighting corruption, and ensuring the debt sustainability of the world's poorest countries.

International Organizations and Programs (IO&P)

The FY 2008 request of **\$289.4 million** for voluntarily funded International Organizations and Programs (IO&P) will advance U.S. strategic goals by supporting and enhancing international consultation and coordination. This approach is required in transnational areas such as protecting the ozone layer or safeguarding international air traffic, where solutions to problems can best be addressed globally. In other areas, such as in development programs, the United States can multiply the influence and effectiveness of its contributions through support for international programs.

IO&P funding snapshot (For a complete list of all programs funded under this account, please refer to the tables at the back of this volume.)

- UN Children's Fund (UNICEF) -- **\$123 million** to support the core budget of the which helps provide goods and services directly to the world's neediest children and contributes to the development of local institutional capacity to meet their basic needs. UNICEF's development work is closely coordinated with U.S. and international development agencies.
- United Nations Development Program (UNDP) -- **\$75.3 million** to support UNDP's regular budget, which supports its core development goals, as well specific trust funds targeted in the areas of democratic governance and crisis prevention and recovery.

IV. Department of State Operations and Related Programs

State Administration of Foreign Affairs

State Programs

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Diplomatic and Consular Programs			
Ongoing Operations	3,614,018	3,664,914	3,977,940
Worldwide Security Upgrades	680,716	795,170	964,760
Subtotal, Diplomatic and Consular Programs	4,294,734	4,460,084	4,942,700
Capital Investment Fund	58,143	34,319	70,743
Centralized IT Modernization Program	68,482	66,767	0
Total, State Programs	4,421,359	4,561,170	5,013,443

Overview

America stands committed to a bold mission – supporting the growth of democratic movements and institutions in every nation and culture with the ultimate goal of ending tyranny in the world. Consistent with historic American ideals, this mission is also vital to U.S. national security. For democracy and freedom represent the best way of defeating ideologies that use terror as weapons and the surest means of building peaceful and stable societies.

The mission requires equally bold diplomacy. American diplomacy must be transformational – seeking not just to report on the world as it is, but to change it for the better. Together with partners on every continent, the United States must work to promote effective democracy and responsible sovereignty.

As a key national security institution, the Department of State presses the mission globally. American diplomats engage governments and publics around the world to advance U.S. security interests, development efforts, and democratic values together.

The FY 2008 budget identifies the resources required by the State Department to meet the mission – the resources necessary to reorient the Department towards transformational diplomacy and position it to serve new national purposes.

Diplomatic and Consular Programs (D&CP)

The FY 2008 request for D&CP – the Department’s principal operating appropriation – totals \$4.943 billion. This funding supports the people, platform, and programs required to carry out U.S. foreign policy in more than 180 countries.

The D&CP request provides \$3.978 billion for Ongoing Operations. The request sustains current diplomatic and consular operations worldwide and enables the Department to meet new high-priority requirements for transformational diplomacy. These requirements include a repositioned and strengthened American presence in critical emerging areas and coordination of U.S. Government civilian efforts to help stabilize and reconstruct post-conflict states.

The request for Ongoing Operations includes \$359 million for vigorous public diplomacy to inform foreign opinion and gain support for U.S. foreign policy goals. To help win the war of ideas, increased funding will support focused efforts to combat violent extremism in strategic countries.

The D&CP request also provides \$965 million for Worldwide Security Upgrades to continue to strengthen the security of diplomatic personnel, facilities, and information in the face of international terrorism. The funding will extend the core program to upgrade security equipment and technical support, information and systems security, perimeter security, and security training. Funding increases will help to meet new security demands in all regions, including those of American Presence Posts.

The FY 2008 budget provides \$1.306 billion for the Border Security Program. Revenue from Machine Readable Visa (MRV) and other consular fees and surcharges will help fund continuous improvements in systems, processes, and programs to protect U.S. borders against the illegal entry of terrorists and others who threaten homeland security. The fees will address rising passport demand associated with the Western Hemisphere Travel Initiative and rising visa demand, including increases related to Border Crossing Card renewals.

Capital Investment Fund (CIF)

The FY 2008 request provides \$71 million for the Capital Investment Fund (CIF) to continue to make investments in Information Technology (IT). With every Department program now dependent on IT, from simple e-mail to specialized systems, these investments are essential for conducting the business of foreign affairs. The Department's budget for IT from all funding sources – including CIF, D&CP, user fees, and other State appropriations – totals approximately \$905 million.

The funds requested will support modernization of State’s global IT infrastructure to provide reliable access to needed information and systems for American diplomats – anytime, anywhere. The funding will also facilitate collaboration and data sharing internally and with other agencies.

Embassy Security, Construction, and Maintenance

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Ongoing Operations	591,152	605,652	792,534
Worldwide Security Upgrades			
Capital Security Construction	799,852	478,211	692,178
Compound Security	98,722	98,722	114,722
Subtotal, Worldwide Security Upgrades	898,574	576,933	806,900
Total, Embassy Security, Construction, and Maintenance	1,489,726	1,182,585	1,599,434

Embassy Security, Construction, and Maintenance (ESCM)

The FY 2008 request for the ESCM appropriation totals \$1.599 billion. The request level reflects the Department's continuing commitment to providing U.S. diplomatic and consular posts with safe and functional facilities worldwide. This funding is essential to sustaining the Department's progress in the multi-year plan to replace non-secure facilities.

The ESCM request provides \$793 million for Ongoing Operations. This vital budget funds maintenance and repairs at overseas posts, facility rehabilitation projects, construction security, renovation of the Harry S Truman Building (Main State), all activities associated with leasing overseas properties, and management of the overseas buildings program. The real estate portfolio managed by the State Department currently exceeds \$14 billion in value and includes over 15,000 properties.

The ESCM request provides \$692 million under Worldwide Security Upgrades (WSU) for the Capital Security Construction Program to replace the most vulnerable diplomatic facilities. FY 2008 funding will support the next tranche of security-driven projects, including new embassy compounds in Kinshasa, Lusaka, and Tripoli.

FY 2008 will be the fourth year of the Capital Security Cost Sharing Program. Through this program, each U.S. Government agency with staff overseas under Chief of Mission authority contributes to the construction of secure facilities. In FY 2008, contributions to the Capital Security Construction Program from agencies other than the State Department are expected to total approximately \$362 million.

The ESCM request also provides \$115 million under WSU to improve compound security at high-risk posts and increase protection for soft targets such as schools and recreation facilities.

Other Administration of Foreign Affairs

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Office of Inspector General	29,645	29,645	32,508
Educational and Cultural Exchange Programs	426,275	425,162	486,400
Representation Allowances	8,175	8,175	8,175
Protection of Foreign Missions and Officials	9,270	9,270	18,000
Emergencies in the Diplomatic and Consular Service	28,872	4,940	19,000
Repatriation Loans Program Account	1,302	1,285	1,285
Payment to the American Institute in Taiwan	19,499	15,826	16,351
Foreign Service Retirement and Disability Fund [Mandatory]	[131,700]	[125,000]	[122,500]
Total, Other Administration of Foreign Affairs	523,038	494,303	581,719

Office of Inspector General

The FY 2008 request includes \$32.5 million to support the activities of the Inspector General. These include audits, investigations, and inspections of worldwide operations and programs of the Department of State and the Broadcasting Board of Governors. Such activities assist in improving the economy, efficiency, and effectiveness of operations, as well as in detecting and preventing fraud, waste, and mismanagement.

Educational and Cultural Exchange Programs

The FY 2008 request provides a total of \$486.4 million for exchanges to increase mutual understanding and engage the leaders of tomorrow. Aligned with other public diplomacy efforts, these strategic people-to-people programs promote appreciation for the United States and U.S. values and increase receptivity for U.S. policies among international publics.

Funding increases in FY 2008 will raise the number of foreign and American participants in exchange programs of proven value and create new opportunities to educate and empower, particularly in the Muslim world.

FY 2008 funding will expand the President's National Security Language Initiative, building international capacity and knowledge among Americans. It will provide new opportunities for American students to learn critical need languages abroad and strengthen foreign language teaching in the United States. The initiative focuses on Arabic, Chinese, Farsi, Russian, and Turkic languages.

FY 2008 funding will also support new efforts to strengthen international education in the national interest under a State-Education initiative. These include new Fulbright awards for outstanding students in science and technology and new U.S. study programs for women and underserved populations.

Further, FY 2008 funding will expand professional and cultural programs to support the National Security Strategy, bringing to America journalists, teachers, religious leaders, educators, and others who influence their nations and the way young people think. Funding will also expand the Professional Fellows Program under Citizen Exchanges to include new disciplines in all regions.

Representation Allowances

The FY 2008 request of \$8.2 million will partly reimburse diplomatic and consular personnel for official representation of the United States abroad and before international organizations.

Protection of Foreign Missions and Officials

The FY 2008 request of \$18 million in two-year funds will help provide extraordinary protection of international organizations and foreign missions and officials in the United States.

Emergencies in the Diplomatic and Consular Service

The FY 2008 request includes \$19 million to help meet unforeseen emergencies and other requirements in the conduct of foreign affairs. This appropriation funds emergency evacuations of American citizens and U.S. Government officials due to civil unrest, natural disasters, or viral epidemics. The appropriation also pays rewards for information concerning international terrorism, narco-terrorism, and war crimes.

Repatriation Loans Program Account

Requested FY 2008 funding of \$1.3 million will provide emergency loans to assist destitute Americans abroad who have no other source of funds to return to the United States. These include travelers without money because of theft, illness, or accident, as well as Americans residing abroad who are caught in disasters.

Payment to the American Institute in Taiwan

The FY 2008 request of \$16.4 million will fund the contract with the American Institute in Taiwan for economic and commercial services, cultural and information programs, and travel documents and services for Americans and the people in Taiwan.

International Organizations

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Contributions to International Organizations	1,151,317	1,122,318	1,354,400
Contributions for International Peacekeeping Activities	1,022,275	1,022,474	1,107,000
Total, International Organizations	2,173,592	2,144,792	2,461,400

Contributions to International Organizations (CIO)

The FY 2008 request of \$1.354 billion for CIO provides funding, consistent with statutory restrictions, to pay U.S. assessed contributions to 45 international organizations. These include the United Nations, the World Health Organization, the North Atlantic Treaty Organization, the International Atomic Energy Agency, and the Organization for Economic Cooperation and Development.

The request for CIO recognizes the obligations of the United States to international organizations and reflects the U.S. commitment to maintain their financial stability and efficiency.

Membership in international organizations assists in building coalitions and gaining support for U.S. policies and interests. Further, multilateral diplomacy through such organizations serves key U.S. foreign policy goals, including advancing democratic principles and fundamental human rights, promoting economic growth through free trade and investment, settling disputes peacefully, encouraging nonproliferation and arms control, and strengthening international cooperation in various areas.

Contributions for International Peacekeeping Activities (CIPA)

The FY 2008 request of \$1.107 billion for CIPA will allow the United States to pay its share of projected United Nations peacekeeping assessments. The requested funding will help support UN peacekeeping efforts worldwide, including critical missions in Sudan, Lebanon, Haiti, Liberia, and the Congo.

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

Related Appropriations

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
The Asia Foundation	13,821	13,821	10,000
National Endowment for Democracy	74,042	50,000	80,000
East-West Center	18,994	3,000	10,000
Center for Middle Eastern-Western Dialogue - Trust Fund	4,936	4,936	-
Center for Middle Eastern-Western Dialogue – Program	740	740	875
Eisenhower Exchange Fellowship Program	494	494	500
Israeli Arab Scholarship Program	370	370	375
Total, Related Appropriations	113,397	73,361	101,750

The Asia Foundation

The Asia Foundation (TAF) is a private, grant-making organization with a longstanding presence in Asia and in-depth knowledge of local institutions and people. TAF’s programs at both the policy and grass roots levels complement U.S. Government efforts to advance American interests in the Asia-Pacific region.

The FY 2008 request of \$10 million will enable TAF to help build local capacity in the government, civil society, and private sectors. The funding will sustain programs focused on resolving conflict and combating extremism, as well as strengthening democratic institutions and improving governance practices. TAF’s programs will also aim at expanding women’s rights and anti-trafficking efforts and increasing economic opportunity through small business development and effective market economies.

National Endowment for Democracy

The National Endowment for Democracy (NED) was established by Congress in 1983 to strengthen democratic institutions around the world. Governed by an independent, bipartisan board of directors, the NED makes grants to non-governmental organizations and groups to support peaceful transitions to more open political and economic systems and responsible civil societies.

The FY 2008 budget request for the NED of \$80 million will fund democracy-building programs in the Middle East, Africa, Asia, Eurasia, Central and Eastern Europe, and Latin America. These programs further long-term U.S. interests and address immediate needs in strengthening democracy, human rights, and the rule of law.

East-West Center

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

The FY 2008 request of \$10 million provides core funding for the Center's programs of cooperative study, training, and research. These programs further U.S. interests and address multilateral needs, including strengthening democracy and human rights and encouraging global growth and security.

Center for Middle Eastern-Western Dialogue

The Center for Middle Eastern-Western Dialogue was established by Congress to foster the exchange of views and ideas among students and scholars on such topics as post-war Iraq and leadership in the Middle East. The FY 2008 request seeks appropriation authority to make an estimated \$875 thousand in interest earnings from the Center's permanent trust fund available to the Steering Committee for operations of the Center.

Eisenhower Exchange Fellowship Program

The Eisenhower Exchange Fellowship Program builds international understanding by bringing rising leaders to the United States, and sending their American counterparts abroad, on custom-designed professional programs. The program's trust fund will provide an estimated \$500 thousand in interest earnings in FY 2008 to support these exchanges.

Israeli Arab Scholarship Program

The Israeli Arab Scholarship Program fosters mutual understanding by enabling Arab citizens of Israel to study and conduct research in the United States. The program's trust fund will provide an estimated \$375 thousand in interest earnings in FY 2008 to support these scholarships.

FY 2007 SUPPLEMENTAL REQUEST

Diplomatic and Consular Programs – Iraq Operations

The FY 2007 supplemental funding request provides \$824 million for personnel, logistical, security, and other costs associated with operating the U.S. Mission in Iraq, including expansion of Provincial Reconstruction Team operations throughout Iraq.

Diplomatic and Consular Programs – Ongoing Operations

The request provides \$20 million to expand public diplomacy international information programs to combat violent extremism by engaging Muslim communities, promoting democracy and good governance, and isolating and discrediting terrorist leaders and organizations. Further, the request provides funding of \$2 million to support diplomatic operations in Sudan, including expansion of activities in Juba and El Fasher, as well as reconstruction and stabilization efforts.

Diplomatic and Consular Programs – Worldwide Security Upgrades

The request provides \$67 million to support security requirements in Afghanistan for guards, protective details, and equipment, and in Sudan for personnel, security, and operating costs related to the Darfur peace process.

Office of Inspector General

Supplemental funding of \$35 million is requested for transfer to the Special Inspector General for Iraq Reconstruction (SIGIR) for reconstruction oversight.

Educational and Cultural Exchange Programs

Supplemental funding of \$20 million is requested for expanded academic programs and professional and cultural exchanges aimed at combating violent extremism.

Contributions for International Peacekeeping Activities

Supplemental funding of \$200 million is requested to fund unforeseen UN peacekeeping expenses. These expenses include \$184 million for increased support costs for the expanded UN peacekeeping operation in Lebanon and \$16 million for support costs for the UN mission in Timor Leste to provide stability and policing capacity.

FY 2008 GWOT EMERGENCY REQUEST

Diplomatic and Consular Programs – Iraq Operations

Additional FY 2008 funding of \$1.882 billion is requested for the full year of personnel, logistical, security, and other costs of operating the U.S. Mission in Iraq, including continued expansion of operations at Provincial Reconstruction Teams throughout Iraq.

Contributions to International Organizations

The request for additional FY 2008 funding provides \$53 million to pay U.S. assessments toward the costs of the UN Assistance Mission in Afghanistan and the UN Assistance Mission in Iraq.

V. Account Tables

Andean Counterdrug Initiative (\$ in thousands)

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Andean Counterdrug Initiative			
Bolivia Total	79,200	*	30,000
<i>Bolivia - Alternative Development/Institution Building</i>	36,630	*	-
<i>Bolivia - Interdiction</i>	42,570	*	30,000
Brazil	5,940	*	1,000
Colombia Total	464,781	*	366,968
<i>Colombia - Alternative Development/Institution Building</i>	129,920	*	-
<i>Colombia - Interdiction</i>	334,861	*	366,968
Ecuador Total	19,800	*	7,000
<i>Ecuador - Alternative Development/Institution Building</i>	11,425	*	-
<i>Ecuador - Interdiction</i>	8,375	*	7,000
Panama	4,455	*	1,000
Peru Total	106,920	*	36,844
<i>Peru - Alternative Development/Institution Building</i>	48,510	*	-
<i>Peru - Interdiction</i>	58,410	*	36,844
Venezuela	2,229	*	-
Air Bridge Denial Program	13,860	*	-
Critical Flight Safety Program	29,970	*	-
Total	727,155	569,350	442,812

* Note: A regular FY 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution. The amounts included for FY 2007 in this budget reflect the levels provided by the continuing resolution. Country allocations for FY 2007 will be made once a FY 2007 appropriations bill is enacted.

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

	FY 2006	FY 2007	FY 2008
	Actual	Estimate	Request
Europe and Eurasia			
Albania	24,750	*	16,200
Bosnia and Herzegovina	39,600	*	22,900
Bulgaria	20,100	*	-
Croatia	14,850	*	-
Kosovo	77,700	*	151,246
Kosovo FY 2007 GWOT SUP	-	279,000	-
Macedonia	35,100	*	18,900
Montenegro	15,000	*	7,572
Romania	20,000	*	-
Serbia	69,450	*	51,300
Europe Regional	40,840	*	21,204
Subtotal - Europe and Eurasia	357,390	*	289,322
Total	357,390	548,200	289,322

* Note: A regular FY 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution. The amounts included for FY 2007 in this budget reflect the levels provided by the continuing resolution. Country allocations for FY 2007 will be made once a FY 2007 appropriations bill is enacted.

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

	FY 2006	FY 2007	FY 2008
	Actual	Estimate	Request
Europe and Eurasia			
Armenia	69,000	*	35,000
Azerbaijan	34,205	*	18,000
Belarus	11,484	*	10,000
Georgia	67,780	*	50,500
Moldova	17,820	*	13,300
Russia	80,200	*	50,000
Ukraine	82,160	*	71,000
Eurasia Regional	44,199	*	22,219
Subtotal - Europe and Eurasia	406,848	*	270,019
South and Central Asia			
Kazakhstan	24,750	*	14,397
Kyrgyz Republic	29,029	*	23,815
Tajikistan	23,760	*	26,880
Turkmenistan	4,950	*	5,500
Uzbekistan	17,820	*	8,474
Central Asia Regional	1,703	*	2,500
Subtotal - South and Central Asia	102,012	*	81,566
Total	508,860	435,480	351,585

* Note: A regular FY 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution. The amounts included for FY 2007 in this budget reflect the levels provided by the continuing resolution. Country allocations for FY 2007 will be made once a FY 2007 appropriations bill is enacted.

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

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Africa			
Angola	13,634	*	15,400
Benin	7,606	*	8,100
Burundi	2,570	*	6,000
Cameroon	-	*	1,000
Democratic Republic of Congo	23,537	*	26,850
Djibouti	-	*	1,240
Ethiopia	30,692	*	25,500
Ghana	18,157	*	18,200
Guinea	7,001	*	6,500
Kenya	17,840	*	16,950
Lesotho	-	*	7,500
Liberia	2,867	*	10,800
Madagascar	11,526	*	11,500
Malawi	21,125	*	27,700
Mali	16,554	*	13,845
Mozambique	17,262	*	15,650
Namibia	1,168	*	1,200
Nigeria	21,544	*	31,300
Rwanda	7,284	*	8,702
Senegal	14,001	*	12,300
Sierra Leone	-	*	-
Somalia	-	*	1,000
South Africa	5,070	*	3,500
Sudan	19,000	*	-
Swaziland	-	*	7,500
Tanzania	21,954	*	22,100
Uganda	20,648	*	20,900
Zambia	16,004	*	10,770
Zimbabwe	10,973	*	18,010
East Africa Regional	10,098	*	5,760
Southern Africa Regional	7,401	*	2,000
USAID Africa Regional	28,204	*	88,730
West Africa Regional	18,216	*	11,500
Subtotal - Africa	391,936	*	458,007

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

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
East Asia and the Pacific			
Burma	-	*	1,040
Cambodia	28,556	*	24,700
China	-	*	7,290
Indonesia	28,017	*	32,060
Laos	-	*	1,051
Papua New Guinea	-	*	2,080
Philippines	24,651	*	17,510
Thailand	-	*	1,040
Asia and Near East Regional	6,386	*	2,870
Regional Development Mission / Asia	18,941	*	8,850
Subtotal - East Asia and the Pacific	106,551	*	98,491
Europe and Eurasia			
Russia	2,970	*	-
Ukraine	2,176	*	-
Europe Regional	-	*	-
Subtotal - Europe and Eurasia	5,146	*	-
Near East			
Jordan	-	*	21,350
Yemen	-	*	4,383
West Bank/Gaza	-	*	10,000
Subtotal - Near East	-	*	35,733
South and Central Asia			
Afghanistan	41,449	*	65,900
Bangladesh	31,509	*	39,615
India	52,815	*	62,200
Nepal	18,613	*	17,985
Pakistan	22,757	*	39,800
Pakistan FY 2006 Supplemental	5,300	*	-
Central Asia Regional	1,238	*	-
Subtotal - South and Central Asia	173,681	*	225,500
Western Hemisphere			
Belize	-	*	-
Bolivia	17,233	*	11,500
Brazil	3,605	*	2,000

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

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Costa Rica	-	*	-
Dominican Republic	12,721	*	7,500
Ecuador	-	*	-
El Salvador	8,144	*	6,000
Guatemala	12,040	*	12,500
Haiti	19,801	*	18,000
Haiti FY 2006 Supplemental	2,500	*	-
Honduras	13,140	*	10,600
Jamaica	4,472	*	1,221
Mexico	3,990	*	2,500
Nicaragua	7,699	*	7,500
Panama	-	*	-
Paraguay	2,884	*	1,300
Peru	14,213	*	12,000
Caribbean Regional	6,435	*	5,000
Central America Regional	6,167	*	4,000
Latin America and Caribbean Regional	8,317	*	6,200
Subtotal - Western Hemisphere	143,361	*	107,821
Global			
Avian Influenza	-	*	100,000
Avian Influenza FY 2006 Supplemental	105,200	*	-
Democracy, Conflict & Humanitarian Assistance	2,970	*	3,000
FY 2007 GWOT Supplemental, Avian Influenza	-	161,000	-
Global Development Alliances	300	*	-
Global Health	320,387	*	438,619
International Partnerships	452,319	*	97,108
Policy and Program Coordination	2,574	*	-
Subtotal - Global	958,950	*	638,727
Total	1,704,425	1,679,359	1,564,279

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Contributions to International Organizations
(\$ in thousands)

	FY 2006	FY 2007	FY 2008
	Actual	Estimate	Request
United Nations and Affiliated Agencies	-	*	-
United Nations Regular Budget	438,909	*	495,778
United Nations Capital Master Plan	9,825	*	85,435
United Nations War Crimes Tribunal - Yugoslavia	16,769	*	19,128
United Nations War Crimes Tribunal - Rwanda	14,837	*	15,647
Food and Agriculture Organization	84,661	*	90,040
International Atomic Energy Agency	79,092	*	86,816
International Civil Aviation Organization	14,894	*	15,324
International Labor Organization	62,064	*	64,485
International Maritime Organization	1,571	*	1,605
International Telecommunication Union	7,746	*	7,549
UN Educational, Scientific and Cultural Organization	70,924	*	68,732
Universal Postal Union	1,710	*	1,651
World Health Organization	95,680	*	101,421
World Intellectual Property Organization	1,086	*	1,112
World Meteorological Organization	10,538	*	10,704
Subtotal, United Nations and Affiliated Agencies	910,306	*	1,065,427
Inter-American Organizations	-	*	-
Organization of American States	59,396	*	58,228
Pan American Health Organization	56,609	*	56,609
Inter-American Institute for Cooperation on Agriculture	16,600	*	16,620
Pan American Institute of Geography and History	324	*	324
Subtotal, Inter-American Organizations	132,929	*	131,781
Regional Organizations	-	*	-
Organization for Economic Cooperation and Development	87,179	*	91,488
North Atlantic Treaty Organization	50,700	*	59,011
NATO Parliamentary Assembly	883	*	985
The Pacific Community	1,525	*	1,442
Asia-Pacific Economic Cooperation	601	*	744
Colombo Plan Council for Technical Cooperation	15	*	15
Subtotal, Regional Organizations	140,903	*	153,685

Contributions to International Organizations
(\$ in thousands)

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Other International Organizations	-	*	-
Organization for the Prohibition of Chemical Weapons	23,618	*	23,345
World Trade Organization	20,827	*	21,081
Customs Cooperation Council	4,025	*	4,402
Hague Conference on Private International Law	208	*	213
International Agency for Research on Cancer	1,865	*	1,839
International Bureau for the Publication of Customs Tariffs	133	*	130
International Bureau of the Permanent Court of Arbitration	83	*	83
International Bureau of Weights and Measures	1,217	*	1,169
International Center for the Study of Preservation and Restoration of Cultural Property	998	*	978
International Coffee Organization	523	*	584
International Copper Study Group	51	*	50
International Cotton Advisory Committee	396	*	488
International Grains Council	564	*	553
International Hydrographic Organization	120	*	143
International Institute for the Unification of Private Law	146	*	161
International Lead and Zinc Study Group	48	*	48
International Organization of Legal Metrology	137	*	139
International Rubber Study Group	124	*	117
International Seed Testing Association	10	*	9
International Tropical Timber Organization	197	*	258
International Union for the Conservation of Nature and Natural Resources	362	*	361
International Union for the Protection of New Varieties of Plants	215	*	217
World Organization for Animal Health	141	*	139
Subtotal, Other International Organizations	56,008	*	56,507
Total Requirements	1,240,146	1,281,920	1,407,400
FY 2005 Exchange Rate and other Changes	78,797	*	-
FY 2006 Exchange Rate and other Changes	(167,626)	*	-
FY 2007 Exchange Rate and other Changes	-	*	-
Additional FY 2008 Funding	-	*	(53,000)
Total, Contributions to International Organizations	1,151,317	1,122,318	1,354,400

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Contributions for International Peacekeeping Activities
(\$ in thousands)

	FY 2006	FY 2007	FY 2008
	Actual	Estimate	Request
U.N. Disengagement Observer Force on the Golan Heights (UNDOF)	16,220	*	8,673
U.N. Interim Force in Lebanon (UNIFIL)	34,473	*	167,667
U.N. Mission for the Referendum in Western Sahara (MINURSO)	15,274	*	9,065
U.N. Mission in Kosovo (UNMIK)	27,588	*	19,288
U.N. Peacekeeping Force in Cyprus (UNFICYP)	10,037	*	5,069
U.N. Observer Mission in Georgia (UNOMIG)	11,055	*	7,265
War Crimes Tribunal - Yugoslavia (UNICTY)	20,346	*	19,346
War Crimes Tribunal - Rwanda (UNICTR)	18,002	*	14,835
U.N. Operations in the Democratic Republic of the Congo (MONUC)	280,194	*	168,903
U.N. Mission in Ethiopia and Eritrea (UNMEE)	47,706	*	23,146
Burundi Operation (ONUB)	97,301	*	-
U.N. Mission in Liberia (UNMIL)	77,170	*	110,188
U.N. Mission in Sudan (UNMIS)	254,039	*	391,070
U.N. Operation in Cote d'Ivoire (UNOCI)	138,469	*	55,242
U.N. Mission in Haiti (MINUSTAH)	93,680	*	94,889
U.N. Mission in Timor Leste (UNMIT)	-	*	12,345
Annual Requirements	1,141,554	*	1,107,000
FY 2006 Supplemental	129,800	(129,800)	-
FY 2006 Adjustment	(119,279)	*	-
FY 2007 Adjustment	-	*	-
FY 2007 Additional Requirements	-	*	-
Total, Contributions for International Peacekeeping Activities	1,152,075	1,022,474	1,107,000

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Development Assistance
(\$ in thousands)

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Africa			
Angola	5,468	*	12,750
Benin	4,378	*	2,724
Burundi	2,917	*	17,000
Chad	-	*	200
Democratic Republic of Congo	21,447	*	6,000
Djibouti	-	*	2,000
Ethiopia	31,910	*	39,815
Ghana	27,354	*	14,700
Guinea	9,140	*	5,543
Guinea-Bissau	-	*	600
Kenya	21,615	*	28,300
Liberia	23,726	*	-
Madagascar	10,266	*	6,600
Malawi	18,632	*	13,600
Mali	15,349	*	12,985
Mauritania	-	*	1,520
Mauritius	-	*	190
Mozambique	13,407	*	21,985
Namibia	7,079	*	3,025
Niger	-	*	3,405
Nigeria	12,488	*	31,400
Rwanda	7,257	*	7,100
Senegal	25,909	*	17,900
Sierra Leone	3,756	*	4,000
Somalia	7,912	*	9,000
South Africa	25,662	*	3,000
Sudan	70,000	*	-
Tanzania	12,617	*	12,950
Togo	-	*	120
Uganda	23,414	*	29,500
Zambia	27,972	*	17,023
Zimbabwe	3,601	*	3,000
Central Africa Regional	17,500	*	11,300
East Africa Regional	20,299	*	18,560
Southern Africa Regional	16,799	*	12,600
USAID Africa Regional	68,949	*	91,450
West Africa Regional	39,450	*	28,600
Subtotal - Africa	596,273	*	490,445

Development Assistance
(\$ in thousands)

	FY 2006	FY 2007	FY 2008
	Actual	Estimate	Request
East Asia and the Pacific			
Burma	-	*	800
Cambodia	5,483	*	1,056
China	4,950	*	-
Indonesia	33,199	*	60,950
Philippines	24,212	*	22,900
Vietnam	3,818	*	-
Asia and Near East Regional	11,268	*	7,395
Regional Development Mission / Asia	14,058	*	11,550
Subtotal - East Asia and the Pacific	96,988	*	104,651
Europe and Eurasia			
Georgia	100	*	-
Subtotal - Europe and Eurasia	100	*	-
Near East			
Lebanon	2,000	*	-
Morocco	8,284	*	6,000
Middle East Regional	-	*	-
Subtotal - Near East	10,284	*	6,000
South and Central Asia			
Afghanistan	174,021	*	-
Bangladesh	10,889	*	39,650
India	19,700	*	900
Nepal	8,393	*	4,000
Pakistan	26,990	*	18,000
Pakistan FY 2006 Supplemental	10,500	*	-
Sri Lanka	3,705	*	4,000
South Asia Regional	4,941	*	2,700
Subtotal - South and Central Asia	259,139	*	69,250
Western Hemisphere			
Belize	-	*	200
Bolivia	10,091	*	39,000
Brazil	2,899	*	-
Cuba	1,984	*	-
Dominican Republic	7,835	*	11,100
Ecuador	6,578	*	7,010

Development Assistance
(\$ in thousands)

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
El Salvador	24,165	*	11,475
Guatemala	10,504	*	7,500
Guatemala FY 2006 Supplemental	6,000	*	-
Guyana	3,920	*	4,305
Haiti	29,700	*	14,806
Honduras	20,604	*	16,731
Jamaica	7,821	*	7,391
Mexico	11,357	*	-
Nicaragua	22,169	*	13,700
Panama	200	*	-
Paraguay	4,385	*	4,700
Peru	9,369	*	11,224
Suriname	-	*	200
Venezuela	-	*	3,000
Caribbean Regional	4,891	*	4,310
Central America Regional	10,665	*	6,700
Latin America and Caribbean Regional	71,738	*	32,200
South America Regional	1,485	*	1,500
Subtotal - Western Hemisphere	268,360	*	197,052
Global			
Democracy, Conflict & Humanitarian Assistance	107,564	*	62,050
Economic Growth, Agriculture and Trade	165,998	*	104,300
Global Development Alliances	11,880	*	7,500
Legislative and Public Affairs	1,801	*	-
Policy and Program Coordination	6,873	*	-
Subtotal - Global	294,116	*	173,850
Total	1,525,260	1,508,000	1,041,248

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Economic Support Fund
(\$ in thousands)

	FY 2006	FY 2007	FY 2008
	Actual	Estimate	Request
Africa			
Angola	2,970	*	-
Burundi	3,811	*	-
Democratic Republic of Congo	4,950	*	29,000
Djibouti	4,950	*	-
Ethiopia	9,900	*	5,000
Kenya	6,420	*	-
Liberia	42,719	*	73,545
Liberia FY 2006 Supplemental	50,000	*	-
Nigeria	4,950	*	-
Sierra Leone	13,000	*	-
South Africa	1,287	*	10,000
Sudan	19,800	*	245,900
Tanzania	-	*	3,600
Zimbabwe	2,970	*	-
STATE Africa Regional	15,408	*	7,250
Subtotal - Africa	183,135	*	374,295
East Asia and the Pacific			
Burma	10,890	*	2,790
Cambodia	14,850	*	12,170
China	3,960	*	2,000
East Timor	18,810	*	8,640
Indonesia	69,300	*	60,000
Laos	-	*	470
Mongolia	7,425	*	6,200
North Korea	-	*	2,000
Philippines	24,750	*	25,996
Taiwan	-	*	200
Thailand	990	*	-
Vietnam	1,980	*	5,700
Asia and Near East Regional	-	*	800
East Asia and Pacific Regional	28,710	*	25,760
Subtotal - East Asia and the Pacific	181,665	*	152,726
Europe and Eurasia			
Cyprus	19,800	*	11,000
Ireland	16,830	*	1,000
Turkey	-	*	850
Subtotal - Europe and Eurasia	36,630	*	12,850

Economic Support Fund
(\$ in thousands)

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Near East			
Algeria	-	*	1,165
Bahrain	-	*	1,100
Egypt	490,050	*	415,000
Iran	-	*	75,000
Iraq	55,440	*	298,000
Iraq FY 2006 Supplemental	1,480,000	*	-
Iraq FY 2007 GWOT Supplemental	-	2,072,000	-
Israel	237,600	*	-
Jordan	247,500	*	263,547
Kuwait	-	*	470
Lebanon	39,600	*	42,100
Lebanon FY 2007 GWOT Supplemental	-	300,000	-
Libya	-	*	500
Morocco	10,890	*	15,500
Tunisia	-	*	200
Yemen	7,920	*	8,450
Iraq FY 2008 GWOT Emergency	-	-	772,000
Jordan FY 2006 Supplemental	50,000	*	-
Middle East Regional	-	*	3,800
Near East Regional	113,850	*	75,000
West Bank/Gaza	148,500	*	63,500
Subtotal - Near East	2,881,350	*	2,022,332
South and Central Asia			
Afghanistan	428,600	*	693,000
Afghanistan FY 2006 Supplemental	43,000	*	-
Afghanistan FY 2007 GWOT Supplemental	-	653,000	-
Afghanistan FY 2008 GWOT Emergency	-	-	339,000
Bangladesh	4,950	*	-
India	4,950	*	-
Nepal	4,950	*	-
Pakistan	296,595	*	382,900
Pakistan FY 2006 Supplemental	40,500	*	-
Sri Lanka	3,960	*	-
South and Central Asia Regional	3,465	*	720
Subtotal - South and Central Asia	830,970	*	1,428,620

Economic Support Fund
(\$ in thousands)

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Western Hemisphere			
Bolivia	5,940	*	17,000
Colombia	-	*	139,500
Cuba	8,910	*	45,700
Dominican Republic	840	*	10,000
Ecuador	3,265	*	6,000
El Salvador	-	*	-
Guatemala	5,445	*	10,000
Haiti	49,500	*	63,394
Haiti FY 2006 Supplemental	17,500	*	-
Mexico	11,385	*	14,000
Nicaragua	3,366	*	-
Panama	990	*	-
Paraguay	1,980	*	-
Peru	2,765	*	30,000
Venezuela	-	*	-
STATE Western Hemisphere	26,070	*	28,150
Subtotal - Western Hemisphere	137,956	*	363,744
Global			
Asia-Pacific Partnership	1,000	*	26,500
Democracy, Conflict & Humanitarian Assistance	5,940	*	-
Democracy, Human Rights, and Labor (DRL)	11,709	*	35,000
Economic Growth, Agriculture and Trade	2,970	*	-
Oceans and International Environment and Scientific Affairs	6,920	*	7,800
Trafficking in Persons	11,880	*	6,700
Wheelchairs	4,950	*	-
Subtotal - Global	46,369	*	76,000
Total	4,297,075	5,628,540	4,430,567

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Foreign Military Financing
(\$ in thousands)

	FY 2006	FY 2007	FY 2008
	Actual	Estimate	Request
Africa			
Democratic Republic of Congo	-	*	600
Djibouti	3,960	*	3,200
Ethiopia	1,980	*	850
Ghana	495	*	300
Guinea	-	*	200
Kenya	-	*	800
Liberia	1,980	*	1,000
Madagascar	-	*	100
Mozambique	-	*	200
Nigeria	990	*	1,350
Senegal	495	*	-
South Africa	-	*	100
Sudan	-	*	100
STATE Africa Regional	3,960	*	-
Subtotal - Africa	13,860	*	8,800
East Asia and the Pacific			
Cambodia	990	*	200
East Timor	990	*	-
Fiji	494	*	110
Indonesia	990	*	15,700
Mongolia	2,970	*	1,000
Philippines	29,700	*	11,100
Thailand	1,485	*	500
Tonga	248	*	200
East Asia and Pacific Regional	-	*	2,465
Subtotal - East Asia and the Pacific	37,867	*	31,275
Europe and Eurasia			
Albania	3,465	*	2,600
Armenia	3,960	*	3,000
Azerbaijan	3,960	*	4,300
Bosnia and Herzegovina	8,910	*	7,800
Bulgaria	9,900	*	13,200
Czech Republic	3,957	*	3,000
Estonia	4,451	*	3,000
Georgia	11,880	*	10,000
Hungary	2,474	*	2,000
Latvia	5,940	*	3,000

Foreign Military Financing
(\$ in thousands)

	FY 2006	FY 2007	FY 2008
	Actual	Estimate	Request
Lithuania	4,455	*	3,000
Macedonia	3,960	*	4,500
Moldova	495	*	-
Poland	29,700	*	27,200
Romania	12,870	*	18,400
Slovakia	3,960	*	3,000
Slovenia	494	*	500
Turkey	14,850	*	11,825
Ukraine	10,890	*	9,000
Subtotal - Europe and Eurasia	140,571	*	129,325
Near East			
Bahrain	15,593	*	4,300
Egypt	1,287,000	*	1,300,000
Israel	2,257,200	*	2,400,000
Jordan	207,900	*	200,000
Lebanon	3,713	*	9,600
Lebanon FY 2007 GWOT Supplemental	-	220,000	-
Morocco	12,375	*	3,655
Oman	13,860	*	10,105
Tunisia	8,413	*	2,064
Yemen	8,415	*	4,676
Subtotal - Near East	3,814,469	*	3,934,400
South and Central Asia			
Bangladesh	990	*	875
Kazakhstan	3,465	*	2,000
Kyrgyz Republic	1,881	*	1,500
Nepal	-	*	-
Pakistan	297,000	*	300,000
Sri Lanka	990	*	850
Tajikistan	495	*	675
Turkmenistan	297	*	-
Subtotal - South and Central Asia	305,118	*	305,900
Western Hemisphere			
Bahamas	99	*	-
Belize	198	*	-
Bolivia	-	*	-
Chile	592	*	-

Foreign Military Financing
(\$ in thousands)

	FY 2006	FY 2007	FY 2008
	Actual	Estimate	Request
Colombia	89,100	*	78,000
Dominican Republic	941	*	-
Ecuador	-	*	-
El Salvador	9,900	*	4,800
Guyana	99	*	-
Haiti	988	*	-
Honduras	891	*	-
Jamaica	594	*	-
Nicaragua	594	*	-
Panama	990	*	-
Peru	-	*	-
Suriname	99	*	-
Eastern Caribbean	905	*	-
STATE Western Hemisphere	3,960	*	-
Subtotal - Western Hemisphere	109,950	*	82,800
Global			
Multinational Force and Observers	43,065	*	43,500
Subtotal - Global	43,065	*	43,500
Total	4,464,900	4,674,900	4,536,000

* Note: A regular FY 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution. The amounts included for FY 2007 in this budget reflect the levels provided by the continuing resolution. Country allocations for FY 2007 will be made once a FY 2007 appropriations bill is enacted.

Global HIV/AIDS Initiative
(\$ in thousands)

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Africa			
Botswana	41,000	*	79,000
Cote d'Ivoire	30,137	*	96,000
Ethiopia	109,500	*	409,000
Kenya	175,950	*	481,000
Mozambique	79,600	*	223,000
Namibia	51,500	*	111,000
Nigeria	138,600	*	467,500
Rwanda	60,000	*	116,000
South Africa	191,553	*	591,500
Tanzania	100,312	*	302,000
Uganda	145,000	*	255,000
Zambia	116,000	*	290,000
Subtotal - Africa	1,239,152	*	3,421,000
East Asia and the Pacific			
Vietnam	31,214	*	87,700
Subtotal - East Asia and the Pacific	31,214	*	87,700
Western Hemisphere			
Guyana	18,000	*	21,300
Haiti	47,300	*	83,000
Subtotal - Western Hemisphere	65,300	*	104,300
Global			
Central Programs	285,232	*	362,785
International Partnerships	227,700	*	27,000
Other Bilateral Programs	50,552	*	50,000
Strategic Information/Evaluation	31,185	*	36,000
Technical Oversight and Management	44,715	*	61,215
Subtotal - Global	639,384	*	537,000
Total	1,975,050	1,852,525	4,150,000

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International Military Education and Training
(\$ in thousands)

	FY 2006	FY 2007	FY 2008
	Actual	Estimate	Request
Africa			
Angola	486	*	500
Benin	145	*	150
Botswana	760	*	690
Burkina Faso	123	*	100
Burundi	140	*	200
Cameroon	231	*	295
Cape Verde	124	*	100
Central African Republic	105	*	100
Chad	342	*	100
Comoros	53	*	100
Cote d'Ivoire	-	*	100
Democratic Republic of Congo	306	*	500
Djibouti	307	*	350
Equatorial Guinea	-	*	45
Ethiopia	594	*	650
Gabon	231	*	200
Gambia	72	*	120
Ghana	645	*	600
Guinea	376	*	350
Guinea-Bissau	136	*	100
Kenya	-	*	550
Lesotho	-	*	50
Liberia	130	*	300
Madagascar	231	*	250
Malawi	345	*	300
Mali	-	*	250
Mauritania	-	*	130
Mauritius	126	*	150
Mozambique	245	*	300
Namibia	-	*	100
Niger	-	*	100
Nigeria	792	*	800
Republic of the Congo	155	*	100
Rwanda	288	*	400
Sao Tome and Principe	289	*	200
Senegal	1,089	*	1,100
Seychelles	103	*	100
Sierra Leone	311	*	400
South Africa	-	*	900
Sudan	-	*	300

International Military Education and Training
(\$ in thousands)

	FY 2006	FY 2007	FY 2008
	Actual	Estimate	Request
Swaziland	123	*	100
Tanzania	-	*	300
Togo	37	*	100
Uganda	340	*	500
Zambia	261	*	400
STATE Africa Regional	136	*	133
Subtotal - Africa	10,177	*	13,663
East Asia and the Pacific			
Cambodia	54	*	70
East Timor	193	*	400
Fiji	235	*	260
Indonesia	938	*	974
Laos	-	*	70
Malaysia	891	*	920
Marshall Islands	-	*	60
Mongolia	866	*	970
Papua New Guinea	288	*	280
Philippines	2,926	*	1,550
Samoa	-	*	40
Solomon Islands	149	*	150
Thailand	2,369	*	1,200
Tonga	113	*	195
Vanuatu	98	*	115
Vietnam	49	*	195
Subtotal - East Asia and the Pacific	9,169	*	7,449
Europe and Eurasia			
Albania	1,028	*	600
Armenia	838	*	300
Azerbaijan	823	*	1,000
Bosnia and Herzegovina	973	*	1,000
Bulgaria	1,580	*	1,700
Croatia	-	*	179
Czech Republic	2,036	*	1,300
Estonia	1,296	*	1,100
Georgia	1,275	*	800
Greece	573	*	590
Hungary	1,685	*	1,200
Kosovo	-	*	400
Latvia	1,326	*	1,100

International Military Education and Training
(\$ in thousands)

	FY 2006	FY 2007	FY 2008
	Actual	Estimate	Request
Lithuania	1,281	*	1,100
Macedonia	700	*	500
Malta	-	*	45
Moldova	989	*	600
Montenegro	-	*	100
Poland	2,140	*	2,000
Portugal	593	*	690
Romania	1,485	*	1,800
Russia	461	*	700
Serbia	-	*	300
Slovakia	962	*	1,100
Slovenia	895	*	885
Turkey	3,011	*	3,000
Ukraine	1,753	*	1,900
Subtotal - Europe and Eurasia	27,703	*	25,989
Near East			
Algeria	823	*	700
Bahrain	651	*	650
Egypt	1,208	*	1,300
Iraq	-	*	2,000
Jordan	3,020	*	3,067
Kuwait	-	*	15
Lebanon	752	*	1,500
Libya	-	*	350
Morocco	1,884	*	1,800
Oman	1,135	*	1,500
Qatar	-	*	15
Saudi Arabia	-	*	15
Tunisia	1,847	*	1,800
United Arab Emirates	-	*	15
Yemen	924	*	1,000
Subtotal - Near East	12,244	*	15,727
South and Central Asia			
Afghanistan	979	*	1,700
Bangladesh	930	*	800
India	1,272	*	1,300
Kazakhstan	995	*	1,000
Kyrgyz Republic	887	*	1,200
Maldives	173	*	195

International Military Education and Training
(\$ in thousands)

	FY 2006	FY 2007	FY 2008
	Actual	Estimate	Request
Nepal	644	*	790
Pakistan	2,037	*	2,000
Sri Lanka	529	*	600
Tajikistan	348	*	565
Turkmenistan	291	*	300
Uzbekistan	-	*	-
Subtotal - South and Central Asia	9,085	*	10,450
Western Hemisphere			
Argentina	1,082	*	947
Bahamas	399	*	200
Belize	294	*	170
Bolivia	-	*	188
Brazil	-	*	188
Chile	646	*	600
Colombia	1,673	*	1,500
Costa Rica	-	*	187
Dominican Republic	1,328	*	980
Ecuador	-	*	187
El Salvador	1,782	*	1,680
Guatemala	488	*	500
Guyana	312	*	250
Haiti	213	*	200
Honduras	1,218	*	880
Jamaica	908	*	750
Mexico	8	*	388
Nicaragua	740	*	500
Panama	894	*	185
Paraguay	-	*	200
Peru	-	*	187
Suriname	196	*	145
Trinidad and Tobago	-	*	88
Uruguay	-	*	187
Venezuela	-	*	50
Eastern Caribbean	695	*	630
Subtotal - Western Hemisphere	12,876	*	11,967

International Military Education and Training
(\$ in thousands)

	FY 2006	FY 2007	FY 2008
	Actual	Estimate	Request
Global			
Multinational Force and Observers	4,623	*	4,255
Subtotal - Global	4,623	*	4,255
Total	85,877	85,237	89,500

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

	FY 2006	FY 2007	FY 2008
	Actual	Estimate	Request
Africa			
Burkina Faso	-	*	100
Cape Verde	-	*	500
Democratic Republic of Congo	-	*	1,750
Djibouti	-	*	300
Ethiopia	-	*	150
Ghana	-	*	500
Liberia	990	*	4,130
Mauritania	-	*	300
Mozambique	-	*	300
Nigeria	990	*	1,200
Sierra Leone	-	*	150
South Africa	594	*	-
Sudan	-	*	24,000
Tanzania	-	*	450
Uganda	-	*	350
USAID Africa Regional	594	*	-
Subtotal - Africa	3,168	*	34,180
East Asia and the Pacific			
Cambodia	-	*	200
East Timor	1,485	*	1,010
Indonesia	4,950	*	10,050
Laos	990	*	1,580
Malaysia	-	*	800
Mongolia	-	*	670
Philippines	1,980	*	1,150
Thailand	990	*	2,300
Vietnam	-	*	200
East Asia and Pacific Regional	-	*	280
Subtotal - East Asia and the Pacific	10,395	*	18,240
Europe and Eurasia			
Turkey	-	*	500
Subtotal - Europe and Eurasia	-	*	500

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

	FY 2006	FY 2007	FY 2008
	Actual	Estimate	Request
Near East			
Algeria	-	*	200
Egypt	-	*	3,000
Iraq	-	*	75,800
Iraq FY 2006 Supplemental	91,400	*	-
Iraq FY 2007 GWOT Supplemental	-	200,000	-
Iraq FY 2008 GWOT Emergency	-	*	159,000
Israel	-	*	500
Jordan	-	*	1,500
Lebanon	-	*	1,800
Lebanon FY 2007 GWOT Supplemental	-	60,000	-
Morocco	990	*	1,000
Tunisia	-	*	200
United Arab Emirates	-	*	300
Yemen	-	*	500
West Bank/Gaza	-	*	3,500
Subtotal - Near East	92,390	260,000	247,300
South and Central Asia			
Afghanistan	232,650	*	274,800
Bangladesh	-	*	1,500
India	-	*	400
Nepal	-	*	2,700
Pakistan	34,970	*	32,000
Sri Lanka	-	*	350
Subtotal - South and Central Asia	267,620	*	311,750
Western Hemisphere			
Argentina	-	*	305
Bahamas	495	*	500
Bolivia	-	*	600
Chile	-	*	100
Colombia	-	*	-
Colombia FY 2006 Supplemental	16,300	*	-
Dominican Republic	-	*	1,150
Ecuador	-	*	200
El Salvador	-	*	800
Guatemala	2,475	*	5,320
Guyana	-	*	100
Haiti	17,500	*	9,000
Honduras	-	*	750

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

	FY 2006	FY 2007	FY 2008
	Actual	Estimate	Request
Jamaica	990	*	1,009
Mexico	39,600	*	27,816
Nicaragua	-	*	1,600
Paraguay	-	*	280
Trinidad and Tobago	-	*	500
Eastern Caribbean	-	*	500
Western Hemisphere Regional	2,475	*	-
Subtotal - Western Hemisphere	79,835	*	50,530
Global			
Anticrime Programs	10,395	*	14,000
Civilian Police Program	1,980	*	2,000
Criminal Youth Gangs	-	*	5,000
Demand Reduction	9,900	*	3,500
International Law Enforcement Academies	15,840	*	16,500
International Organizations	3,960	*	5,500
Interregional Aviation Support	62,865	*	60,100
Program Development and Support	16,830	*	19,550
Trafficking in Persons	4,950	*	4,950
Subtotal - Global	116,820	*	131,100
Total	580,128	963,600	793,600

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International Organizations and Programs
(\$ in thousands)

	FY 2006	FY 2007	FY 2008
	Actual	Estimate	Request
International Organizations			
Center for Human Settlements	149	*	1,000
IMO Maritime Security Programs	396	*	400
International Civil Aviation Organization	941	*	950
International Conservation Programs	5,890	*	5,906
International Contributions for Scientific, Educational, and Cultural Activities	990	*	1,000
International Development Law Organization	-	*	300
International Panel on Climate Change/UN Framework Convention on Climate Change Montreal Protocol Multilateral Fund	5,940	*	5,320
OAS Development Assistance Programs	21,285	*	19,000
OAS Fund for Strengthening Democracy	4,702	*	5,225
Organization for Security & Cooperation in Europe (OSCE)	2,475	*	2,500
Reserve to be Allocated	-	*	-
UN Children's Fund	125,730	*	123,000
UN Democracy Fund (UNDEF)	[10,000]	*	14,000
UN Development Fund for Women	3,218	*	950
UN Development Program	108,900	*	75,300
UN Environment Program	10,159	*	9,524
UN Innovation and Entrepreneurship Initiative (UNIEI)	-	*	10,000
UN Office for the Coordination of Humanitarian Affairs (UN OCHA)	805	*	2,000
UN Voluntary Fund for Technical Cooperation in the Field of Human Rights	1,485	*	1,425
UN Voluntary Fund for Victims of Torture	6,517	*	4,750
UNIFEM Trust Fund	1,485	*	-
World Meteorological Organization	1,881	*	1,900
World Trade Organization	940	*	950
Subtotal - International Organizations	303,888	*	289,400
Total	303,888	326,163	289,400

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Migration and Refugee Assistance
(\$ in thousands)

	FY 2006	FY 2007	FY 2008
	Actual	Estimate	Request
Migration and Refugee Assistance (MRA)			
Overseas Assistance	638,465	*	532,600
Africa	297,986	*	220,000
East Asia	28,594	*	20,000
Europe	45,529	*	30,800
Near East	97,215	*	128,100
South Asia	56,993	*	44,400
Western Hemisphere	25,335	*	21,000
Migration	12,889	*	11,700
Strategic Global Priorities	73,924	*	56,600
Iraq	-	*	-
Iraq FY 2007 GWOT Supplemental	-	15,000	-
FY 2006 Supplemental	[75,700]	*	-
FY 2007 GWOT Supplemental	-	56,500	-
FY 2008 GWOT Emergency	-	-	[35,000]
Refugee Admissions	159,440	*	213,400
Refugee Admissions	159,440	*	213,400
Humanitarian Migrants to Israel	39,600	*	40,000
Administrative Expenses	21,285	*	22,500
Total (MRA)	858,790	821,706	808,500
U.S. Emergency Refugee and Migration Assistance Fund			
U.S. Emergency Refugee and Migration Assistance Fund	29,700	*	55,000
U.S. Emergency Refugee and Migration Assistance Fund FY 2007 GWOT	-	30,000	-
Total (ERMA)	29,700	60,000	55,000

* Note: A regular FY 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution. The amounts included for FY 2007 in this budget reflect the levels provided by the continuing resolution. Country allocations for FY 2007 will be made once a FY 2007 appropriations bill is enacted.

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

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Nonproliferation Programs			
Nonproliferation and Disarmament Fund	37,125	*	30,000
Export Control and Related Border Security Assistance	42,966	*	41,270
Global Threat Reduction (formerly NWMDE)	52,074	*	53,500
Global Threat Reduction - FY 2007 GWOT	-	1,000	-
IAEA Voluntary Contribution	49,500	*	50,000
CTBT International Monitoring System	14,207	*	18,000
Subtotal - Nonproliferation Programs	195,872	1,000	192,770
Anti-Terrorism Programs			
Anti-terrorism Assistance	122,265	*	124,311
Anti-terrorism Assistance - FY 2007 GWOT	-	15,000	-
Terrorist Interdiction Program	5,445	*	18,345
Terrorist Interdiction Program - FY 2007 GWOT	-	1,000	-
CT Engagement with Allies	990	*	1,000
CT Engagement with Allies - FY 2007 GWOT	-	1,000	-
Counterterrorism Financing	7,425	*	6,368
Counterterrorism Financing - FY 2007 GWOT	-	4,000	-
Subtotal - Anti-Terrorism Programs	136,125	21,000	150,024
Regional Stability & Humanitarian Assistance			
Humanitarian Demining Program	55,440	*	66,485
Humanitarian Demining Program - FY 2007 GWOT	-	5,500	-
International Trust Fund	9,900	*	10,000
Small Arms/Light Weapons Destruction	8,662	*	44,721
Subtotal - Regional Stability & Humanitarian Assistance	74,002	5,500	121,206
Total	405,999	420,321	464,000

* Note: A regular FY 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution. The amounts included for FY 2007 in this budget reflect the levels provided by the continuing resolution. Country allocations for FY 2007 will be made once a FY 2007 appropriations bill is enacted.

Peacekeeping Operations
(\$ in thousands)

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Africa			
Democratic Republic of Congo	-	*	5,500
Liberia	-	*	16,800
Somalia	-	*	2,300
Sudan	70,000	*	41,400
Sudan FY 2006 Supplemental	116,000	*	-
Sudan FY 2007 GWOT Supplemental	-	150,000	-
Trans-Sahara Counter-terrorism Program	-	*	10,000
STATE Africa Regional	45,866	*	4,000
Subtotal - Africa	231,866	*	80,000
Global			
Rebuilding and Stabilization Activities	-	*	25,000
PM FY 2007 GWOT Supplemental	-	128,000	-
Global Peace Operations Initiative	100,384	*	95,200
Multinational Force and Observers	19,000	*	21,000
Subtotal - Global	119,384	*	141,200
Total	351,250	448,000	221,200

* Note: A regular FY 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution. The amounts included for FY 2007 in this budget reflect the levels provided by the continuing resolution. Country allocations for FY 2007 will be made once a FY 2007 appropriations bill is enacted.