

STRATEGIC OBJECTIVE #1: ACHIEVE PEACE AND SECURITY

STRATEGIC GOAL 5: INTERNATIONAL CRIME AND DRUGS

Minimize the Impact of International Crime and Illegal Drugs on the United States and its Citizens

I. Public Benefit

Americans and our global partners face growing security threats, both at home and abroad, from international terrorist networks and international criminal enterprises. In America alone, illegal drugs impose a staggering toll, killing more than 19,000 Americans annually and costing more than \$160 billion in law enforcement costs, drug-related health care, and lost productivity. This is in addition to the wasted lives, the devastating impact on families, schools, and communities, and the generally corrosive effect of illegal drugs on public institutions.

International crime groups also threaten U.S. and global partner interests in a stable world system. International trafficking in persons, smuggling of migrants and contraband, money laundering, cyber crime, theft of intellectual property rights, trafficking in small arms, and other offenses cost U.S. taxpayers and businesses billions of dollars each year and undermine rule of law in both developing and developed nations.

The events of 9/11 and their aftermath highlight the close connections among international terrorists, drug traffickers, and transnational criminals. All three groups seek out weak states with feeble judicial systems, whose governments they can corrupt or even dominate. Such groups jeopardize peace and freedom, undermine the rule of law, menace local and regional stability, and threaten the U.S. and its friends and allies.

To meet these challenges, the Department of State and USAID support a robust and comprehensive range of programs that foster international cooperation to help stop these threats before they reach U.S. soil, and to mitigate these threats within the borders of our global partners. The Department and USAID work with other U.S. Government agencies and foreign governments to break up drug trafficking and other international crime groups, disrupt their operations, arrest and imprison their leaders, and seize their assets.



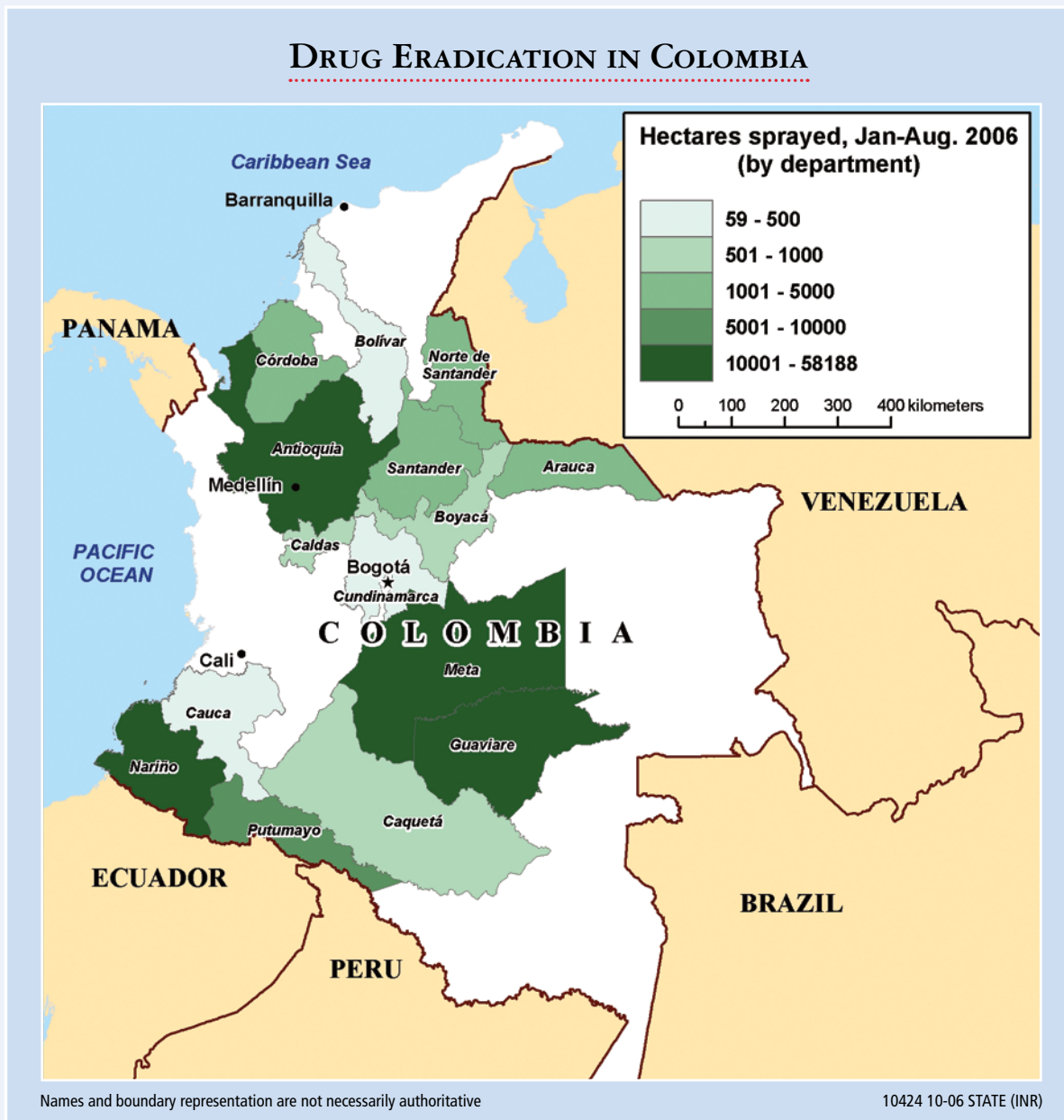
On the diplomatic level, the Department works with the United Nations, the European Union, the Organization of American States, the Group of Eight Industrialized States, and other international and regional bodies to

A female police officer chats about her experience as a member of the Afghan Police's Family Response and Domestic Violence Unit with Assistant Secretary for International Narcotics and Law Enforcement Affairs Anne Patterson, August 2006.

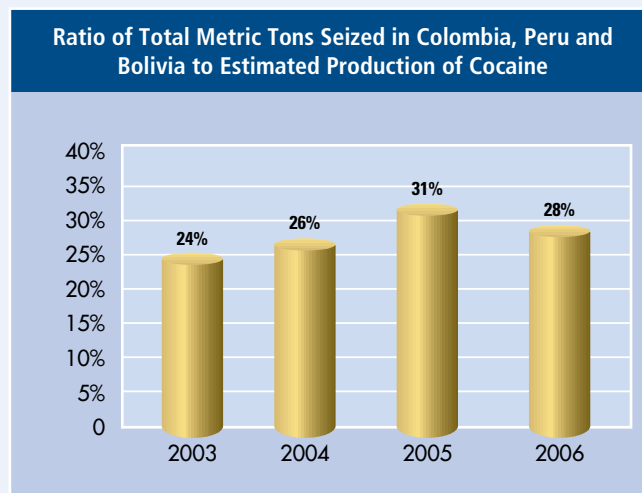
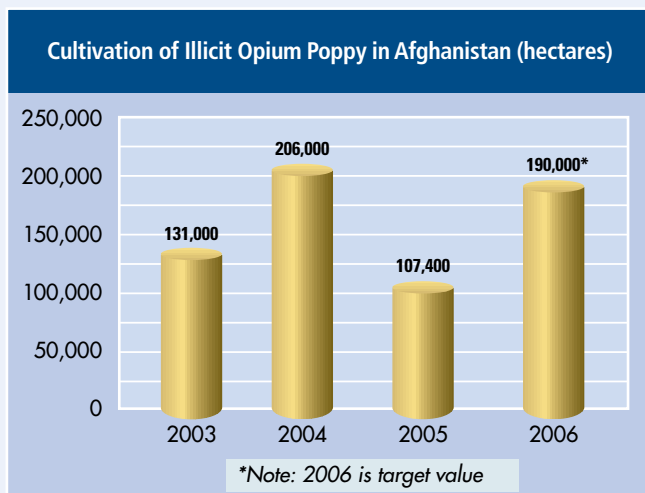
Photo courtesy of DynCorp

set international counter-drug, anti-crime and counter-terrorist standards, foster cross-border law enforcement cooperation, and deny safe havens to crime, drug and terrorist groups.

To expand the reach of government and help establish the rule of law, which is critical to political stability in source countries struggling against narco-terrorists, the Department and USAID strengthen courts and prosecutorial offices, create less corrupt and more transparent national and local government structures, and improve civil society advocacy. In addition, the Department provides American civilian police and police experts to UN, regional, or other peacekeeping operations to establish or rebuild democratic and professional police forces in countries emerging from violent conflict.



II. Selected Performance Trends



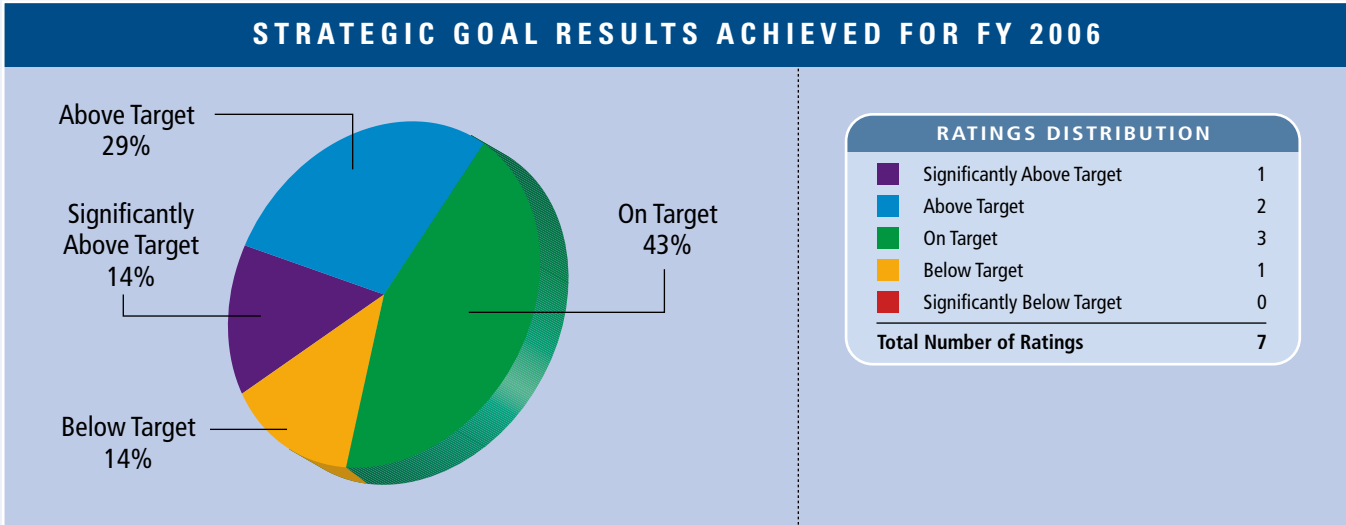
III. Strategic Context

Shown below are the performance goals, initiatives/programs, and the major resources, bureaus and partners that contribute to accomplishment of the International Crime and Drugs strategic goal. Acronyms are defined in the glossary at the back of this publication.

Strategic Goal	Performance Goal (Short Title)	Initiative/Program	Major Resources	Lead Bureau(s)	External Partners
International Crime and Drugs	Disruption of Criminal Organizations	Andean Counterdrug Initiative	ACI, CIO, D&CP, DA	INL, WHA, LAC	DoD, DEA, DOJ, ONDCP, CNC
		Global Poppy Cultivation	ACI, CIO, D&CP, DA	INL, WHA, LAC	DoD, DEA, DOJ, ONDCP, CNC
		Improve Anti-Trafficking Prosecutorial and Protection Capacities	CIO, D&CP, DA, ESF, FSA, INCLE, MRA, SEED	G/TIP, PPC	DOJ, DOL, DHS, UN, IOM, ILO, Asia Foundation, OAS, OSCE, Stability Pact, SECI, ASEAN, ECOWAS, SADC
	Law Enforcement and Judicial Systems	International Law Enforcement	CIO, D&CP, FSA, INCLE, SEED	INL	FBI, DEA, DHS, Treasury, UN
		Justice Sector Reconstruction in Iraq	DA, IRRF, TI	NEA, INL	DoD, DOJ

IV. Performance Summary

The chart below summarizes the performance ratings for Department of State and USAID results for the International Crime and Drugs strategic goal.



V. Performance Analysis

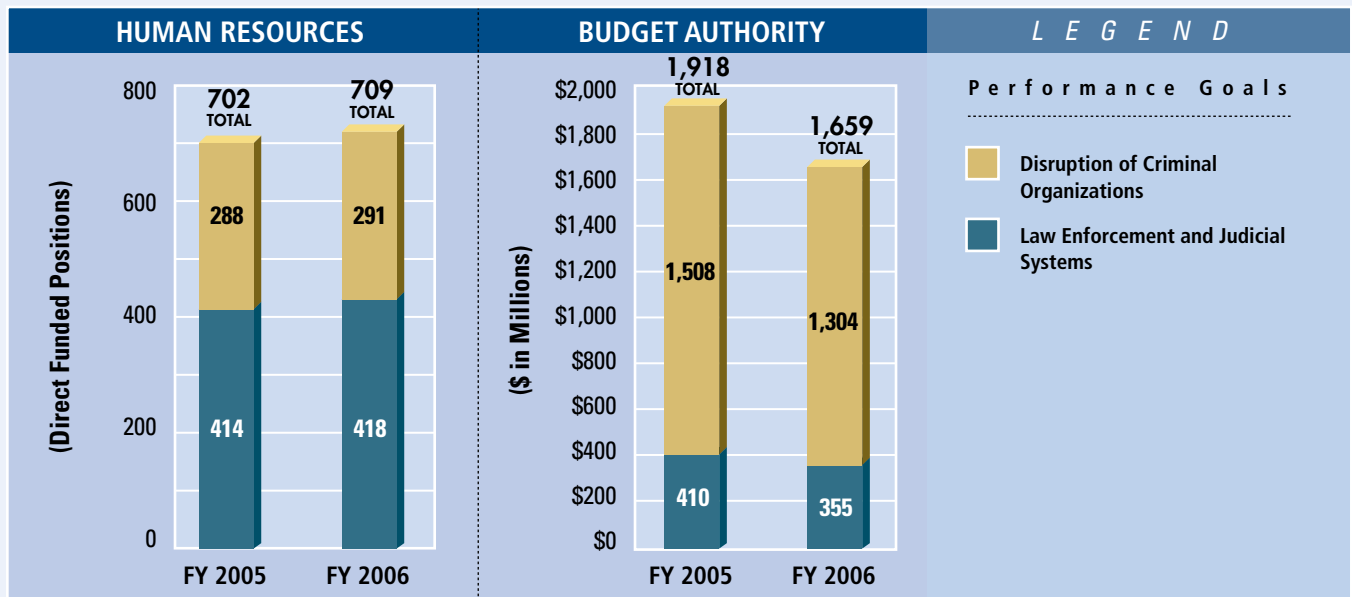
PERFORMANCE TRENDS. There were a number of positive trends under the Andean Counterdrug Initiative: hectares sprayed, shipments seized, and licit crop production increased. In addition, host government law enforcement partners have become stronger and more effective, capturing an increasing share of the cocaine produced in the Andean region. Unfortunately, the four-year trend in Afghanistan shows an increase in illicit opium poppy cultivation, despite U.S. Government efforts to discourage planting, eradicate the crop and promote alternative development.

HIGH-LEVEL RESULTS. The Department and USAID have demonstrated results toward disrupting criminal organizations through programs that seize cocaine shipments, eradicate poppy crops, and strengthen prosecution of individuals and groups that traffic in persons. In addition, both agencies have had success with programs to strengthen the justice sector and related institutions in other countries, most notably Iraq.

RESULTS SIGNIFICANTLY ABOVE OR SIGNIFICANTLY BELOW TARGET. Efforts to strengthen anti-trafficking laws significantly exceeded FY 2006 targets. Forty-one countries took action to strengthen legislation to combat trafficking in persons. No indicator under this Strategic Goal was rated significantly below target.

KEY INITIATIVES AND PROGRAMS. In FY 2006, Congress appropriated \$734.5 million to the Department of State to carry out the Andean Counterdrug Initiative, of which approximately \$229 million was earmarked to USAID for alternative development and institution building, including \$131 million for assistance to Colombia. An additional \$477 million was appropriated in FY 2006 to fund international narcotics and law enforcement activities, including \$16 million to fund International Law Enforcement Academies.

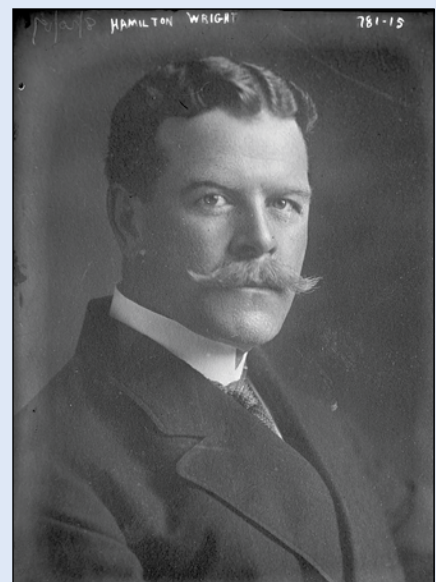
VI. Resources Invested



A Look to History: International Crime and Drugs

The 1909 Shanghai Opium Commission was the first international meeting to address the problem of drugs and the question of drug control. Dr. Hamilton Wright represented the United States in the Commission's negotiations to diminish the East Asian opium trade that had caused a significant public health crisis in China and elsewhere. In his efforts to impose limitations on legal opium use, Hamilton clashed with some imperial powers as they benefited from the opium trade. Though the Commission did not reach any concrete resolutions, it raised important questions related to international drug trade and consumption and marked the inception of drug control as an international issue.

Dr. Hamilton Wright. AP/Wide World



VII. Performance Results

For each initiative/program that supports accomplishment of this strategic goal, the most critical FY 2006 performance indicators and targets are shown below.

ANNUAL PERFORMANCE GOAL 1

INTERNATIONAL TRAFFICKING IN DRUGS, PERSONS, AND OTHER ILLICIT GOODS DISRUPTED AND CRIMINAL ORGANIZATIONS DISMANTLED.

I/P: ANDEAN COUNTERDRUG INITIATIVE




INDICATOR: Ratio of Total Metric Tons Seized in Colombia, Peru, and Bolivia to Estimated Production of Cocaine



PART Outcome

JUSTIFICATION: Statistics on seizures complement estimates on cultivation and production. They are an indication of law enforcement effectiveness but much less reliable as a snapshot of drug trafficking.

FY 2006 PERFORMANCE	Target	Seizure Rate: at least 28% of total net production.
	Results	Although actual data for metric tons produced or actual metric tons seized is not expected to be distributed until April 2007, based on results for 2005 and past experience, it is reasonable to forecast that the seizure rate will remain on target.
	Rating	■ On Target
	Impact	The seizure rate measures the effectiveness of U.S. Government assistance to law enforcement capacity building in Colombia, Peru, and Bolivia. The upward trend from 2003 to 2005 indicates that the host government law enforcement, working together with the U.S. Government, continue to capture an increasing share of the cocaine produced in the Andean region.
PERFORMANCE DATA	Data Source	Seizure statistics are provided by post and the host government and are included annually in the International Narcotics Control Strategy Report. The quality of the data varies by government. Estimates of cocaine production are provided by the CIA's Crime and Narcotics Center.
	Data Quality (Verification)	The quality of the seizure data varies by government. Estimates of cocaine production as provided by the CIA's Crime and Narcotics Center are regarded as the U.S. Government's most reliable information regarding cocaine production.
PAST PERFORMANCE	2005	31%.
	2004	26%.
	2003	24%.

I/P: GLOBAL POPPY CULTIVATION		
INDICATOR: Cultivation of Illicit Opium Poppy in Hectares in Afghanistan		
Outcome		
JUSTIFICATION: The level of cultivation is the single best indicator of poppy and therefore heroin production. It has the added advantage of pinpointing poppy-growing areas so they can be targeted for eradication and other counter-narcotics programs.		
FY 2006 PERFORMANCE	Target	190,000 hectares under cultivation. USG-supported program eradicates 15,000 hectares.
	Results	In September 2006, the U.N. Office of Drugs and Crime released its opium poppy cultivation estimate of 165,000 hectares for Afghanistan, indicating a cultivation level below the 2006 target of 190,000. The 2006 estimate was initially set against the official U.S. Government estimate provided by the CIA's Crime and Narcotics Center and the official estimate will not be available until December 2006.
	Rating	■ On Target
	Impact	Reducing the level of opium poppy under cultivation will deny destabilizing forces in Afghanistan the revenue with which to continue their operations and reduce the global supply of heroin.
PERFORMANCE DATA	Data Source	CIA Crime and Narcotics Center provides the estimates.
	Data Quality (Verification)	Data provided by the CIA's Crime and Narcotics Center are regarded as the most reliable U.S. Government information on narcotics cultivation and production.
PAST PERFORMANCE	2005	107,400 hectares under cultivation.
	2004	206,000 hectares under cultivation.
	2003	131,000 hectares under cultivation.

		
INDICATOR: Number of Hectares Devoted to Legitimate Agricultural and/or Forestry Products Developed or Expanded in Areas Receiving USAID Assistance		
Output		
JUSTIFICATION: This indicator measures the impact of USAID programs in Afghanistan, Bolivia, Colombia, Ecuador and Peru to expand production of licit crops and forestry products, thereby expanding legitimate economic opportunities.		
FY 2006 PERFORMANCE	Target	344,160 Hectares.
	Results	382,286 Hectares, 11% above the FY 2006 target.
	Rating	■ Above Target
	Impact	USAID programs educate growers, provide alternative seeds, and agricultural inputs, and promote the production of licit crops in areas where poppy has been grown.
PERFORMANCE DATA	Data Source	Preliminary result data from USAID operating units.
	Data Quality (Verification)	Verification and validation of the Agency's performance data are accomplished by periodic reviews, certifications and audits, including Data Quality Assessments (DQAs) and PART assessments, as well as annual certification of operating units' strategic objectives and their relationship to the Agency's strategic goals. Data validation and verification are also supported by extensive automated systems and external expert analyses.
PAST PERFORMANCE	2005	310,281 hectares in licit production formerly in illicit poppy production, 1,141% above the FY 2004 baseline.
	2004	25,000 hectares in licit production formerly in illicit poppy production.
	2003	N/A.


I/P: IMPROVE ANTI-TRAFFICKING PROSECUTORIAL AND PROTECTION CAPACITIES		
	INDICATOR: Number of Countries Strengthening and Enforcing New or Existing Anti-Trafficking Laws to Come Into Compliance with International Standards	
	Outcome	
JUSTIFICATION: Strengthened laws requiring strong penalties for traffickers and comprehensive assistance for victims indicate concrete efforts to prosecute and convict traffickers and to protect victims.		
FY 2006 PERFORMANCE	Target	<ul style="list-style-type: none"> Ten countries move up a tier or off the Tier 2 Watch List classification based on fulfillment of country strategies. Two additional countries receiving USG assistance successfully adopt comprehensive anti-trafficking law(s).
	Results	<ul style="list-style-type: none"> In the past year, 16 countries moved up a tier or off the Tier 2 Watch List. Of these 16 countries, eight moved up from Tier 3 to Tier 2 Watch List or Tier 2. Eight additional countries moved from the Tier 2 Watch List to Tier 2. Forty-one countries adopted new legislation or amended existing legislation to combat trafficking in persons.
	Rating	 Significantly Above Target
	Impact	Concrete actions taken by governments to fight trafficking result in more prosecutions, convictions, and prison sentences for traffickers and comprehensive assistance for victims.
PERFORMANCE DATA	Data Source	Annual Department of State <i>Trafficking in Persons Report</i> .
	Data Quality (Verification)	Information from the 2006 <i>Trafficking in Persons Report</i> is from U.S. embassies, foreign government officials, NGOs and international organizations, published reports, research trips to every region, and information submitted to tipreport@state.gov . U.S. diplomatic posts reported on the trafficking situation and governmental action based on thorough research, including meetings with a wide variety of government officials, local and international NGO representatives, international organizations, officials, journalists, academics, and survivors.
PAST PERFORMANCE	2005	<ul style="list-style-type: none"> With USG assistance, 39 countries adopted anti-trafficking legislation. The United States was the ninety-seventh country to ratify the UN Trafficking in Persons Protocol on November 5, 2005.
	2004	<ul style="list-style-type: none"> Tier rating targets for 2004 TIP Report: Tier 1: 31; Tier 2: 80; Tier 3: 12. Thirty additional countries, including the U.S., ratified UN Trafficking in Persons Protocol.
	2003	<ul style="list-style-type: none"> Forty-two percent of Tier 2 and Tier 3 countries use Department assistance to develop or further anti-trafficking initiatives. Forty-two countries ratified UN Trafficking in Persons Protocol, which entered into force.

U.S. Andean Counterdrug Initiative

The U.S. multi-year investment in the Andean Counterdrug Initiative to combat narco-terrorism in the Andean Region of South America is paying important political, security and economic dividends. This is particularly apparent in Colombia, which faced a frontal assault by major narco-terrorist organizations in the 1990s. Today, civil violence such as terrorist attacks, kidnappings, and homicides have dropped dramatically. Virtually all 30,000 members of a local terrorist organization have been demobilized with U.S. help. Drug seizures in 2006 reached a record high for the third consecutive year and the Colombian Government continues to extradite record numbers of traffickers to the United States. Despite these gains, the fight against narco-terrorism continues; Colombia continues to supply approximately 90% percent of the cocaine and heroin entering the United States.



Police officers escort Eduardo Restrepo Victoria at the National Police headquarters in Bogota, Colombia, July 2006. Restrepo was arrested on charges of smuggling cocaine to the United States. AP/Wide World

I/P: IMPROVE ANTI-TRAFFICKING PROSECUTORIAL AND PROTECTION CAPACITIES (continued)		
 INDICATOR: Number of Stakeholders and Survivors Assisted Through USAID-Supported Anti-Trafficking in Persons Programs		
Output		
JUSTIFICATION: By training stakeholders on the legal and human rights aspects of trafficking, and by providing support services to the survivors of trafficking, USAID will reduce the number of people trafficked and the consequences of trafficking. Stakeholders include government officials, non-governmental organizations, journalists, private sector participants, community leaders and members, and religious organization leaders.		
FY 2006 PERFORMANCE	Target	<ul style="list-style-type: none"> 280,638 stakeholders (police, ministry of justice personnel, journalists, school children, at-risk trafficking survivors, etc) educated or trained. 50,265 survivors of trafficking receive counseling and other support services.
	Results	<ul style="list-style-type: none"> 222,332 stakeholders (police, ministry of justice personnel, journalists, school children, at-risk trafficking survivors, etc) educated or trained. FY 2006 data for the number of survivors of trafficking receiving counseling and other support services are not available.
	Rating	 Below Target
	Impact	A decrease in the number of stakeholders trained or educated equates to a general decline in the overall awareness of the dangers of trafficking. In turn, this may indirectly impact USAID's effort to reduce the numbers of people trafficked.
	Reason for Shortfall	The explanation for this program's shortfall is pending and will be obtained once the final FY 2006 results are reported.
	Steps to Improve	The necessary steps for this program's improvement are pending and will be obtained once the final FY 2006 results are reported.
	PERFORMANCE DATA	Data Source
Data Quality (Verification)		Verification and validation of the Agency's performance data are accomplished by periodic reviews, certifications and audits, including Data Quality Assessments (DQAs) and PART assessments, as well as annual certification of operating units' strategic objectives and their relationship to the Agency's strategic goals. Data validation and verification are also supported by extensive automated systems and external expert analyses.
PAST PERFORMANCE	2005	<ul style="list-style-type: none"> 267,275 officials educated or trained. 61,534 survivors of TIP received counseling and other support services.
	2004	<ul style="list-style-type: none"> 47,483 officials educated or trained. 434,318 survivors of TIP received counseling and other support services.
	2003	Baselines: <ul style="list-style-type: none"> 3,737 officials educated or trained. 362 survivors of TIP receive counseling and other support services.

A farmer inspects his coffee shrub, planted in fields that once grew illegal crops, with his son near Turbó, in Colombia's Urabá region. USAID photo



ANNUAL PERFORMANCE GOAL 2

COUNTRIES COOPERATE INTERNATIONALLY TO SET AND IMPLEMENT ANTI-DRUG AND ANTI-CRIME STANDARDS, SHARE FINANCIAL AND POLITICAL BURDENS, AND CLOSE OFF SAFE-HAVENS THROUGH JUSTICE SYSTEMS AND RELATED INSTITUTION BUILDING.

I/P: INTERNATIONAL LAW ENFORCEMENT



INDICATOR: Number of Officials Trained at International Law Enforcement Academies (ILEAs)

Output

JUSTIFICATION: Training is a major component of U.S. anti-crime assistance and correlates positively with institution building efforts to improve and professionalize foreign law enforcement agencies and institutions. U.S.-trained officers tend to move up to positions of leadership more rapidly than their peers and are more likely to cooperate with U.S. Government agencies at the operational level. They are also more open to and supportive of regional cooperation, particularly with counterparts from other countries who trained with them at the ILEAs.


FY 2006 PERFORMANCE	Target	2,800.
	Results	3,110.
	Rating	■ Above Target
	Impact	ILEA graduates raise the professional standards and skill levels of foreign law enforcement officials and foster operational cooperation between U.S. and foreign law enforcement officials, as well as promoting regional cooperation among participating governments.
PERFORMANCE DATA	Data Source	ILEA academies in Bangkok, Budapest, Gaborone, Roswell, San Salvador, and Lima monitor and report training data.
	Data Quality (Verification)	The Department of State and other agencies involved in training cross-check and validate the training data.
PAST PERFORMANCE	2005	2,856.
	2004	2,400.
	2003	2,200.

Combating Trafficking in Persons & Migrant Smuggling

Trafficking in persons is a crime that particularly targets the most vulnerable members of society, women and children, who are subjected to economic, sexual and other forms of exploitation and abuse. Although trafficking in persons has increased in tandem with economic globalization, many governments have only recently begun to recognize it as a crime and to begin taking steps to prevent and break up trafficking operations and to punish those involved. The Department uses its annual *Trafficking in Persons Report*, which assesses the anti-trafficking efforts of nearly 150 countries, to spur governments to take action by threat of sanctions and through offers of anti-trafficking assistance.



An elementary school student reads a brochure about the dangers of trafficking. USAID Photo

I/P: JUSTICE SECTOR RECONSTRUCTION IN IRAQ		
		
INDICATOR: Viability of Iraqi Justice and Law Enforcement Sectors		
Outcome		
JUSTIFICATION: Given the uncertain political and security environment, a measure of the capacity and professionalization of the police force is extremely relevant and useful to program planning and decision-making.		
FY 2006 PERFORMANCE	Target	<ul style="list-style-type: none"> ● Large-scale basic police training ramps down to accommodate normal personnel management. ● New phase of training focuses on organizational development leadership. ● Training increasingly emphasizes transparency, accountability, anti-corruption, and respect for human rights. ● Specialized training intensifies. ● Special anti-corruption units created within Justice Ministry and police internal accountability units (i.e., internal affairs) created. ● Revision of criminal code completed and enacted by National Assembly. ● Personal and operational equipment and infrastructure provided to supplement similar support provided by Coalition military forces.
	Results	<ul style="list-style-type: none"> ● The Coalition Police Advisory Training Team plans to conclude large-scale basic police training by December 31, 2006. To date, 39,826 Iraqi students have graduated from the Jordan International Police Training Center. ● Police Transition Teams that include over 600 International Police Liaison Officers are assessing and mentoring Iraqi police. ● Advanced and specialized police training includes basic criminal investigations (3,400 total graduates to date), advanced criminal investigations (240 graduates), interviews and interrogation (1,313 graduates), violent crimes investigation (1,151 graduates), criminal intelligence (596 graduates). ● An internal affairs unit has been established at the Ministry of Interior, over 285 internal affairs investigators have been trained, and the Ministry is providing mentoring. Internal controls training has been provided to 837 Iraqi Police Service graduates.
	Rating	■ On Target
	Impact	Strengthening the law enforcement and justice sectors in Iraq is essential to restoring public confidence in the Iraqi government. Improvements in the accountability and transparency of the police, courts, and prisons systems are critical to the success of the U.S. mission in Iraq.
PERFORMANCE DATA	Data Source	Department of Defense (Coalition Police Advisory Training Team), Embassy Baghdad, U.S. contractor.
	Data Quality (Verification)	Data are gathered by U.S. Embassy teams, verified at post, and validated by State Department employees of the Bureau of International Narcotics and Law Enforcement.
PAST PERFORMANCE	2005	Police training facilities expanded operations in Jordan and Baghdad, where police training experts delivered two classes to 1,750 new Iraqi police recruits each.
	2004	Police training facilities established in Jordan and Baghdad, where an international staff of police experts provides eight weeks of basic training and some specialized training. Approximately 7,000 police completed basic training and deployed to the field in Baghdad and some other key urban areas. Approximately 400 international police liaison officers provide follow-on mentoring and guidance for the newly deployed units.
	2003	N/A.

STRATEGIC OBJECTIVE #1: ACHIEVE PEACE AND SECURITY

STRATEGIC GOAL 6: AMERICAN CITIZENS

Assist American Citizens to Travel, Conduct Business, and Live Abroad Securely

I. Public Benefit

The Department of State has no more vital responsibility than the protection of U.S. citizens while they are overseas. Approximately 4 million Americans reside abroad, and Americans make about 60 million trips outside the United States each year.

Through Passport Services, the Department of State provides the American public with the world's premier travel, citizenship and identity document. The Department continues to enhance the integrity of the U.S. passport, while maintaining the highest standards for excellence in customer service. The Biometrics collection program for U.S. passports leads the way toward the next generation of international travel documents – e-passports that contain a chip on which biometric and biographic information is recorded. These improvements will further strengthen international border security by ensuring both that the document is authentic and that the person carrying the e-passport is the American citizen to whom that document was issued. In addition, to alert Americans to conditions that may affect safety and travel abroad, the Department of State disseminates threat assessments to posts around the world and announcements to the public as quickly as possible, using all available means. The Department uses websites, its Consular Information Program, a global Internet-based registration system, its overseas American citizen warden program, and the Overseas Security Advisory Council, a government-private sector partnership, to foster creative solutions to security related issues affecting U.S. private sector interests.

U.S. embassies and consulates offer a broad range of services to U.S. citizens abroad, such as assistance to U.S. citizens in case of death, illness, destitution, arrest, imprisonment, and falling victim to a crime. The Department must plan for the unexpected and be prepared to respond to crises abroad, such as transportation or natural disasters, and other situations in which U.S. citizens need assistance, including incidents of terrorism and serious crimes such as hostage taking, homicide, assault, domestic violence, child abuse, and international parental child abduction. The Department actively encourages host governments to adopt measures to protect Americans from crime and social and political unrest and works to ensure that Americans are equitably treated by the host country criminal justice system. The Department assists host governments to develop effective investigative, prosecutorial, and other judicial capabilities

to respond to American victims of crime, and expand their cooperation and information sharing with the United States in order to prevent terrorist attacks on U.S. citizens. The Department also works with foreign governments, other USG agencies and international organizations on transportation security initiatives and encourages countries to implement intercountry adoption systems that protect the interests of children, birth parents, and U.S. adoptive parents.



An American citizen with his luggage on top of his head waits with hundreds of fellow Americans to enter the processing center in order to be evacuated from a beach north of the capital Beirut, Lebanon, July 2006.

AP/Wide World

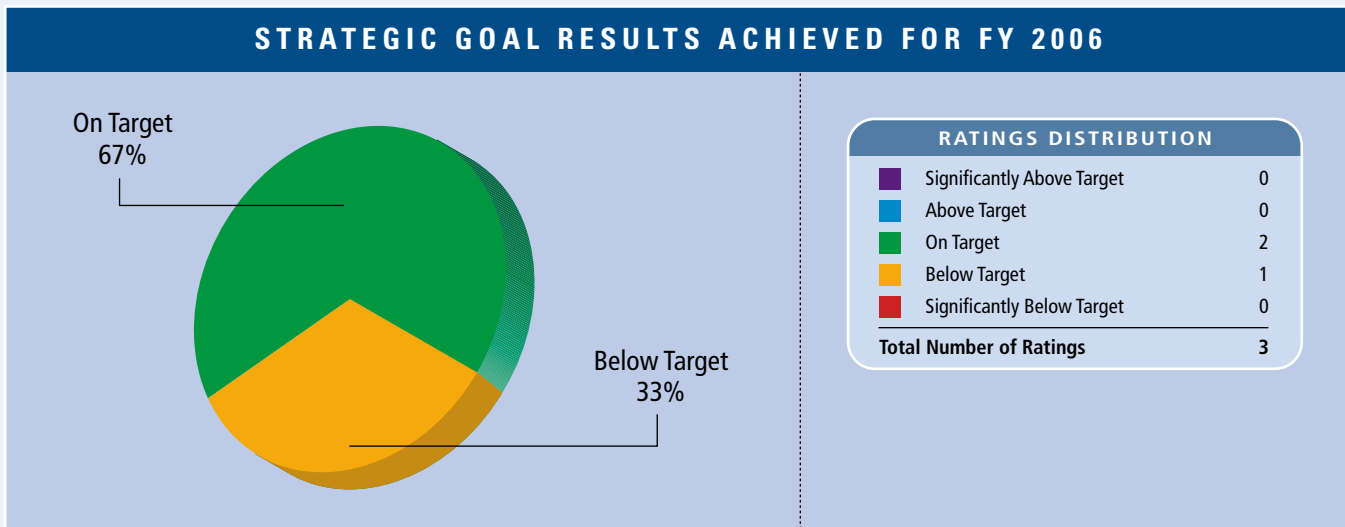
III. Strategic Context

Shown below are the performance goals, initiatives/programs, and the major resources, bureaus and partners that contribute to accomplishment of the American Citizens strategic goal. Acronyms are defined in the glossary at the back of this publication.

Strategic Goal	Performance Goal (Short Title)	Initiative/Program	Major Resources	Lead Bureau(s)	External Partners
American Citizens	Assistance for U.S. Citizens Abroad	American Citizen Services	D&CP	CA	DOJ, DoD, HHS, DOT; NCMEC, other NGOs
	Passport Issuance and Integrity	Secure Passport Issuance	D&CP	CA	GPO, Treasury, DHS, SSA, USPS, USMS, HHS; ICAO; NAPHSIS, AAMVA

IV. Performance Summary

The chart below summarizes Department performance ratings for the American Citizens strategic goal.



V. Performance Analysis

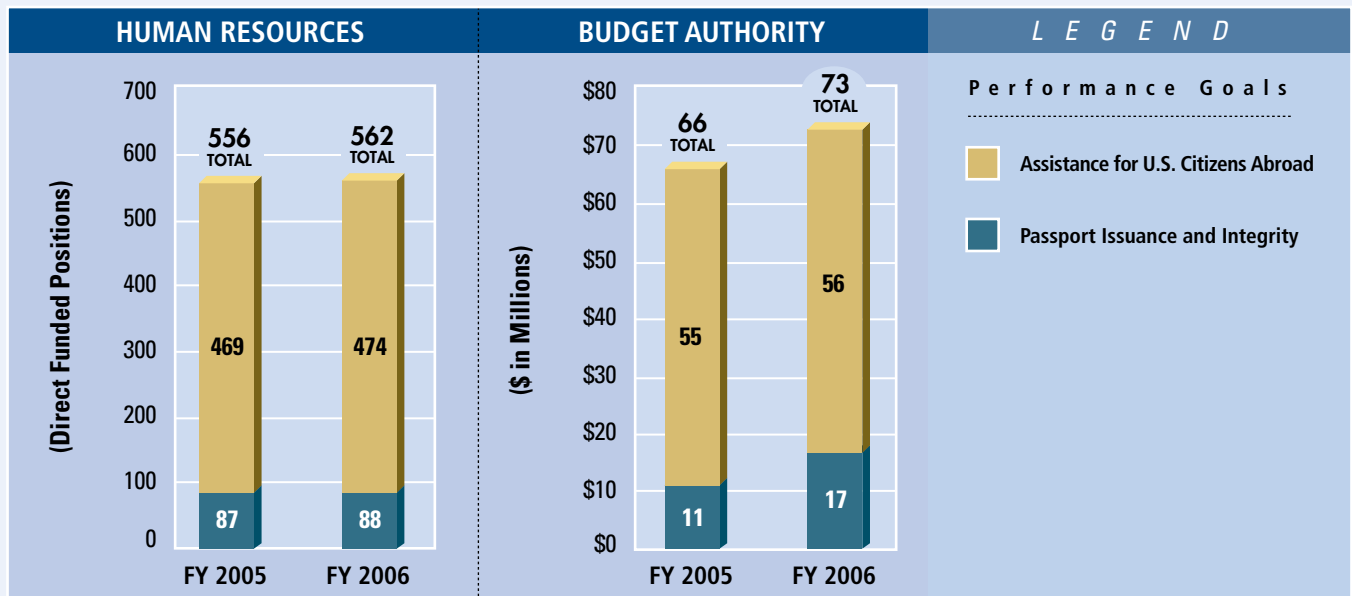
PERFORMANCE TRENDS. The clear trend is toward a more sophisticated, automated system to support and protect Americans living and traveling abroad. For example, over the past four years, the Department has designed, developed, tested, and deployed an online database that contains the names of more than 500,000 U.S. citizens living abroad.

HIGH-LEVEL RESULTS. The Department has maintained a steady focus on delivering information, services and protection to U.S. citizens. Nowhere was this better demonstrated than with the evacuation of 15,000 U.S. citizens from Lebanon in August 2006.

RESULTS SIGNIFICANTLY ABOVE OR SIGNIFICANTLY BELOW TARGET. No results were reported significantly above or below target.

KEY INITIATIVES AND PROGRAMS. The Department of State appropriation act provides the critical operating resources and support necessary to fulfill the Department’s range of mandates. For example, FY 2006 appropriations includes funding for the repatriation loan program available to U.S. citizens abroad. These programs – together with other initiatives such as machine readable visas, expedited passport issuance, enhanced border security and visa fraud prevention – support the people, platform, and processes required to achieve the objectives of transformational diplomacy.

VI. Resources Invested




VII. Performance Results

For each initiative/program that supports accomplishment of this strategic goal, the most critical FY 2006 performance indicators and targets are shown below.

ANNUAL PERFORMANCE GOAL 1

U. S. CITIZENS HAVE THE CONSULAR INFORMATION, SERVICES AND PROTECTION THEY NEED TO RESIDE, CONDUCT BUSINESS, AND TRAVEL ABROAD.

I/P: AMERICAN CITIZEN SERVICES	
	INDICATOR: Access to Online Registration System
	Output
<p>JUSTIFICATION: Global access to an online registration system with a database maintained and protected behind the Department’s firewalls provides easily accessible, secure registration and management of U.S. citizen contact data, and enables efficient delivery of travel information and consular emergency services anywhere in the world.</p>	
FY 2006 PERFORMANCE	<p>Target A mature online registration database and fully deployed American citizen services case management system application together maintain a warden system for American citizen travelers that can be managed locally or remotely.</p>
	<p>Results By the end of FY 2006, more than half a million U.S. citizen travelers have registered in the Department’s online database in response to a publicity campaign and continued international security concerns. Travel information, such as Consular Information Program documents, is automatically delivered to all registrants. The deployment of new software in Washington and at overseas consular posts provides for efficient delivery of registrants’ travel information to the appropriate posts’ case management systems.</p>
	<p>Rating ■ On Target</p>
	<p>Impact As the number of registrants continues to rise and more posts receive the new application, the Bureau of Consular Affairs has an increasing ability to locate, contact, and assist American citizens during an emergency.</p>
PERFORMANCE DATA	<p>Data Source Data come from Bureau of Consular Affairs records, American Citizen Services units at posts, and the database itself.</p>
	<p>Data Quality (Verification) Registration data are gathered and verified by the Bureau of Consular Affairs.</p>
PAST PERFORMANCE	<p>2005 Registration in the online database passed the 300,000 mark spurred on by security concerns after events such as the Asian tsunami in December 2004 - during which the online registration system was used for the first time by a Consular Affairs task force. The website’s public availability became more reliable with greater experience in managing the system’s servers and application. Down time and problem reports dropped substantially by the end of the year. Posts learned to access the system through the Consular Consolidated Database and began to use data as a part of warden management.</p>
	<p>2004 Launched a worldwide global Internet-based registration system that allows U.S. citizens access to secure online U.S. citizen registration system. The system became operational, allowed American citizens to receive timely information, and enabled Embassies and Consulates to track and assist American travelers and overseas residents.</p>
	<p>2003 Contract to manage the online registration system was on schedule and 90-Day Notice of Proposed Information Collection was published in the Federal Register on September 9, 2003.</p>


I/P: AMERICAN CITIZEN SERVICES (continued)	
INDICATOR: Status of Hague Convention on Intercountry Adoption	
Output	
<p>JUSTIFICATION: Demonstrates essential tasks that must be completed prior to U.S. ratification of the Convention in order for the United States to meet the Convention's responsibilities.</p>	
FY 2006 PERFORMANCE	<p>Target</p> <ul style="list-style-type: none"> Authorize designated accrediting entities with signed agreements to accredit/approve all adoption service providers. Draft, publish for comment, and promulgate regulations governing how the Hague Convention on Intercountry Adoption and the Intercountry Adoption Act of 2000 will be implemented. U.S. instrument of ratification to be deposited at The Hague in 2007.
	<p>Results</p> <ul style="list-style-type: none"> Final regulations on accreditation of adoption service providers and preservation of Convention records were published in the Federal Register on February 15, 2006. The proposed rule on issuance of Hague certificates and declarations in Convention adoption cases was published in the Federal Register on June 16, 2006. The proposed rule on orphan visa processing was published in the Federal Register on June 22, 2006. Proposed rule jointly with the Department of Homeland Security on reporting requirements for both Convention and non-Convention emigrating adoption cases. On June 29, 2006, the Department signed a Memorandum of Agreement (MOA) with the State of Colorado regarding performance of duties as an accrediting entity for adoption service providers seeking Hague Convention accreditation. The Department also signed a separate MOA with the Council on Accreditation.
	<p>Rating ■ On Target</p>
	<p>Impact Performance directly supports and advances the Department's ability to ratify the Hague Convention on Intercountry Adoption, with its stated goal "to establish safeguards to ensure that intercountry adoptions take place in the best interests of the child and with respect for his or her fundamental rights as recognized in international law."</p>
PERFORMANCE DATA	<p>Data Source Bureau of Consular Affairs records; Federal Register.</p>
	<p>Data Quality (Verification) Data are compiled directly by the Bureau of Consular Affairs, which checks for accuracy and completeness.</p>
PAST PERFORMANCE	<p>2005</p> <ul style="list-style-type: none"> Adoption accreditation regulations were finalized; Proposed adoption visa processing regulations were drafted. Development of an adoption case registry and tracking software testing begun. Negotiations with potential accrediting entities about signing agreements begun.
	<p>2004 Published in Federal Register proposed regulations on the accreditation and approval of adoption service providers. Three non-profit accreditors and nine states expressed interest in becoming accrediting entities.</p>
	<p>2003 A proposed rule on the implementation of the Hague Convention on Intercountry Adoption and the Intercountry Adoption Act of 2000 was published in the Federal Register on September 15, 2003.</p>



Children waiting for adoption play in Guatemala City, Guatemala, June 2006. AP/Wide World

ANNUAL PERFORMANCE GOAL 2

EFFECTIVE AND TIMELY PASSPORT ISSUANCE, WITH DOCUMENT INTEGRITY ASSURED.

I/P: SECURE PASSPORT ISSUANCE	
	INDICATOR: Development of a Biometrics Collection Program for U.S. Passports
	Outcome
JUSTIFICATION: Introducing biometrics into passports and other travel documents represents a major advance in the international effort to prevent imposter fraud. The U.S. Enhanced Border Security and Visa Reform Act requires nations participating in the Visa Waiver Program to incorporate biometrics into their passports. The United States has incorporated biometrics collection into the development and production of the new e-passport.	
FY 2006 PERFORMANCE	Target All new passports issued domestically contain biometric data by end of fiscal year.
	Results The Department redesigned the U.S. passport and added electronic security features such as Public Key Infrastructure, anti-skimming material, as well as Basic Access Control, Random Unique Identifier and WORM (write once, read many) technologies. In the new U.S. e-passport, the digital image of the passport photograph is the biometric identifier that will be used with facial recognition technology to verify the identity of the passport bearer. The National Institute of Standards and Technology has conducted a series of tests analyzing the durability and electronic security of the e-passport. On August 15, 2006, the Department began issuing to the general public full validity tourist e-passports at the Colorado Passport Agency, which has been fully converted to e-passport production.
	Rating ■ Below Target
	Impact Incorporating biometrics into the U.S. passport strengthens U.S. border security by ensuring that the person carrying the passport is the individual to whom that passport was issued. These measures make the U.S. passport less susceptible to manipulation and more difficult to counterfeit, making it one of the most valuable identity and citizenship documents in the world.
	Reason for Shortfall Various factors influenced the Department's results in FY 2006 including a lengthy delay caused by a vendor protest and ensuing litigation in FY 2005, as well as continuing record demand for U.S. passports. As a result, the Department experienced insufficient supply of blank e-passport books from the GPO.
	Steps to Improve The Department has worked with our USG suppliers to ensure that adequate supply of e-passport books is available. We are distributing and installing equipment necessary for e-passport production on a schedule designed to minimize any potential for disruption to passport services for American citizens, particularly in light of the new passport requirement of the Western Hemisphere Travel Initiative. By November 2006, the Department will have the capability to issue e-passports at all 17 domestic passport facilities. All agencies are scheduled to convert to full e-passport production by the end of the first quarter of CY 2007.
PERFORMANCE DATA	Data Source Bureau of Consular Affairs data.
	Data Quality (Verification) Bureau of Consular Affairs collects and checks data for accuracy.
PAST PERFORMANCE	2005 The Department began issuing diplomatic e-passports at the Special Issuance Agency in December 2005.
	2004 Procurement for biometric passport began. Initial awards for procurement were made on October 8, 2004. Additional awards were made on January 12, 2005. Software for biometric passport issuance was developed and tested. Public Key Infrastructure Certificate Authority was established in the Department for digitally signing passports.
	2003 The International Civil Aviation Organization established standards for the integration of biometric identification information into passports and other Machine Readable Travel Documents in May, enabling the Department to begin implementing the standards in U.S. passports. Initial planning and requirements definition were underway. In July 2003, the Department issued a Request for Information relating to the integration of a chip with integrated circuit technology into the traditional paper-based passport booklet.

**STRATEGIC OBJECTIVE #2:
ADVANCE SUSTAINABLE DEVELOPMENT AND GLOBAL INTERESTS**

The strategic goals for democracy and human rights, economic prosperity and security, and social and environmental issues are integral to the strategic vision of the Department of State and USAID. It is no coincidence that conflict, chaos, corruption, environmental degradation, and humanitarian crisis often reign in the same places.

The broad aim of our diplomacy and development assistance is to turn vicious circles into virtuous ones, where accountable governments, political and economic freedoms, investing in people, and respect for individuals leads to prosperity, healthy and educated populations, and political stability.

STRATEGIC GOAL 7: DEMOCRACY AND HUMAN RIGHTS

Advance the Growth of Democracy and Good Governance, Including Civil Society, the Rule of Law, Respect for Human Rights, and Religious Freedom

I. Public Benefit

In his second National Security Strategy, in March 2006, President Bush affirmed the conviction that promotion of democracy is the best long-term strategy for ensuring stability and prosperity in the U.S. and abroad. Nations that respect human rights, respond to the need of their people, and govern by rule of law are also responsible partners in the international community.

Protecting human rights and building democracy are thus cornerstones of a U.S. foreign policy that seeks to end tyranny, combat terrorism, champion human dignity, and enhance homeland security. As President Bush affirmed in his 2006 State of the Union Address, "Democracies replace resentment with hope, respect the rights of their citizens and their neighbors, and join the fight against terror. Every step toward freedom in the world makes our country safer."

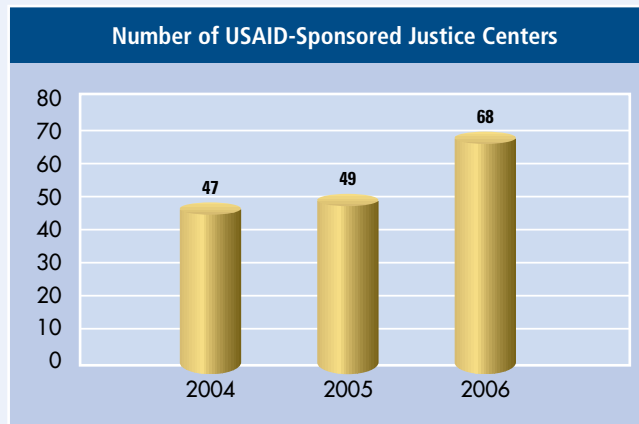
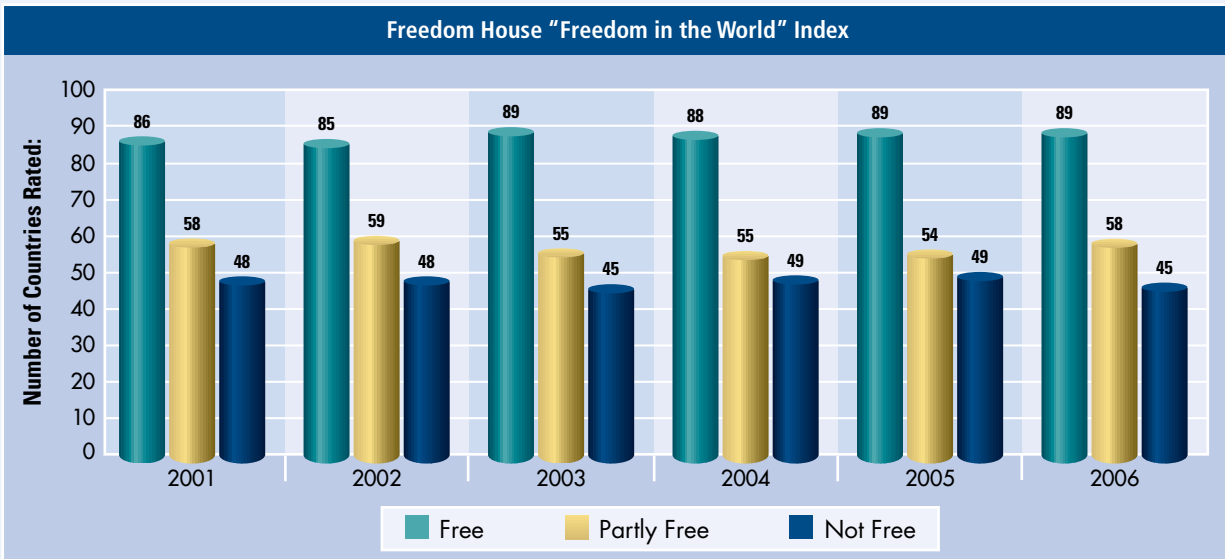


In order for democratization to be successful and sustainable, the process must be driven by the people. The Department and USAID take a holistic approach to democracy promotion, engaging both governments and civil society, and exemplifying Secretary Rice's goal of transformational diplomacy: "Using America's diplomatic power to help foreign citizens to better their own lives, and to build their own futures."

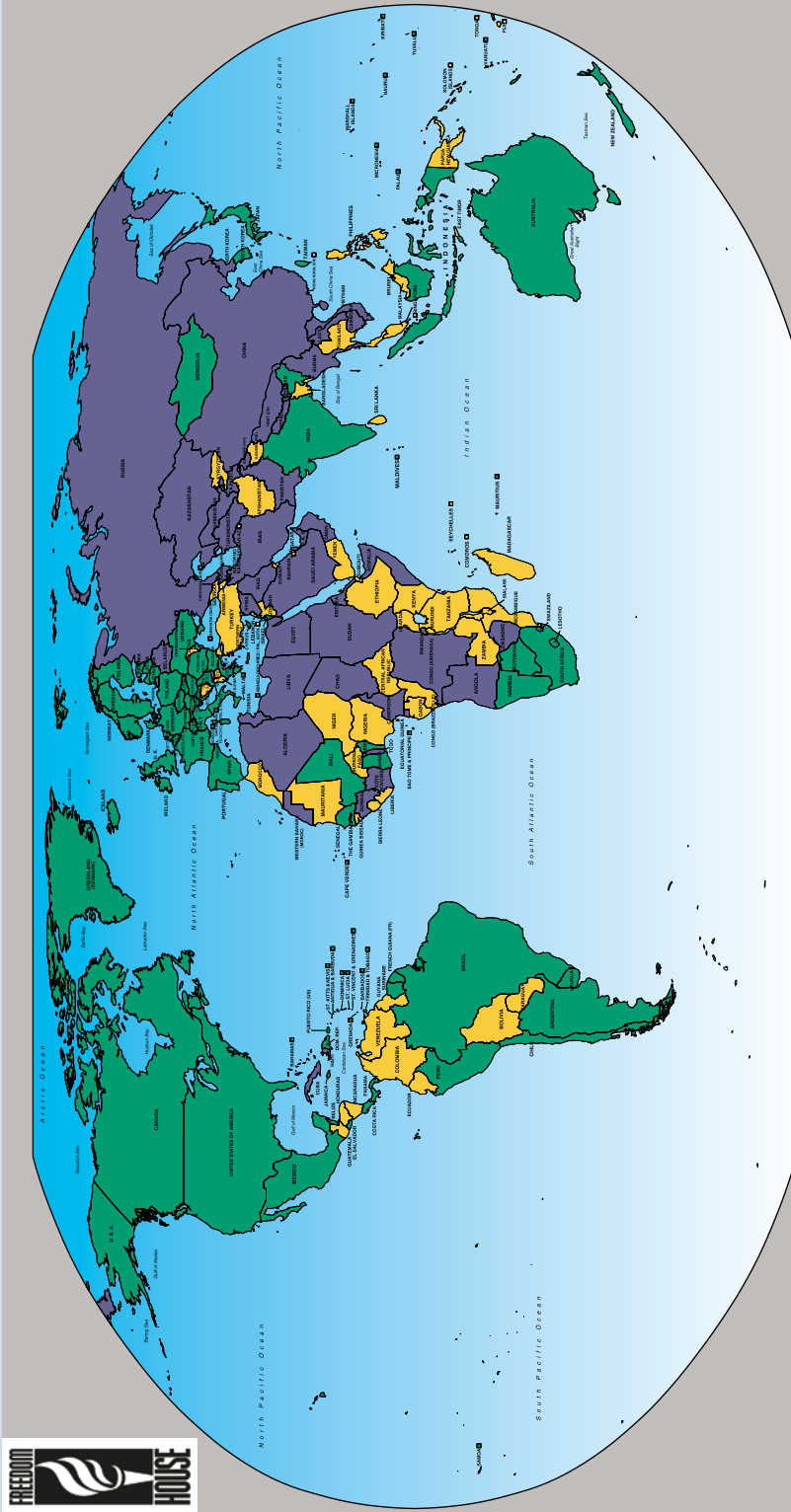
Indian Foreign Secretary Shyam Saran greets Under Secretary Paula Dobriansky at the Indian Ministry of External Affairs before the opening session of the Global Issues Forum, February 2006. AP/Wide World

We bolster and support human rights defenders and pro-democracy non-governmental organizations (NGOs) in countries that routinely ignore or violate international human rights. We reach out to all aspects of civil society - NGOs, the private sector, labor, media, and religious and community leaders – to encourage their activism in ensuring their governments are responsive to their needs. We persist in a dialogue with foreign policy makers to persuade them to enact necessary changes to strengthen democracy and respect human rights.

II. Selected Performance Trends



MAP OF FREEDOM 2006



GLOBAL TRENDS IN FREEDOM			
Year Under Review	1995	2000	2006
Free	76	86	89
Partly Free	62	58	58
Not Free	53	48	45
Total	191	192	192

 FREE
 PARTLY FREE
 NOT FREE

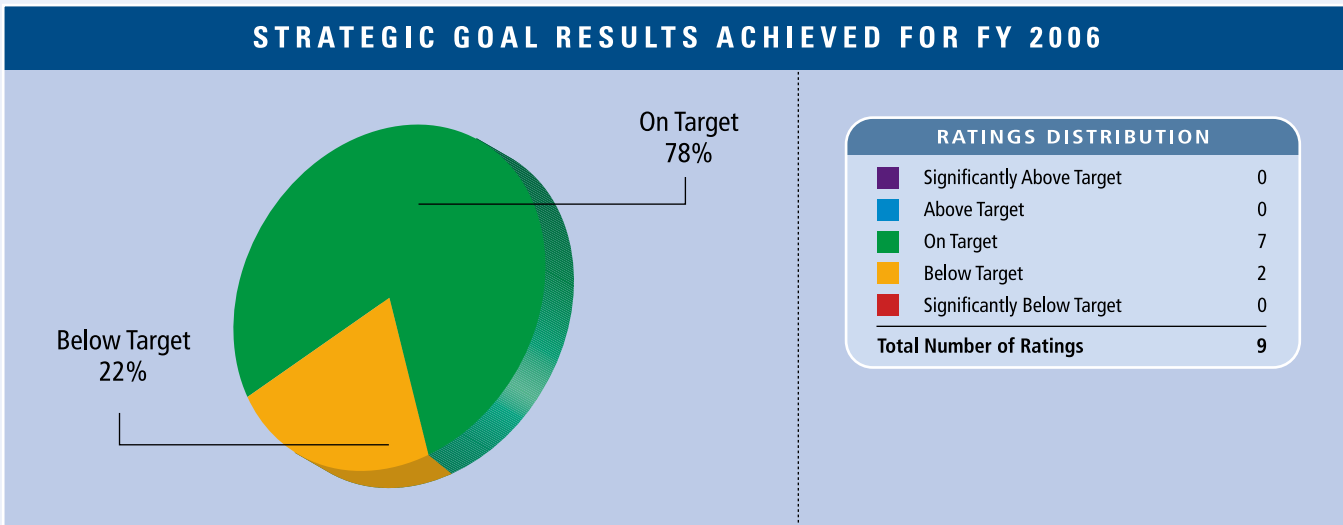
III. Strategic Context

Shown below are the performance goals, initiatives/programs, and the major resources, bureaus and partners that contribute to accomplishment of the Democracy and Human Rights strategic goal. Acronyms are defined in the glossary at the back of this publication.

Strategic Goal	Performance Goal (Short Title)	Initiative/ Program	Major Resources	Lead Bureau(s)	External Partners
Democracy and Human Rights	Democratic Systems and Practices	Engagement to Advance Democracy	ACI, DA, D&CP, ESF	DRL, DCHA, AFR	DoD, DOJ, NGOs, UN, other int'l orgs, NGOs
		Democratic Stability in South Asia's Frontline States	D&CP	DRL, SCA, DCHA	NGOs, UN, other int'l orgs, NGOs
		Democracy and Governance in the Near East	D&CP, ESF	NEA, DCHA	DOJ, NGOs
		Support of Women's Political and Economic Participation	D&CP, ESF, DA	DRL, G/IWI, DCHA, AFR	NGOs
	Universal Human Rights Standards	Bilateral and Multilateral Diplomacy	CIO, D&CP, IO&P	DRL, IO	UN, other int'l orgs, NGOs
		Promote International Religious Freedom	D&CP	DRL	NGOs, other int'l orgs
		Labor Diplomacy and Advocacy for Workers' Rights	CIO, DA, D&CP	DRL, DCHA	DOL, USTR, OPIC, DOC, NGOs, IFIs, ILO, other int'l orgs

IV. Performance Summary

The chart below summarizes the performance ratings for Department of State and USAID results for the Democracy and Human Rights strategic goal.



V. Performance Analysis

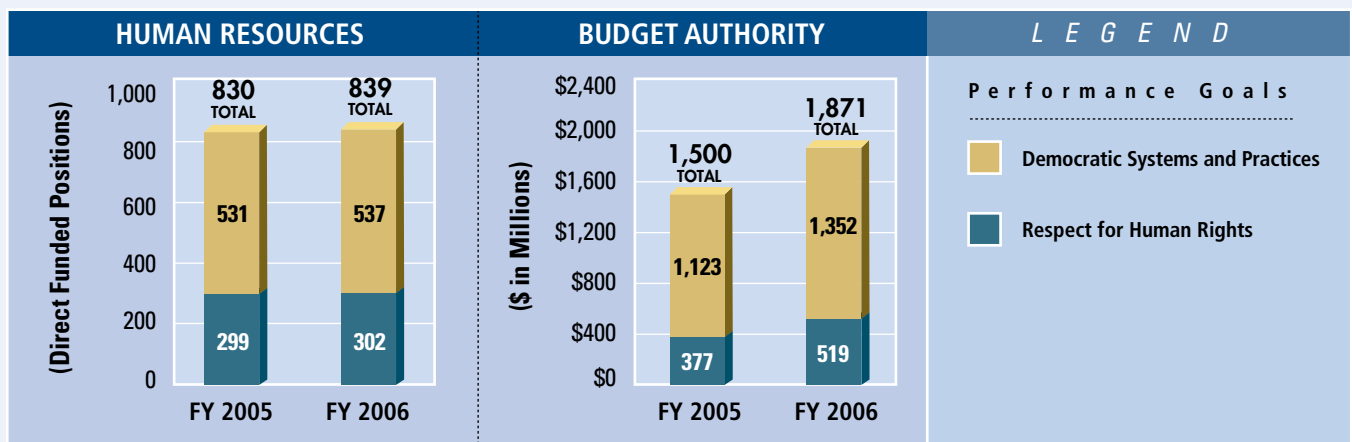
PERFORMANCE TRENDS. The Department and USAID have been able to demonstrate progress in developing democratic institutions, supporting free and fair elections, upholding religious freedom, and increasing women’s participation in the economy and politics, particularly in Afghanistan and the countries of the Middle East.

HIGH-LEVEL RESULTS. The contextual indicator on freedom in the world developed by Freedom House demonstrates that the number of countries designated “free” or “partly free” has increased slightly over the past four years. At a country level, both Afghanistan and Iraq have made progress toward building the institutions necessary to support constitutional democracy.

RESULTS SIGNIFICANTLY ABOVE OR SIGNIFICANTLY BELOW TARGET. No results were rated significantly above or significantly below target.

KEY INITIATIVES AND PROGRAMS. The Department and USAID invested significant resources to promote democracy and human rights in FY 2006. For example, a new Human Rights and Democracy Fund was established with an appropriation of \$94 million, of which \$15 million was earmarked for the National Endowment for Democracy (NED) and \$6.5 million was set aside for the advancement of democracy in Iran and Syria. Under a separate appropriation, an additional \$74 million was earmarked to NED for democracy grants. Using Economic Support Funds, the Department invested \$50 million for democracy, human rights and governance programs in Egypt; \$56 million for democracy, governance and rule of law programs in Iraq; and \$20 million for labor and environmental capacity building activities in support of the free trade agreement with the countries of Central America and the Dominican Republic. In FY 2006, USAID received \$15 million for programs to improve women’s leadership capacity in developing countries and \$40 million to support the transition to democracy and long-term development of countries in crisis.

VI. Resources Invested



VII. Performance Results

For each initiative/program that supports accomplishment of this strategic goal, the most critical FY 2006 performance indicators and targets are shown below.

ANNUAL PERFORMANCE GOAL 1

MEASURES ADOPTED TO DEVELOP TRANSPARENT AND ACCOUNTABLE DEMOCRATIC INSTITUTIONS, LAWS, AND ECONOMIC AND POLITICAL PROCESSES AND PRACTICES.

I/P: ENGAGEMENT TO ADVANCE DEMOCRACY



INDICATOR: Extent to Which Legal Systems Support Democratic Processes and Uphold Human Rights

Outcome

JUSTIFICATION: This indicator measures the efficiency and effectiveness of judicial systems to establish justice and resolve disputes.

FY 2006 PERFORMANCE	Target	<ul style="list-style-type: none"> • Average number of days to process a case: 202. • Number of USAID-sponsored mediation centers: 109. • Number of USAID-sponsored justice centers: 56. • Average pre-trial detention in days: 98.75.
	Results	<ul style="list-style-type: none"> • Average number of days to process a case: 566, 180% below from the FY 2006 target (Results for four USAID-assisted countries). • Number of USAID-sponsored mediation centers: 192, 76% above the FY 2006 target (Results for nine USAID-assisted countries). • Number of USAID-sponsored justice centers: 68, 21% above the FY 2006 target (Results for five USAID-assisted countries). • Average pre-trial detention in days: 180, 82% below the FY 2006 target (Results for three USAID-assisted countries).
	Rating	 Below Target
	Impact	Shortfalls in the effectiveness of legal systems in the surveyed countries suggest that citizens do not have effective mechanisms available to them to prevent the abuse of their rights and obtain remedies when their rights are abused.
	Reason for Shortfall	The explanation for this program’s shortfall is pending and will be obtained once the final FY 2006 results are reported.
	Steps to Improve	The necessary steps for this program’s improvement are pending and will be obtained once the final FY 2006 results are reported.
	PERFORMANCE DATA	Data Source
Data Quality (Verification)		The Agency’s performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID’s Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).

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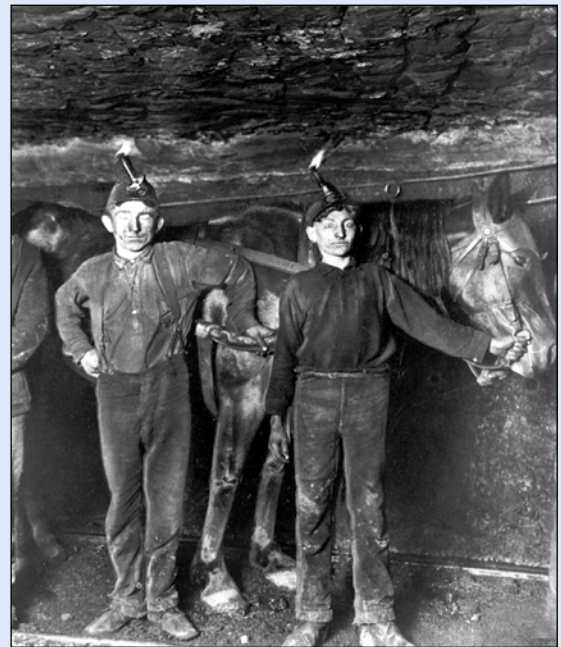
I/P: ENGAGEMENT TO ADVANCE DEMOCRACY (continued)

INDICATOR: Extent to Which Legal Systems Support Democratic Processes and Uphold Human Rights (continued)

PAST PERFORMANCE	2005	<ul style="list-style-type: none"> ● Average number of days to process a case after USAID assistance: 224, an 8% decrease from the FY 2004 baseline. ● Number of USAID-sponsored mediation centers (200, a 127% increase). ● Number of USAID-sponsored justice centers (49, a 4% increase) in target areas. ● Average pre-trial detention in days after USAID assistance: 141, a 1.4% decrease from the FY 2004 baseline.
	2004	<p>Baselines:</p> <ul style="list-style-type: none"> ● Average total time it took to process a legal case before USAID assistance was 661.2 days. After USAID assistance began in 2004, the average number of days dropped to 244.3. ● Number of USAID-sponsored mediation centers: 88. ● Number of USAID-sponsored justice centers: 47. ● Average pre-trial detention prior to USAID assistance: 479.25 days. After USAID assistance began in 2004, the average pre-trial detention was 143 days.
	2003	N/A.


A Look to History: Democracy and Human Rights


In 1919, parties to the Paris Peace Conference established the International Labor Organization (ILO), and in 1946, it became part of the United Nations. Although the United States was an original ILO member, and Samuel Gompers of the American Federation of Labor its first chairman, the United States withdrew from the ILO in 1978 under protest that the organization's agenda focused too heavily on labor issues pertaining to the Arab-Israeli conflict and not on labor issues in communist countries. The United States rejoined in 1980.



Two young boys work as drivers in a West Virginia underground coal mine in 1908. AP/Wide World

I/P: ENGAGEMENT TO ADVANCE DEMOCRACY (continued)	
INDICATOR: Freedom House Index	
Outcome	
<p>JUSTIFICATION: Freedom House ratings include raw scores, with the tables for each country indicating three possible changes: a) status, b) trend (positive or negative), and c) score in either political rights or civil liberties. All three compilations permit multi-year comparisons; the Department seeks an increase in the number of countries with a higher status from the previous year as an indication of whether the Department's goals are being achieved.</p>	
FY 2006 PERFORMANCE	<p>Target</p> <p>Freedom House 2006 Report</p> <p>Net Progress: Positive change from previous year. Net Change in Status: Positive change from previous year.</p>
	<p>Results</p> <p>Freedom House 2006 Report</p> <p>Free: 89. Partly Free 58. Not Free 45. Net Change +4.</p>
	<p>Rating</p> <p>■ On Target</p>
	<p>Impact</p> <p>A net change of +1 in countries that are rated as "free" indicates improvement in democratic conditions around the world.</p>
PERFORMANCE DATA	<p>Data Source</p> <p>Freedom House "Freedom in the World" annual survey.</p>
	<p>Data Quality (Verification)</p> <p>Freedom House rating allows multi-year comparisons that demonstrate advances in democratic reform worldwide. Freedom House ratings are publicly available and widely regarded as reliable quantitative data to verify movement toward greater democracy.</p>
PAST PERFORMANCE	<p>2005</p> <p>Freedom House 2005 Report</p> <p>Free: 89. Partly Free: 54. Not Free: 49. Net Change: +1.</p>
	<p>2004</p> <p>Freedom House 2004 Report</p> <p>Free: 88. Partly Free: 55. Not Free: 49. Net Change in Status: -1. Improved Countries: 25. Declined Countries: 10. Net Progress: +15.</p>
	<p>2003</p> <p>Freedom House 2003 Report</p> <p>Free: 89. Partly Free: 55. Not Free: 48. Net Change in Status: +4. Improved Countries: 29. Declined Countries: 11. Net Progress: +18.</p>

I/P: DEMOCRATIC STABILITY IN SOUTH ASIA'S FRONTLINE STATES	
	INDICATOR: Progress Toward Constitutional Democracy in Afghanistan
	Outcome
JUSTIFICATION: Achieving progress towards meeting political objectives laid out in the Afghanistan Compact will effectively establish democratic rule in Afghanistan.	
FY 2006 PERFORMANCE	Target <ul style="list-style-type: none"> ● Parliament produces constructive legislation, approves responsible budgets, and oversees appropriate government operations, such as combating corruption and narcotics activity. ● Civil liberties provisions remain intact and receive strong support from legal and executive institutions. ● Citizens throughout the country have access to the Afghan Independent Human Rights Commission for resolution of human rights complaints. Human rights education becomes part of primary school education curriculum. ● Courts in Kabul begin to hold trials in criminal cases. ● Women are active political participants and hold public positions in Kabul and the central, regional and provincial government levels.
	Results <ul style="list-style-type: none"> ● Parliament adopted a law on the duties and responsibilities of the Provincial Councils; adopted the budget; and confirmed the President's cabinet and the members of the Supreme Court. ● Provisions on civil liberties are intact and the Afghan Independent Human Rights Council remains active. Religious freedom became an issue due to an apostasy case that was eventually dismissed. Afghan Independent Human Rights Commission continues to expand to the provinces and is more accessible and active. In most schools human rights are a primary part of the curriculum, but the extent to which this is true varies by class. ● There are 68 female members in the National Assembly, one female cabinet member and one female provincial governor. Approximately 35% students attending school are female. Approximately 60% of primary age girls are in school. For the lower secondary level (grades 7-9) it is about 9% and for the upper secondary level (10-12) approximately 3% of girls attend school.
	Rating ■ On Target
	Impact A democratically elected president and government are essential to ensuring Afghanistan's progress toward democracy.
PERFORMANCE DATA	Data Source Joint Elections Management Board website; UN and NGO human rights reports; U.S. Department of State, USAID and U.S. Embassy in Kabul reports, the Afghanistan Compact.
	Data Quality (Verification) Data and methodology of public reports are readily available for verification and widely regarded as accurate. State Department, other U.S. Government, international organization, and non-governmental data are cross-checked to ensure accuracy.
PAST PERFORMANCE	2005 <ul style="list-style-type: none"> ● Presidential elections held in October 2004. More than 10 million Afghans registered and 8 million participated in the election, 40 of whom were women. Provincial Council and National Assembly elections scheduled for September 18, 2005. 1.69 million voters registered for upcoming parliamentary elections. ● Afghan Independent Human Rights Commission reported on a wide range of human rights issues including Afghan perceptions of past human rights abuses. ● Two women were Cabinet Ministers (Minister of Women's Affairs and Minister of Martyrs and Disabled); first female governor appointed (Bamiyan). ● USAID constructed 24 judicial facilities throughout the country; trained 382 judges in a series of formal training programs; and codified, compiled, printed, and disseminated 1,000 copies of Afghanistan's basic laws.
	2004 <ul style="list-style-type: none"> ● Constitutional Loya Jirga adopted moderate, democratic Constitution on January 4, 2004. ● Loya Jirga broadly representative; over 100 of the 500 delegates were women. ● Twenty-three candidates announced bids for presidency; 18 of which were accepted, and presidential elections were held on October 9, 2004.
	2003 <ul style="list-style-type: none"> ● Constitutional Commission established and new Constitution drafted. ● Human Rights and Judicial Commissions began to address ethnic abuses, women's rights violations, rule of law, war crimes/ethnic killings, etc., and identify priority objectives. ● Rules and procedures developed for the elections in 2004. ● Afghan Conservation Corps established to provide income to Afghan returnees, fostering community-based efforts to promote sound land and water management.

I/P: DEMOCRATIC STABILITY IN SOUTH ASIA'S FRONTLINE STATES (continued)	
	INDICATOR: Degree to Which Democratic Principles and Institutions are Established and Maintained in Pakistan
	Outcome
JUSTIFICATION: Institutions that promote democratic principles and habits in civil society are prerequisites to a democratic polity	
FY 2006 PERFORMANCE	Target <ul style="list-style-type: none"> ● Pakistani political parties accept and implement civil society recommendations. Civil society organizations are increasingly well managed and self-sustaining. ● More effective and accountable electoral preparations put in place. ● National and Provincial Assemblies perform constitutional roles in transparent and effective manner. National Assembly debates, legislates, and appropriates funds. ● More effective judiciary and enhancements in efficiency, transparency, and equity of Pakistan's legal system. ● Polls show that people feel government attempts to be responsive to their needs.
	Results <ul style="list-style-type: none"> ● Government began devolution of selected powers to provincial and local levels bringing new players into the grass roots political dialogue. ● The government permitted all existing political parties to function. Local elections were marred by voter buying, voter list fraud, intimidation, and bribery. ● National and provincial assemblies initiated policy debates in key areas of women rights. ● The government did not directly or indirectly censor the media. Media outlets, however, continued to practice self-censorship. The government arrested, harassed, and intimidated journalists during the year. ● Stability is maintained but the head of state remains the head of the military. The military is not subject to civilian control.
	Rating ■ On Target
	Impact As a populous and influential Muslim country, Pakistan's progress toward building and sustaining democratic principles and institutions is critical to the Administration's goal of supporting democracy globally.
PERFORMANCE DATA	Data Source Government data and publications, press reports, nongovernmental reports, polling data.
	Data Quality (Verification) Data are reliable and regularly vetted through the U.S. Embassy.
PAST PERFORMANCE	2005 <ul style="list-style-type: none"> ● Stability was maintained but the head of state remained the head of the military. The military was not subject to civilian control. ● The range of national security and foreign policy issues open for genuine debate remained circumscribed. ● Politicians and press were increasingly free to publicly criticize the army and the establishment, although the government continued to exercise some control over the media by offering "recommendations" on editorial content and by allocating advertising that serves as a critical subsidy.
	2004 <ul style="list-style-type: none"> ● Both houses freely debated the President's message to Parliament; standing committees were announced; and various key pieces of legislation were passed, including a bill authorizing the formation of a National Security Council. The parliamentary debate over the President's address included national security issues. ● Conducted national public opinion survey on a range of subjects (including familiarity with national and provincial representatives, the political process, and political engagement). ● The arrest and conviction of opposition leader Javed Hashmi was a setback for political freedom.
	2003 <ul style="list-style-type: none"> ● Elections occurred October 10, 2002, and parties accept the outcome but with credible allegations of flaws regarding their conduct. ● Pakistani military returned to the barracks as civilian rule resumes. ● Corrupt patronage continued to dominate political parties but reformers were identified. ● Civil society organizations began to organize, grow in size and activity, and gain a voice. ● Reasonably free political party activity and press. Limited investigative/prosecutorial capacity.

I/P: DEMOCRACY AND GOVERNANCE IN THE NEAR EAST	
INDICATOR: Status of Democracy in the Near East	
Outcome	
<p>JUSTIFICATION: Successful elections (held as scheduled and free and fair) indicate fundamental movement toward democratic, representative government. A free and independent media is an imperative for democratic, transparent governance. It provides essential information to the people, both informing their voting decisions and acting as a means for the people to express dissent between elections.</p>	
FY 2006 PERFORMANCE	<p>Target</p> <ul style="list-style-type: none"> • Municipal elections in Yemen are held as scheduled and are free and fair. • Elections in Bahrain held as scheduled and are free and fair. • Media Freedom: Two additional Near Eastern Affairs (NEA) countries move into the "Partly Free" category and no other states lower their rankings.
	<p>Results</p> <ul style="list-style-type: none"> • Free, fair and competitive elections took place in Yemen (municipal and Presidential); Egypt (Parliamentary); Qatar (legislative); Bahrain (municipal council). • No countries saw a decline in their Media Freedom scores. No countries moved from "Not Free" to "Partly Free". • In Iraq, a draft permanent Constitution was successfully adopted in October 2005. Political parties formed coalitions, registered and campaigned for December 2005 elections.
	<p>Rating ■ On Target</p>
	<p>Impact Holding free, fair, competitive elections and adopting a Constitution are first steps in achieving participatory democracy and open opportunities for increased democracy programming including political party and civil society strengthening.</p>
PERFORMANCE DATA	<p>Data Source Freedom House analysis based on Democracy Scores—an average of the ratings for all six categories covered by Nations in Transit (e.g. electoral process, civil society, independent media, governance, constitutional/legislative/judicial framework, and corruption). Ibn Khuldun Center in Cairo regional report on democracy and civil society. IREX Media Sustainability Index used to assess trend lines in freedom and sustainability of local media. ABA/CEELI indicators used to assess judicial qualification and preparation, continued legal education, judicial review of legislation, and judicial oversight of administrative practice. Independent monitors (UN, NGOs, political party observers) and U.S. Mission reporting. The Department does not make public declarations regarding freedom or fairness of elections.</p>
	<p>Data Quality (Verification) The International Republican Institute and the National Democratic Institute are non-governmental organizations working internationally with extensive experience supporting democratic activities overseas. Performance data provided by them are widely regarded as reliable and authoritative and are reviewed by U.S. Embassy personnel.</p>
PAST PERFORMANCE	<p>2005</p> <ul style="list-style-type: none"> • Elections scheduled to have occurred were free, fair and competitive. Saudi Arabia held its first municipal elections. Other countries scheduled elections and through Middle East Partnership Initiative, the Department worked to ensure they were free, fair and competitive, including: <ul style="list-style-type: none"> • Senate elections in Tunisia. • Parliamentary elections in Egypt. • Parliamentary elections in Lebanon. • Municipal and parliamentary elections in West Bank/Gaza.
	<p>2004</p> <ul style="list-style-type: none"> • Algeria – Elections were generally judged as fair and open. • Lebanon – Municipal elections were held in April 2004. • Tunisia – Elections were scheduled in the fall.
	<p>2003</p> <ul style="list-style-type: none"> • Bahrain – Parliamentary and municipal elections held as scheduled; judged by international community to be generally free and fair. • Yemen – National elections as scheduled; judged to be generally fair. • Jordan and Kuwait – Parliamentary and National Assembly elections, respectively, held as scheduled. • Oman and Morocco – Consultative Assembly and Municipal elections, respectively, held as scheduled.

**I/P: SUPPORT OF WOMEN'S POLITICAL AND ECONOMIC PARTICIPATION
IN TRANSITIONAL AND POST CONFLICT SOCIETIES**



INDICATOR: Level of Women's Participation in the Economy and Politics

Outcome

JUSTIFICATION: Empowering women politically and economically is a critical objective of transformational diplomacy efforts and feeds directly into the State Department's global goal of promoting democratization. Women must have equal opportunity and ability to participate fully in all aspects of civic and political life. Entrepreneurship among women contributes to poverty reduction; when women have income their children also tend to be healthier and better educated.

FY 2006 PERFORMANCE	Target	<ul style="list-style-type: none"> ● Afghanistan: Women's Teachers Training Institute to train Afghan teachers. The Afghan Literacy Initiative will raise literacy levels of Afghan women in rural areas. 50% of girls attend school. ● Iraq: Women appointed or elected to political office. Women occupy 25% of elected positions. Judicial training enables officers of the court to share best practices and craft new legal remedies to protect women's human rights. Permanent constitution guarantees equality for women. ● Broader Middle East: Women establish professional associations and develop advocacy skills on public policy issues and pro-women, pro-business practices. All-Women's radio stations expand the number of on-air hours and programs for women.
	Results	<ul style="list-style-type: none"> ● Afghanistan: USG built or rehabilitated 585 schools. Afghan Literacy Initiative reached 9600 students, 50% are female. 34% of 5 million children enrolled in school are female. USG completed 17 Women's Resource Centers deeded to Ministry of Women's Affairs to provide outreach and training to provincial women. ● Iraq: Political and economic training delivered, with emphasis on NGO sustainability in rural areas. Began partnerships with universities, establishing centers to be run by Iraqi women. Worked with women leaders to ensure rights upheld in Constitutional amendment process. Expanded media training with youth emphasis. Provided microcredit to women, built economic empowerment through skills training. ● Broader Middle East: Literacy and vocational training programs inaugurated. Developed and obtained approval for one project for the economic empowerment of women.
	Rating	■ On Target
	Impact	Especially in Iraq, women are gaining economic and political traction through programs such as the Iraqi Women's Democracy Initiative. The impact of these programs is clear: democracies cannot survive without the full political and economic participation of all members.
PERFORMANCE DATA	Data Source	USAID reports. U.S. Embassy reporting. Bureau of International Women's Issues. NGO and grantee reports.
	Data Quality (Verification)	Data are gathered by USAID implementing partners and reviewed and analyzed by U.S. Government officials at post. U.S. Embassy officials draft reports which are then reviewed by colleagues in Washington.
PAST PERFORMANCE	2005	<ul style="list-style-type: none"> ● Iraq: Iraqi women trained in democracy, political participation, media, and economics, including 25 of 87 women elected to national assembly. ● Afghanistan: Over 8,000 women and girls received literacy and health education; 80 women judges and lawyers trained in Afghan civil law, international conventions. ● Broader Middle East: Women's priority economic issues defined and corresponding program mechanisms established.
	2004	<ul style="list-style-type: none"> ● Afghanistan: 1,000 women received microcredit loans and started businesses; 250 women received job skills training; 500-1,000 women benefited from literacy programs. ● Iraq: Training provided in political, economic and media skills, as well as in trauma and stress reduction programs. Women entrepreneurs attended Global Summit of Women (1,000 women from 85 countries) for entrepreneurial training. ● Post-Conflict: Riga Women Business Leaders Summit partnered Baltic region women with U.S. counterparts, sharing experience and best practices, and promoted private enterprise in the Baltic Sea region. Mentoring programs with women entrepreneurs and women business interns from the Middle East. Mentoring programs with women political and business leaders from Kosovo.
	2003	<ul style="list-style-type: none"> ● Afghanistan: Grants awarded for microfinance, job skills training, political participation, literacy and other educational programs in Women's Resource Centers. ● Post-Conflict: Big Idea Mentoring Initiative began with Afghanistan. Security Council Resolution 1325: Women and peace and security (adopted Oct. 31, 2000) led to enhanced involvement of women as planners, implementers, and beneficiaries of peace-building processes.

ANNUAL PERFORMANCE GOAL 2

UNIVERSAL STANDARDS PROTECT HUMAN RIGHTS, INCLUDING THE RIGHTS OF WOMEN AND ETHNIC MINORITIES, RELIGIOUS FREEDOM, WORKER RIGHTS, AND THE REDUCTION OF CHILD LABOR.

I/P: BILATERAL AND MULTILATERAL DIPLOMACY



INDICATOR: Percent of U.S.-Supported Resolutions Adopted at UN Commission on Human Rights/Human Rights Council (UNCHR/HRC)

Output

JUSTIFICATION: As the UN's primary forum on human rights, CHR/HRC's actions on country-specific resolutions demonstrate how the international community deals with the most serious human rights abusers. CHR/HRC resolutions on democracy reinforce the interrelationship between human rights and democracy and strengthen the legitimacy of human rights and democracy development efforts in non-democratic countries.

FY 2006 PERFORMANCE	Target	The Human Rights Council (HRC) adopts 85% of U.S.-supported resolutions. Secretary-General replaces the Commission on Human Rights (CHR) with an action-oriented Human Rights Council, whose membership should not include states with the most egregious record of abuse.
	Results	HRC replaced the discredited Commission on Human Rights, a key USG objective. Resolution included several USG priority elements, including: individual voting for Member States, an exhortation to UN Member States to consider the human rights record when voting for the Council, a universal peer review mechanism, and an agreement to review all the Council's special procedures, working groups, and the Subcommission with a view to eliminating redundant or politicized bodies. The HRC adopted no U.S.-supported resolutions in its first regular and first two special sessions. The HRC's first two special sessions were devoted exclusively to issues related to Israel and each adopted anti-Israel resolutions.
	Rating	 Below Target
	Impact	The HRC was formed. It has a strong mandate that has yet to be fully implemented. In its first session it was unable to address pressing global human rights issues, resulting in a negative impact on USG efforts to achieve our human rights goals.
	Reason for Shortfall	The first session of the HRC was meant to focus on procedural issues only – not pass any specific country issues. However, the HRC ran two resolutions against Israel. The regional allocation of seats in the HRC is a major factor behind the HRC focus on Israel and away from other countries.
	Steps to Improve	Strive to make the HRC a credible body by pressing for constructive and positive results from the mandate review process and the process to set up the Universal Peer Review mechanism. Seek the passage of country specific resolutions on countries other than Israel, and press for cooperation by states on human rights issues.
PERFORMANCE DATA	Data Source	U.S. cables, United Nations High Commissioner for Human Rights reporting, and the Council's voting record on issues important to the protection and promotion of human rights.
	Data Quality (Verification)	Data quality depends on reporting cables by U.S. embassies, especially the U.S. Mission in Geneva, and reporting by the UNHRC. Council votes are a matter of public record.
PAST PERFORMANCE	2005	The USG achieved virtually all of its priority objectives at the UN Commission on Human Rights (predecessor to the Council) in 2005. Together with our allies, we defeated all efforts to pass no-action motions, which end debate on a resolution without a vote.
	2004	Eighty percent of key U.S.- supported resolutions were adopted.
	2003	CHR passed U.S.-sponsored resolutions on Cuba, North Korea, Belarus, Turkmenistan, Burma, and Iraq. However, resolutions on Chechnya, Sudan and Zimbabwe were defeated. The Department took a strong stand against Libya's chairmanship of the CHR, and succeeded in blocking a special sitting on Iraq, despite a strong anti-U.S. block of Muslim countries and some EU states.

I/P: PROMOTE INTERNATIONAL RELIGIOUS FREEDOM



INDICATOR: Status of Religious Freedom

Outcome

JUSTIFICATION: Congress established the broad policy goals and reporting requirements in the International Religious Freedom Act. The performance indicators chosen follow from the mandates of the law. Meetings, agreements and documented movement by countries toward greater religious freedom are concrete examples of progress toward International Religious Freedom goals.

FY 2006 PERFORMANCE	Target	<ul style="list-style-type: none"> Undertake at least two additional bilateral or regional International Religious Freedom initiatives, laying the groundwork for significant policy changes in those countries or regions. Establish a working coalition of allies focused on problem countries, working bilaterally and multilaterally to improve or establish religious freedom laws, practices and accountability in problem countries. Revise and streamline the format of the Annual Country Reports and the <i>International Religious Freedom Report</i>, maintaining high standards and making the reports more user friendly.
	Results	<ul style="list-style-type: none"> Focused intensive diplomatic efforts on consolidating religious freedom improvements in Saudi Arabia and Vietnam. As a result, Saudi Arabia confirmed policies to revise school textbooks to eliminate intolerant language, to protect the right to private worship and to import religious materials for private use, and to enforce controls over the actions of the religious police. Vietnam released all remaining religious prisoners, speeded registration of churches, and took action against officials who violated the right to worship. Worked with international partners to successfully press for countries not to establish anti-conversion laws (e.g., India and Sri Lanka) and to release religious prisoners (e.g., Saudi Arabia, China, and Indonesia). Began revising and streamlining the format of the <i>International Religious Freedom Report</i>.
	Rating	■ On Target
	Impact	Advanced Department's objectives of promoting religious freedom and human rights, strengthening civil society.
PERFORMANCE DATA	Data Source	Department of State's <i>International Religious Freedom Report</i> and Country Reports on Human Rights Practices. On-the ground assessments of embassy and consulate officers, Bureau of Democracy, Human Rights and Labor officers and meetings with members of religious groups, NGOs, and other knowledgeable observers. Embassy and bureau reporting. Third-country laws, court decisions, and other legal provisions.
	Data Quality (Verification)	Data and methodology are available to the public for verification. Reporting from U.S. embassies, State Department analysts, and non-governmental entities is cross-checked to ensure accuracy.
PAST PERFORMANCE	2005	<ul style="list-style-type: none"> Initiative begun with Saudi Arabia on religious freedom issues; efforts on Uzbekistan and Eritrea as part of broader international efforts on human rights in those countries; continued religious freedom dialogue with China. Religious prisoners were released in Vietnam, Saudi Arabia, China, and other countries. Intensive diplomacy with Vietnam resulted in a binding agreement on religious freedom.
	2004	<ul style="list-style-type: none"> Constitutional guarantees for religious freedom achieved in Afghan Constitution and Iraqi Transitional Administrative Law. Religious prisoners freed in Laos, Vietnam, China, Egypt, Eritrea, Turkmenistan and other countries.
	2003	Posts showed an increased engagement on religious freedom issues, producing, for the most part, excellent country reports for the <i>International Religious Freedom Report</i> to Congress.

I/P: LABOR DIPLOMACY AND ADVOCACY FOR WORKERS' RIGHTS	
INDICATOR: Improvement in Respect for Workers' Rights	
Outcome	
JUSTIFICATION: Tracking the existence of independent and democratic worker organizations will measure a country's respect for basic worker rights.	
FY 2006 PERFORMANCE	Target <ul style="list-style-type: none"> Improved compliance with internationally recognized labor standards. Continued progress in worker rights in countries specified in the Department of State's operating plans.
	Results <ul style="list-style-type: none"> Successful conclusion of trade agreement with Oman, passage by Congress, and implementation. Oman government issues decree amending law and formally establishing unions. Implementation of Central America Free Trade Agreement (CAFTA) began. International Labor Organization (ILO) began verification and benchmarking activities. Programs to strengthen labor ministries, labor courts, and to fight discrimination in the maquilas began. Negotiations with UAE and Thailand were on-going. Negotiations began with Korea and Malaysia on labor chapters of free trade agreements.
	Rating ■ On Target
	Impact The progress in advancing labor rights abroad furthers key aspects of U.S. foreign policy related to human rights, democracy promotion, and trade. Stronger labor laws and enforcement allow workers and employers to organize themselves, build democratic institutions, and ensure that the gains of trade are distributed more equitably across societies.
PERFORMANCE DATA	Data Source Country Reports on Human Rights Practices, ILO reports, International Confederation of Free Trade Union reports, other governmental and non-governmental reports, and the Department's WebMILS database (when fully operational). USAID Reports.
	Data Quality (Verification) Data and methodology available to the public for verification. Reporting from U.S. Embassies, other government and non-governmental sources are crosschecked for accuracy.
PAST PERFORMANCE	2005 New labor codes in Oman and formation of first worker's committee. New child labor law in the United Arab Emirates. Election of first workers' committee in Bangladesh export processing zones.
	2004 Creation of trade unions in Bahrain. Expanded cooperation on labor issues with China. Conclusion of CAFTA negotiations and the inauguration of the U.S. Department of Labor's \$6.75 million project "Strengthening Labor Systems in Central America." Parliamentary approval of a law in Bangladesh allowing workers in export processing zones to organize. Changes in law and practice leading to the rebirth of independent trade unions in Iraq.
	2003 <ul style="list-style-type: none"> Significant Department of State and Department of Labor projects conducted to improve worker rights begun in China. Notable improvements in worker rights in Cambodia. Continuing evolution in Bahrain and Saudi Arabia. Labor clauses in all initial versions of trade agreements under negotiation: Central American Free Trade Agreement, other free trade agreements with Australia, Morocco, and South African Customs Union.

Labor Rights in China

In southern China, many migrant workers facing poor workplace conditions and unjust compensation are unaware of their basic labor rights. As part of its overall efforts to improve labor conditions in China, the Department of State has funded information booklets and training seminars so that workers can learn how to defend their rights. In one instance, two workers directly applied what they learned in the trainings to take action against wage and hour violations affecting thousands of their co-workers. They successfully used their knowledge of the law to negotiate better working conditions with their employer, who was illegally allowing only one day off per month. The company agreed to the legal four days off per month and reduced work shifts from nine to eight hours, adjustments that were made without a reduction in pay.



Chinese female construction workers applaud as they attend the groundbreaking ceremony for the Beijing 2008 Olympics, December 2005.
AP/Wide World

**STRATEGIC OBJECTIVE #2:
ADVANCE SUSTAINABLE DEVELOPMENT AND GLOBAL INTERESTS**

STRATEGIC GOAL 8: ECONOMIC PROSPERITY AND SECURITY

Strengthen World Economic Growth, Development, and Stability, While Expanding Opportunities for U.S. Businesses and Ensuring Economic Security for the Nation

I. Public Benefit

National security and global economic prosperity are inextricably linked. Continued economic prosperity for the U.S. depends on the expansion of prosperity, freedom, and economic opportunity worldwide.

As the war against terrorism has become central to U.S. foreign policy, the Department and USAID have increased U.S. economic security by reducing terrorist financing, increasing energy security, improving the security of transportation and information networks, and building international coalitions to deny financial support to terrorists and their supporters. In December 2005, the Department received the highest marks of any Federal counterterrorism effort by the 9/11 Commission's Public Discourse Project's report on U.S. counterterrorism activities.



Under Secretary Josette Sheeran pumps a well during a March 2006 visit to Capotille, Haiti as part of a United Nation Development Programme sponsored project. AP/Wide World

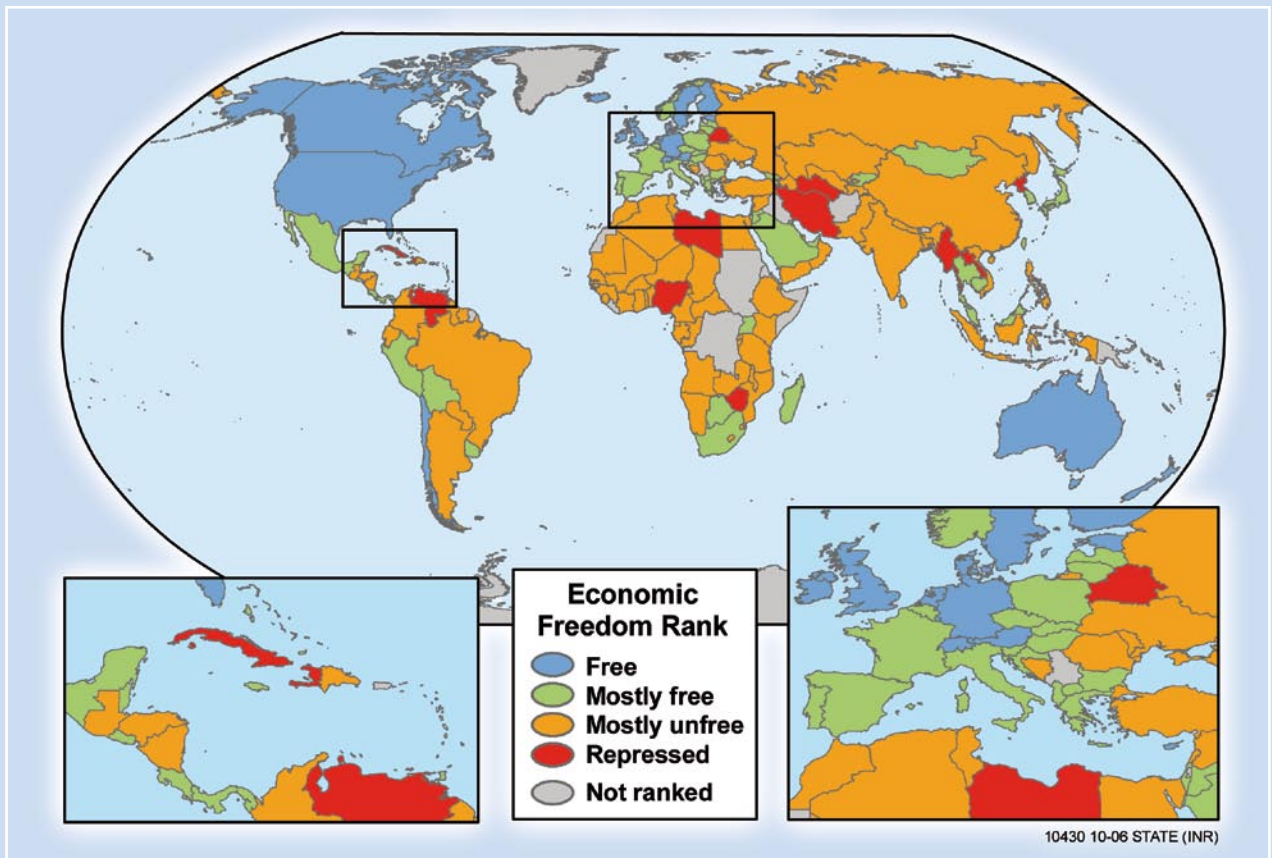
The U.S. Government promotes prosperity at home and abroad by opening markets through ambitious trade and investment agendas, strengthening development efforts through private sector participation and recipient country accountability, and supporting U.S. businesses through outreach and advocacy. Working with other agencies, businesses, labor groups, and NGOs, the Department of State and USAID contribute to a stronger, more dynamic international economic system that creates new opportunities for American business, workers, and farmers.

The U.S. Government coordinates with allies and major donors to assist countries recovering from conflict and natural disasters. U.S. relief and reconstruction efforts following the Indian Ocean Tsunami and the South Asia Earthquake, in partnership with the private sector, strongly reinforced public efforts to restore positive attitudes toward the U.S. in several Muslim countries.

The Department and USAID partner with countries around the world to protect intellectual property rights, combat bribery, and support flexible energy and financial markets. USAID's economic growth initiatives play an important role in helping countries on the road to economic prosperity, political stability, and self-sufficiency. Deep and comprehensive economic engagement with developing countries enhances the prosperity and security of those countries, and therefore our own.

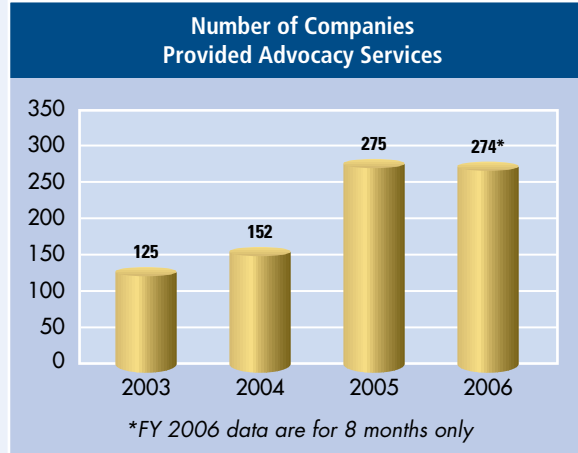
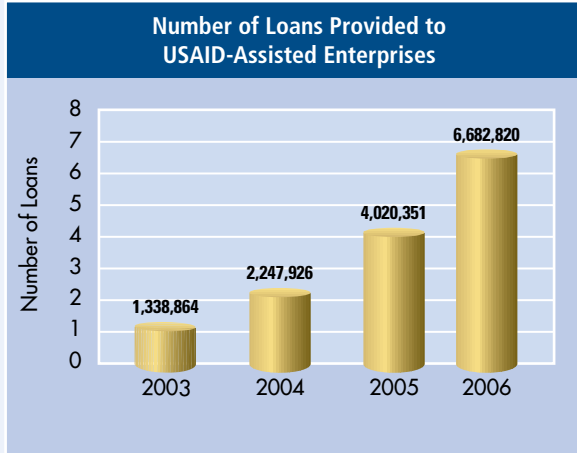
Finally, the Department of State leads the U.S. representation at the International Energy Agency, the primary mechanism for maintaining oil market stability in times of crisis. The Department was able to secure the release of up to 60 million barrels of emergency petroleum stockpiles when prices increased due to Hurricane Katrina, saving American taxpayers hundreds of millions of dollars per day.

ECONOMIC FREEDOM IN THE WORLD 2006



Source: Heritage Foundation

II. Selected Performance Trends



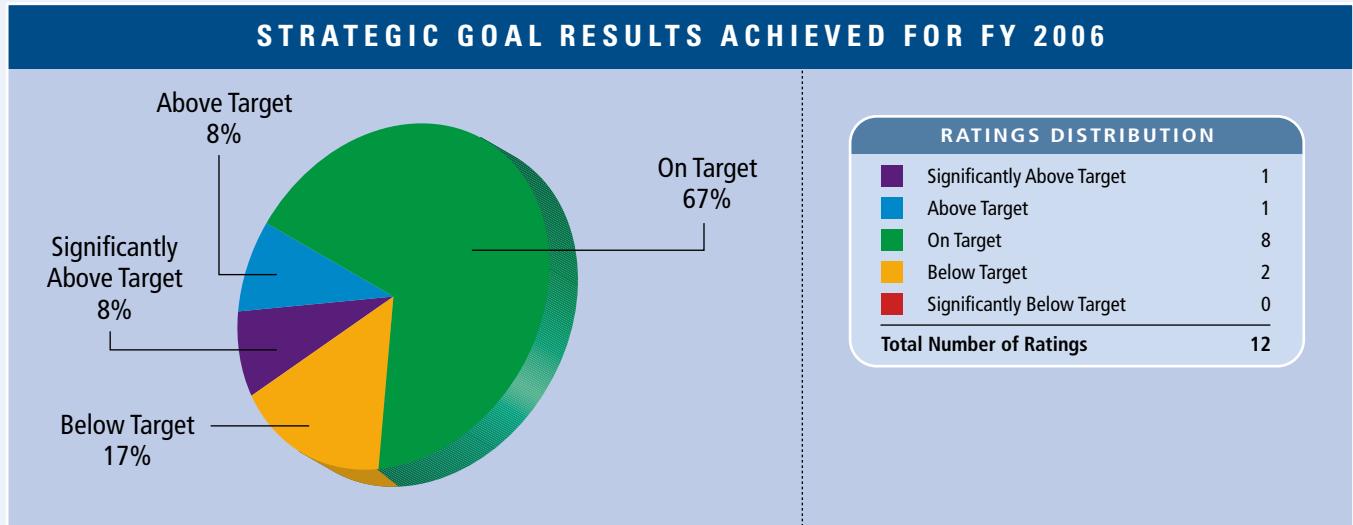
III. Strategic Context

Shown below are the performance goals, initiatives/programs, and the major resources, bureaus and partners that contribute to accomplishment of the Economic Prosperity and Security strategic goal. Acronyms are defined in the glossary at the back of this publication.

Strategic Goal	Performance Goal (Short Title)	Initiative/Program	Major Resources	Lead Bureau(s)	External Partners
Economic Prosperity and Security	Economic Growth and Development	Growth and Development Strategies	CIO, DA, D&CP, ESF, FSA, IO&P, MCA, SEED	EB, EUR, IO, PPC	Treasury, DOC, MCC, USDA, EXIM, OPIC, TDA, USTR, IMF, World Bank, Reg'l Devl Banks, UNDP, ILO, WTO, OECD, UNCTAD, UNICEF, FAO, G-8
		International Organizations and Economic Development Policy	CIO, D&CP, IO&P	EB, IO	Treasury, DOC, USDA, EXIM, OPIC, TDA, USTR, Multilateral Orgs and Development Banks, FAO, G-8
		United Nations Development Program (UNDP)	D&CP, IO&P	IO	EPA, DOL, DOJ, Treasury, DOC, USDA, TDA, Multilateral Development Banks
		Private Sector Capacity	DA, ESF, FSA, SEED	PPC	Multilateral Orgs/Development Banks, FAO, G-8, EU
	Trade and Investment	Create Open and Dynamic World, Regional and National Markets	DA, D&CP, ESF	EB, PPC, EGAT	USTR, Treasury, DOC, DOT, USDA, TDA, WTO, OECD, NGOs
		Support for U.S. Businesses	D&CP	EB, PPC, AFR	USTR, Treasury, DOC, DOT, USDA, TDA, WTO, OECD, NGOs
	Secure and Stable Markets	Secure Energy Supplies	D&CP	EB, EGAT	DOE, IEA, foreign governments, NSC
		Stable Financial Markets	D&CP	EB	Treasury, Multilateral and Reg'l Devl Banks
	Food Security and Agricultural Development	Agriculture-led Income Opportunities Expanded	DA, PL480, CIO	EGAT, AFR	USDA, NGOs, FAO, WB

IV. Performance Summary

The chart below summarizes the performance ratings for Department of State and USAID results for the Economic Prosperity and Security strategic goal.



V. Performance Analysis

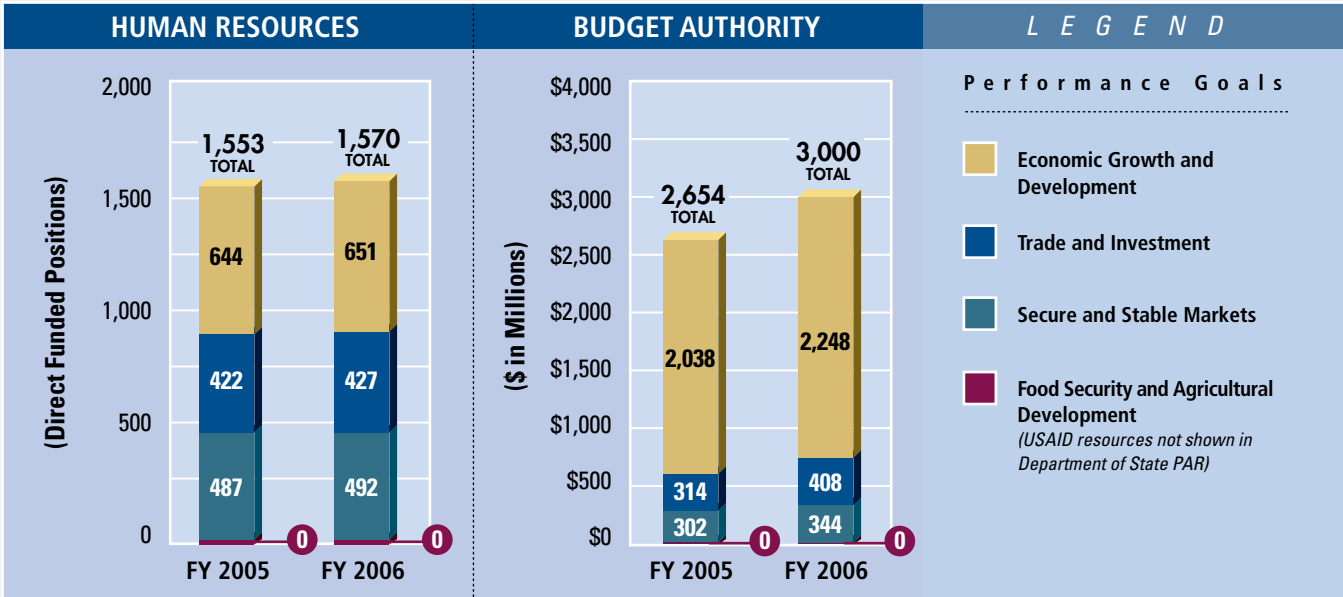
PERFORMANCE TRENDS. There are a number of positive trends in this strategic goal area. For example, USAID extension assistance has reached more than one million farmers, a tenfold increase over the 2003 baseline, and USAID programs disbursed more than six million microfinance loans, a fivefold increase over the 2003 baseline.

HIGH-LEVEL RESULTS. There has been significant progress toward economic growth and development through firm-level assistance, support to financial institutions, development of targeted sectors, and use of UN resolutions, programs and activities. These interventions have had a demonstrable impact on incomes, economic stability, food security, and private sector development. In addition, trade and investment have increased dramatically in areas where State and USAID have active programs.

RESULTS SIGNIFICANTLY ABOVE OR SIGNIFICANTLY BELOW TARGET. USAID significantly exceeded targets in the number of agricultural technologies made available for transfer through USAID programs. The total increased by 240% over the FY 2005 result.

KEY INITIATIVES AND PROGRAMS. The Department and USAID received more than \$2.6 billion in Economic Support Funds. More than \$200 million in FY 2006 funds was earmarked to USAID for trade capacity building and Congress also authorized USAID to spend up to \$21 million for loan guarantees in support of micro and small enterprise programs.

VI. Resources Invested



A Look to History: Economic Prosperity and Security

In July 1944, representatives of non-Axis governments met at Bretton Woods, New Hampshire to discuss the future of the international economy and postwar reconstruction. This meeting set the terms for an international economic system, known as the Bretton Woods System, that would allow for economic growth and liberalized trade. The conference also adopted the Articles of Agreement for the International Bank for Reconstruction and Development, later known as the World Bank, and the International Monetary Fund. The World Bank would oversee funds to rebuild postwar Europe and to develop newly emerging countries in Africa, Asia, and Latin America. The International Monetary Fund focused on the stabilization of the currencies of those nations suffering from high trade deficits and other internal economic problems.



Delegates to the Bretton Woods Conference, representing 44 nations, pose for an official photo, July 1944. AP/Wide World

VII. Performance Results

For each initiative/program that supports accomplishment of this strategic goal, the most critical FY 2006 performance indicators and targets are shown below.

ANNUAL PERFORMANCE GOAL 1
INSTITUTIONS, LAWS, AND POLICIES FOSTER PRIVATE SECTOR-LED ECONOMIC GROWTH, MACROECONOMIC STABILITY, AND POVERTY REDUCTION.

I/P: GROWTH AND DEVELOPMENT STRATEGIES		
INDICATOR: Progress of Rural Economic Opportunity Expansion in Afghanistan		
Outcome		
JUSTIFICATION: This indicator measures USAID’s efforts to create jobs and strengthen overall rural growth programs throughout the country.		
FY 2006 PERFORMANCE	Target	<ul style="list-style-type: none"> ● 10% increase over the cumulative number of farmers (FY 2005 result) served by extension through USAID assistance. ● 10% increase over the cumulative number of microfinance loans (FY 2005 result) disbursed to farmers.
	Results	<ul style="list-style-type: none"> ● 25% increase over the cumulative number of farmers (FY 2005 result) served by extension through USAID assistance (cumulative total = 1,015,769). ● <1% increase over the cumulative number of microfinance loans (FY 2005 result) disbursed to farmers (cumulative total = 28,136).
	Rating	■ On Target
	Impact	As a result of USAID programs, Afghanistan is making significant progress in strengthening its rural economy. This has spurred overall economic growth, created jobs, increased incomes, raised standards of living, and reduced poverty.
PERFORMANCE DATA	Data Source	Preliminary result data from USAID Afghanistan mission.
	Data Quality (Verification)	The Agency’s performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID’s Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	2005	<ul style="list-style-type: none"> ● 815,769 (cumulative) farmers served by extension through USAID assistance, a 44% increase over FY 2004. ● 28,118 (cumulative) microfinance loans disbursed to farmers, a 235% increase over the FY 2004 baseline.
	2004	<ul style="list-style-type: none"> ● 567,806 (cumulative) farmers served by extension through USAID assistance, a 468% increase over the FY 2003 baseline. ● Baseline: 8,400 (cumulative) microfinance loans disbursed totaling \$1.26 million.
	2003	Baseline: <ul style="list-style-type: none"> ● 100,000 (cumulative) farmers served by extension through USAID assistance.

**I/P: INTERNATIONAL ORGANIZATIONS AND ECONOMIC DEVELOPMENT
POLICY AND OPERATIONAL ACTIVITIES**




INDICATOR: Incorporation of Millennium Challenge Account Principles into UN Resolutions, Programs, and Activities

Outcome

JUSTIFICATION: This indicator was chosen because the language in UN economic development resolutions reflects prevailing policy norms. The types of UN programs and the nature of recipients' requests for assistance will demonstrate the degree of acceptance of MCA principles.

FY 2006 PERFORMANCE	Target	<ul style="list-style-type: none"> • U.S.-inspired Economic Freedom Caucus at UN fosters consultation among like-minded nations on economic and development issues in the UN General Assembly and Economic and Social Council. • UN resolutions adopted clearly affirming the value of good governance, economic freedom, free and open trade, and competitive markets to development throughout the world. • Active program of UN workshops encourages sound economic, aid, and investment policies conducive to market-led economic growth and poverty reduction. • UN agencies, funds, and programs mainstream initiatives to follow up on the recommendations of the UN Commission on the Private Sector and Development.
	Results	UN Development Program has followed up on recommendations of the UN Commission on the Private Sector and Development, including working with major corporations to establish partnerships with small business. Like-minded nations have succeeded in gaining some support for the principles of economic freedom, though the Economic Freedom Caucus has been hindered by a prolonged and contentious debate in the General Assembly on the respective roles and responsibilities of developed and developing countries.
	Rating	■ On Target
	Impact	Many UN Members recognize that good governance, rule of law, and economic freedom play a crucial role in economic development, although there is still some resistance, especially to the idea that the Millennium Challenge Account principles could serve as a guide for designing UN initiatives.
PERFORMANCE DATA	Data Source	United Nations reports and publications.
	Data Quality (Verification)	Content of UN reports is reviewed by Department staff in Washington and New York for accuracy. Contents of resolutions are publicly available.
PAST PERFORMANCE	2005	During 2005, the United States sponsored 6 events and participated in 6 others on the MCA, entrepreneurship and poverty reduction, economic freedom, commercial law reform, regulatory reform, women's property rights, good governance, and other topics at the 60th General Assembly. Language on economic freedom and Millennium Challenge Account principles was incorporated in the UN General Assembly, the UN Economic and Social Council and UN Commission on the Status of Women resolutions. The September 2005 UN Summit Outcome Document reaffirmed the recommendations for policy at the national level on fighting corruption and improving the investment climate for private business.
	2004	UN adopted a Ministerial Declaration on Least Developed Countries that laid the foundation for economic freedom language in other UN resolutions, including language on improving the enabling environment for the private sector; promoting the efficiency of markets; and developing financial sectors within transparent regulatory and legal systems.
	2003	<ul style="list-style-type: none"> • Discussions on UN economic development resources and Monterrey follow-up focused less on developed country obligations towards developing countries and more on developing country responsibilities for their own development, highlighting good governance, economic freedom, and investing in people as means to maximize effective use of resources. • UN funds and programs introduced new programs, within their mandates, focused on improving governance, economic policy formulations, sustainable development, public-private partnerships, making health and education systems more accessible, all within framework of enhanced climate to attract private investment and development assistance, including MCA.

I/P: UNITED NATIONS DEVELOPMENT PROGRAM (UNDP)		
	INDICATOR: Percentage of Countries Receiving UN Development Program (UNDP) Support Where Annual Targets Were Fully Achieved	
	Outcome	
JUSTIFICATION: This indicator was chosen because it provides a measure of progress toward achieving goals related to public administration, anti-corruption, conflict prevention, and peace building.		
FY 2006 PERFORMANCE	Target	<ul style="list-style-type: none"> Public Administration and Anti-Corruption: 68%. Conflict Prevention and Peace Building: 67%.
	Results	Final 2006 results are not yet available, although UN progress reports indicate steady progress toward the target. UNDP collects data at the end of the calendar year and will publish final results in 2007.
	Rating	■ On Target
	Impact	UNDP contributes toward the Department's goal of fostering and strengthening stability, development, and economic growth throughout the world, for example, in developing a country's ability to engage in successful public administration reform and anti-corruption efforts.
PERFORMANCE DATA	Data Source	UNDP progress and accountability reports submitted to the Department of State.
	Data Quality (Verification)	The reliability of some reported data has been questioned. The Department of State continues to assist UNDP to improve consistency and reliability of data, and reporting methodology.
PAST PERFORMANCE	2005	<ul style="list-style-type: none"> Public Administration and Anti-Corruption: 95%. Conflict Prevention and Peace Building: 95%.
	2004	<ul style="list-style-type: none"> Public Administration and Anti-Corruption: 93%. Conflict Prevention and Peace Building: 90%.
	2003	<ul style="list-style-type: none"> Public Administration and Anti-Corruption: 78%. Conflict Prevention and Peace Building: 66%.

President Bush and Chinese President Hu Jintao present a joint statement in the Great Hall of the People on the edge of Tiananmen Square, in Beijing, China, November 2005. AP/Wide World




I/P: PRIVATE SECTOR CAPACITY	
INDICATOR: Enterprise Level Competitiveness	
Output	
<p>JUSTIFICATION: Providing loans and other types of assistance to strengthen enterprise competitiveness and productivity promotes economic expansion and poverty reduction.</p>	
FY 2006 PERFORMANCE	<p>Target</p> <ul style="list-style-type: none"> ● 4,422,386 loans provided as a result of USAID assistance. ● \$3,400,000,000 in loans provided as a result of USAID assistance.
	<p>Results</p> <ul style="list-style-type: none"> ● 6,682,820 loans provided as a result of USAID assistance, 51% above the FY 2006 target. ● \$4,826,395,165 in loans provided as a result of USAID assistance, 42% above the FY 2006 target.
	<p>Rating</p> <p style="color: #4F81BD; font-weight: bold;">Above Target</p>
	<p>Impact</p> <p>Firms in developing countries typically lack access to credit for expansion through the formal financial system. Providing credit directly or mobilizing bank financing for such firms is critical to achieving economic growth and associated job creation.</p>
PERFORMANCE DATA	<p>Data Source</p> <p>Preliminary result data from USAID operating units.</p>
	<p>Data Quality (Verification)</p> <p>The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).</p>
PAST PERFORMANCE	<p>2005</p> <ul style="list-style-type: none"> ● 4,020,351 loans provided as a result of USAID assistance, a 79% increase over FY 2004. ● \$3,054,122,019 in loans provided as a result of USAID assistance, a 278% increase over FY 2004.
	<p>2004</p> <ul style="list-style-type: none"> ● 2,247,926 loans provided as a result of USAID assistance, a 68% increase over the FY 2003 baseline. ● \$809,037,380 in loans provided as a result of USAID assistance, a 123% increase over the FY 2003 baseline.
	<p>2003</p> <p>Baselines:</p> <ul style="list-style-type: none"> ● 1,338,864 loans provided as a result of USAID assistance. ● \$363,054,541 in loans provided as a result of USAID assistance.



Farmers negotiate seed prices with vendors at a USAID-sponsored seed fair in the south-central Zinder district of Niger. USAID photo

ANNUAL PERFORMANCE GOAL 2
INCREASED TRADE AND INVESTMENT ACHIEVED THROUGH MARKET-OPENING INTERNATIONAL AGREEMENTS AND FURTHER INTEGRATION OF DEVELOPING COUNTRIES INTO THE TRADING SYSTEM.

I/P: CREATE OPEN AND DYNAMIC WORLD, REGIONAL AND NATIONAL MARKETS

	INDICATOR: Status of Negotiations on Open Markets for Services, Trade, and Investment
Outcome	

JUSTIFICATION: These agreements expand the international framework to create a dynamic, free and open trade system, which contributes directly to the prosperity of the United States.

FY 2006 PERFORMANCE	Target	<ul style="list-style-type: none"> World Trade Organization (WTO) Doha round and Free Trade of the Americas negotiations completed. Andean Countries Free Trade Agreement (FTA) and South African Customs Union (SACU) implemented. Two FTAs concluded. Central American Free Trade Agreement (CAFTA), Dominican Republic, Morocco and Australia FTAs enter into force. Three new Bilateral Investment Treaties (BITs) concluded.
	Results	<ul style="list-style-type: none"> WTO and FTAA negotiations were not completed. Implementation of Andean Countries Free Trade Agreement progressing; South African Customs Union postponed. Two FTAs concluded. Oman FTA ratified. Korea and Malaysia FTAs launched. CAFTA, Bahrain and Morocco FTAs entered into force. The Australia FTA went into force in January 2005 (see below). Three new BITs concluded.
	Rating	 Below Target
	Impact	Although the suspension of the Doha Round will hinder U.S. efforts to open markets, excellent progress was achieved on liberalizing trade and opening markets through free trade agreements and bilateral investment treaties. Trade Promotion Authority is scheduled to expire in mid-2007, so the Department will make every effort to restart the Doha Round in FY 2007.
	Reason for Shortfall	The WTO Doha Round was suspended due to lack of agreement on major issues. The United States prioritized expanded agricultural market access, the EU tried to link agricultural subsidy and tariff reductions to cross-sector reciprocal improvements in market access for manufactured goods and services, and developing countries sought the elimination of agricultural subsidies and industrial tariffs.
	Steps to Improve	At the December 2005 WTO ministerial in Hong Kong, WTO members were able to set 2013 as the date to end agricultural export subsidies and agree to a number of important development initiatives. Expanded market access, particularly in agriculture, is key to a final agreement. In Hong Kong, the U.S. announced a doubling of annual trade-related assistance from \$1.34 billion in 2005 to \$2.7 billion by 2010. The U.S. is the largest single-country donor of trade capacity building assistance, which helps countries build the necessary legal, administrative, and physical infrastructure to participate fully in the market openings that will be created by a successful conclusion of the Doha Round.

PERFORMANCE DATA	Data Source	Information from Department of State and U.S. Trade Representative (USTR) negotiators.
	Data Quality (Verification)	Data on the status of the Doha Round is publicly available and widely reported. Details are available through WTO and USTR. Information is vetted by trade and investment officers at the Department of State and is publicly available.

PAST PERFORMANCE	2005	Doha Round progressing with members actively engaged in negotiations. Negotiations with Pakistan underway; initial consultations held with Saudi Arabia and Algeria. Negotiations continued on free trade agreements with Andean countries, Oman, and United Arab Emirates. Central American-Dominican Republic FTA and Bahrain enactment expected. Australia FTA entered into force January 2005. Morocco FTA entry into force expected. U.S. and EU regulatory agencies work to share information and harmonize regulatory systems.
	2004	<ul style="list-style-type: none"> Successful WTO Doha Round framework agreement July 2004. One BIT, with Uruguay, concluded by October 2004. Concluded 4 FTAs (Australia, Bahrain, Morocco, Central America). Free Trade Agreement of the Americas negotiations continued. Launched FTA negotiations with Thailand, countries of the Andean region, and Panama.
	2003	<ul style="list-style-type: none"> Two FTAs (Chile, Singapore) concluded. WTO and FTAA negotiations continued. FTA negotiations began with CAFTA, Morocco, SACU, and Australia.

I/P: CREATE OPEN AND DYNAMIC WORLD, REGIONAL AND NATIONAL MARKETS (continued)



INDICATOR: Number of Countries Allowing Commercial Use of Agricultural Biotechnology and Global Acreage of Biotech Crops under Cultivation

Output

JUSTIFICATION: Countries that commercialize biotechnology-derived crops are most likely to permit entry of biotechnology-derived products from other countries.


FY 2006 PERFORMANCE	Target	<ul style="list-style-type: none"> • Three more countries commercialize agricultural biotechnology. • Acreage of agricultural biotechnology crops increases 12 percent.
	Results	In CY 2005, four additional countries planted biotech crops. Portugal and France resumed planting of biotech corn in 2005, while the Czech Republic planted it for the first time; this brings the total of EU countries commercializing biotech corn to five. In Iran, biotech rice was grown in 2005 by several hundred farmers, who initiated commercialization and produced seed supplies for full commercialization in 2006. Based upon full year data for CY 2005, agricultural biotech acreage was trending at a 15-20% rate of growth in the first 3 months of FY 2006.
	Rating	■ On Target
	Impact	Global acreage continues to grow at a tremendous rate. More than 90 percent of farmers benefiting from biotech crops now reside in the developing world.
PERFORMANCE DATA	Data Source	Statistics gathered by the International Service for the Acquisition of Ag-biotech Applications, the internationally recognized source for information on the commercialization of crops derived through modern biotechnology.
	Data Quality (Verification)	Information is publicly available, gathered through primary data collection, and cross-referenced by economics officers with other sources for accuracy.
PAST PERFORMANCE	2005	Based upon full year data for CY 2004, ag biotech acreage was trending at a 15-20% rate of growth in the first 3 months of FY 2005. China nears commercialization of biotech rice variety. French farmers plant biotech corn in relatively large quantities for the first time. The Spanish interministerial biotechnology commission approved Roundup Ready biotech corn seed for cultivation in Spain.
	2004	<ul style="list-style-type: none"> • Australia approved commercialization of transgenic canola, Malaysia and Thailand took initial steps toward commercializing agricultural biotechnology. • Growth grate for CY 2004 was 20% which includes first quarter of FY 2005.
	2003	<ul style="list-style-type: none"> • The Philippines commercialized agriculture-biotech, and Brazil approved the sale of agriculture-biotech. • Biotech acreage continued to expand.

Business Advocacy and Commercial Diplomacy

The Department of State regularly advocates for U.S. companies to ensure fair play, assist with regulatory and investment problems, and maximize commercial opportunities. U.S. Diplomatic Missions are prepared and equipped to assist U.S. companies by partnering with the Commerce Department and managing the commercial diplomacy programs at 140 overseas posts without a Commerce Department presence. In FY 2006, the Department provided support for 300 commercial advocacy cases, including a recent \$2 billion contract win for a U.S. company. Business outreach efforts also target opportunities tied to U.S. foreign policy.

Assistant Secretary for Economic, Energy and Business Affairs Daniel Sullivan speaks to senior business executives and government officials during the 13th Annual U.S.-APEC (Asia-Pacific Economic Cooperation) Roundtable in Washington, D.C, June 2006. State Department Photo




I/P: CREATE OPEN AND DYNAMIC WORLD, REGIONAL AND NATIONAL MARKETS <i>(continued)</i>		
 INDICATOR: Progress in WTO accession in USAID-Assisted Countries		
Output		
JUSTIFICATION: Participation and membership in the WTO indicates a commitment to trade and its economic benefits and an active engagement with other countries regarding trade agreements and integration.		
FY 2006 PERFORMANCE	Target	15 USAID-assisted countries in some level of WTO accession prior to full membership.
	Results	10 USAID-assisted countries at some level of WTO accession prior to full membership.
	Rating	■ Below Target
	Impact	WTO accession means access to markets is more open and predictable, developing country commercial law regimes are aligned with international norms, the international rule of law is expanded, transparency and economic governance is improved, and opportunities for corruption are reduced.
	Reason for Shortfall	The explanation for this program's shortfall is pending and will be obtained once the final FY 2006 results are reported.
	Steps to Improve	The necessary steps for this program's improvement are pending and will be obtained once the final FY 2006 results are reported.
PERFORMANCE DATA	Data Source	Preliminary result data from USAID operating units.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	2005	14 USAID-assisted countries at some level of WTO accession prior to full membership.
	2004	29 USAID-assisted countries at some level of WTO accession prior to full membership.
	2003	Baseline: 28 USAID-assisted countries at some level of WTO accession prior to full membership.

Under Secretary Josette Sheeran speaks to reporters about the National Strategy to Internationalize Efforts Against Kleptocracy, or high-level corruption, during a news conference at the State Department in Washington, D.C., August 2006.

AP/Wide World





I/P: SUPPORT FOR U.S. BUSINESSES									
	INDICATOR: Number of Companies for Whom Advocacy Services Were Provided; Number of Commercial Advocacy Successes in Helping U.S. Companies Win Foreign Tenders; Enforce Contract Agreements; Gain Fair Treatment; and/or Enter new foreign Markets								
Output									
JUSTIFICATION: This indicator measures the direct support provided to U.S. business in exporting goods and services as well as managing overseas investments.									
FY 2006 PERFORMANCE	<table border="1"> <tr> <td style="background-color: #4a7ebb; color: white;">Target</td> <td> <ul style="list-style-type: none"> Advocacy services provided for 195 companies. 95 advocacy success stories. </td> </tr> <tr> <td style="background-color: #4a7ebb; color: white;">Results</td> <td>For the first 8 months of FY 2006, provided advocacy services for 274 companies and generated 44 advocacy success stories.</td> </tr> <tr> <td style="background-color: #4a7ebb; color: white;">Rating</td> <td style="text-align: center;"> <div style="display: inline-block; width: 15px; height: 15px; background-color: green; border: 1px solid black;"></div> On Target </td> </tr> <tr> <td style="background-color: #4a7ebb; color: white;">Impact</td> <td>Advocacy support ensures transparency and fair play so that U.S. companies can compete on a level playing field.</td> </tr> </table>	Target	<ul style="list-style-type: none"> Advocacy services provided for 195 companies. 95 advocacy success stories. 	Results	For the first 8 months of FY 2006, provided advocacy services for 274 companies and generated 44 advocacy success stories.	Rating	<div style="display: inline-block; width: 15px; height: 15px; background-color: green; border: 1px solid black;"></div> On Target	Impact	Advocacy support ensures transparency and fair play so that U.S. companies can compete on a level playing field.
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PAST PERFORMANCE	<table border="1"> <tr> <td style="background-color: #4a7ebb; color: white;">2005</td> <td> <ul style="list-style-type: none"> Advocacy services provided for 386 companies. 44 advocacy success stories. </td> </tr> <tr> <td style="background-color: #4a7ebb; color: white;">2004</td> <td> <ul style="list-style-type: none"> Advocacy services provided for 152 companies. 48 advocacy success stories. </td> </tr> <tr> <td style="background-color: #4a7ebb; color: white;">2003</td> <td> <ul style="list-style-type: none"> Advocacy services provided for 125 companies. 45 advocacy success stories. </td> </tr> </table>	2005	<ul style="list-style-type: none"> Advocacy services provided for 386 companies. 44 advocacy success stories. 	2004	<ul style="list-style-type: none"> Advocacy services provided for 152 companies. 48 advocacy success stories. 	2003	<ul style="list-style-type: none"> Advocacy services provided for 125 companies. 45 advocacy success stories. 		
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A Vietnamese basket vendor walks along a street of electronics shops in downtown Hanoi, Vietnam, January 2006, as U.S. trade officials arrived for talks on Vietnam's accession to the World Trade Organization.
AP/Wide World


ANNUAL PERFORMANCE GOAL 3
SECURE AND STABLE FINANCIAL AND ENERGY MARKETS.

I/P: SECURE ENERGY SUPPLIES		
		
INDICATOR: World Emergency Oil Stocks		
Output		
JUSTIFICATION: Oil is the major energy import for the U.S. and an adequate supply is key for the U.S. and global economies. Increasing world oil stocks increases ability to withstand possible oil shocks.		
FY 2006 PERFORMANCE	Target	International Energy Agency (IEA) and non-IEA Emergency oil stocks at or above FY 2005 stock levels equivalent to 114 days of imports.
	Results	115 days of import coverage.
	Rating	■ On Target
	Impact	Healthy oil stock allowed for a robust response to oil supply disruptions caused by Hurricane Katrina, calming markets ensuring continued supplies of oil.
PERFORMANCE DATA	Data Source	International Energy Agency data.
	Data Quality (Verification)	International Energy Agency data are publicly available and reviewed annually by economics officers with the Department of State's Bureau of Economic and Business Affairs.
PAST PERFORMANCE	2005	International Energy Agency members held stocks of 114 days of imports, prior to emergency release of stocks to counter supply disruptions of Hurricane Katrina.
	2004	IEA members held stocks of 113 days of imports.
	2003	IEA stocks were 116 days of imports. China (a non-IEA member) actively engaged with the IEA, APEC, and the United States to create emergency oil stock reserves and has formulated a plan for holding significant stocks.

		
INDICATOR: Energy Sector Management Capacity		
Output		
JUSTIFICATION: This indicator examines whether countries are capable of managing the energy sector to achieve greater energy efficiency.		
FY 2006 PERFORMANCE	Target	<ul style="list-style-type: none"> ● 357 energy institutions with improved capacity to reform and manage their sector. ● 95 energy policy reforms (e.g. decrees, policies, laws, technical standards etc.) drafted as a result of USAID programs. ● 58 energy policy reforms adopted as a result of USAID programs. ● 15 energy policy reforms implemented as a result of USAID programs.
	Results	<ul style="list-style-type: none"> ● 357 energy institutions with improved capacity to reform and manage their sector. ● 74 energy policy reforms drafted as a result of USAID programs. ● 29 energy policy reforms adopted as a result of USAID programs. ● 31 energy policy reforms implemented as a result of USAID programs.
	Rating	■ On Target
	Impact	Sound energy policies and efficient, capable energy institutions are crucial structural elements for development.

Continued on next page

I/P: SECURE ENERGY SUPPLIES (continued)		
INDICATOR: Energy Sector Management Capacity (continued)		
PERFORMANCE DATA	Data Source	Preliminary result data from USAID operating units.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	2005	<ul style="list-style-type: none"> Energy institutions with improved capacity to reform and manage their sector: 337. Energy policy reforms drafted as a result of USAID programs: 87. Energy policy reforms adopted as a result of USAID programs: 53. Energy policy reforms implemented as a result of USAID programs: 11. <p>The indicator was changed effective 2005 in order to more specifically measure impact, as the previous wording of "interventions" was judged to be too general. This explains the decrease in numbers between the 2004 baseline and 2005.</p>
	2004	<p>Baseline:</p> <ul style="list-style-type: none"> Energy institutions with improved capacity to reform and manage their sector: 216. New energy policy interventions accomplished as a result of USAID programs: 183.
	2003	N/A.

I/P: STABLE FINANCIAL MARKETS		
	INDICATOR: Percentage of Debt Crisis Countries on International Monetary Fund (IMF) Programs Successfully Reforming	
	Outcome	
JUSTIFICATION: Successful completion of reform programs is key to nations achieving long-term financial stability.		
FY 2006 PERFORMANCE	Target	60% of countries facing financial crisis that have sought and received Paris Club sponsored debt relief are successfully implementing economic reforms that will promote long-term financial stability.
	Results	A total of 84% of countries receiving help from the United States and the international community to overcome financial crises are successfully implementing economic reforms that promote long-term financial stability. As of September 30, 2006, 69 countries facing financial crises had active Paris Club agreements. Of these, 36 countries were successfully implementing an IMF-sponsored reform program and an additional 22 countries had completed their reform programs. A total of 11 countries had abandoned their IMF program and were not pursuing sound macroeconomic policies. This result can be explained, in part, by the benign global economic environment that has helped to improve macroeconomic performance, reducing the risk of financial crises and generally making it easier to comply with IMF program goals.
	Rating	■ On Target
	Impact	U.S. Government debt relief program has provided effective leverage to encourage countries in financial crisis to adopt solid fiscal and monetary policies that have resulted in individual country and international financial stability.
PERFORMANCE DATA	Data Source	International Monetary Fund and Paris Club.
	Data Quality (Verification)	Information is publicly available and is validated by economics officers with the Department of State's Bureau of Economic and Business Affairs. Results are based on the percentage of countries which have a) active agreements with the "Paris Club" of major creditor nations, and b) an active International Monetary Fund economic reform program or have successfully graduated from one.
PAST PERFORMANCE	2005	83% of countries facing financial crisis that sought and received Paris Club sponsored debt relief are effectively following or have successfully completed an IMF program. (Based on IMF and Paris Club status as of September 30, 2005).
	2004	78% of 69 countries with an active Paris Club agreement were successfully reforming.
	2003	74% of 73 countries with an active Paris Club agreement were successfully reforming.

ANNUAL PERFORMANCE GOAL 4
ENHANCED FOOD SECURITY AND AGRICULTURAL DEVELOPMENT.

I/P: AGRICULTURE-LED INCOME OPPORTUNITIES EXPANDED	
INDICATOR: Level of Agricultural Sector Capacity	
Outcome	
<p>JUSTIFICATION: This indicator measures agricultural productivity through a variety of technologies and efficiencies, which are crucial for ensuring a stable and adequate food supply and sufficient earning potential from agricultural activities.</p>	
FY 2006 PERFORMANCE	<p>Target 505 agricultural technologies made available for transfer through USAID programs.</p>
	<p>Results 1,718 agricultural technologies made available for transfer through USAID programs.</p>
	<p>Rating ■ Significantly Above Target</p>
	<p>Impact The transfer of agricultural technologies and assistance to producers increases crop production which in turn enhances economic development and reduces food insecurities.</p>
PERFORMANCE DATA	<p>Data Source Preliminary result data from USAID operating units.</p>
	<p>Data Quality (Verification) The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).</p>
PAST PERFORMANCE	<p>2005 511 agricultural technologies made available for transfer through USAID programs.</p>
	<p>2004 172 agricultural technologies made available for transfer through USAID programs.</p>
	<p>2003 N/A.</p>



A Peruvian farmer tends to his high-value artichoke crop at his farm in the Mantaro Valley in central Peru.
USAID Photo