

UNITED STATES DEPARTMENT OF STATE



ACCOUNTABILITY REPORT

FISCAL YEAR 2001



FINANCIAL HIGHLIGHTS

(Dollars In Thousands)	% Change 2001 over 2000	2001	2000
<u>At End of Year:</u>			
Condensed Balance Sheet Data:			
Investments, Net	+5%	\$ 11,206,403	\$ 10,669,382
Fund Balance With Treasury	+8%	7,652,119	7,101,842
Property and Equipment, Net	+4%	4,870,466	4,687,989
Other	-8%	494,845	540,002
Total Assets	+5%	\$ 24,223,833	\$ 22,999,215
Foreign Service Retirement Actuarial ¹	+3%	\$ 11,766,900	\$ 11,475,900
Liability to International Organizations	+3%	1,650,006	1,608,326
Other	+13%	1,393,571	1,236,037
Total Liabilities	+3%	14,810,477	14,320,263
Unexpended Appropriations	+5%	5,961,844	5,690,201
Cumulative Results of Operations	+15%	3,451,512	2,988,751
Total Net Position	+8%	9,413,356	8,678,952
Total Liabilities and Net Position	+5%	\$ 24,223,833	\$ 22,999,215
Full-time Personnel:			
Civil Service	+2%	6,590	6,486
Foreign Service	+2%	9,162	9,023
Foreign Service National	+1%	9,852	9,730
Total Full-time Personnel	+1%	25,604	25,239
Foreign Service Annuitants¹	+1%	14,768	14,589
<u>For the Year:</u>			
Total Cost	+12%	\$ 9,986,843	\$ 8,950,854
Total Earned Revenue	+4%	(2,515,702)	(2,424,340)
Total Net Cost of Operations	+14%	\$ 7,471,141	\$ 6,526,514
Total Outlays, Net	+13%	\$ 8,487,712	\$ 7,481,731
On-Time Payments (%)	+2%	96	94
EFT Payments (%)	+5%	74	69

¹ The Department administers the operations of the Foreign Service Retirement and Disability Fund. This Fund provides annuities to retired members of the Foreign Service (or their survivors).

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FISCAL YEAR 2001

PHOTO CREDITS

AFP Service (pages 19, 20, 21, 25, 26, 29, 31, 45, 46, 49, 66- bottom photo)

National Imagery and Mapping Agency (pages 23, 28, 32, 43, 64, 65, 66- upper two photos, 67)

U.S. Department of State (pages 2, 3, 10-left photo, 78, 143)

Bureau of Resource Management, U.S. Department of State (pages 72,73)

Bureau of Intelligence and Research, U.S. Department of State (page 11)

Bureau of Diplomatic Security and Foreign Missions, U. S. Department of State
(pages 10- right photo, 58, 123- bottom photo)

Bureau of International Narcotics and Law Enforcement,
U.S. Department of State (page 42)

Overseas Buildings Operations, U.S. Department of State
(pages 62,123-upper two photos, 161, 179- right photo)

Office of the Historian, U.S. Department of State
(pages 20, 51, 68-upper and bottom photo, 179- left photo)

Art Bank Program, U.S. Department of State (pages 122, 159)

Art in Embassies Program, U.S. Department of State (page 160)

The Diplomatic Reception Rooms, U.S. Department of State
(page 158, upper and left photo by Richard Cheek)

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MESSAGE FROM THE SECRETARY



I am pleased to present to you the Department of State's *Accountability Report for Fiscal Year 2001*. The *Report* chronicles our achievements for the past year and shows how we spent our resources to reach our goals. Inside you will find audited financial statements and other documents related to our stewardship of the programs and resources we administer. We also have outlined our strategies for meeting key performance goals.

For the fifth year in a row the auditors have given us an unqualified clean bill of health on our financial statements. We remain committed to ensuring that the Department of State's data is reliable, accurate and consistent, as we improve our ability to measure progress toward performance objectives.

In last year's *Report*, I noted that just at the time our country confronted a host of formidable international challenges, years of personnel cuts, underfunded overseas facilities and neglected infrastructure impeded the conduct of our foreign policy. I pledged that would change. The terrorist attacks of September 11 made the case for strengthening our diplomatic capacities even more compelling.

Thanks to strong support from The President and broad bipartisan backing from Congress, we are making important strides in key areas: human resources, information technology and embassy construction and security.

I am proud of the vital role that the men and women of the State Department are playing in forging and sustaining President Bush's global coalition against terrorism and in marshalling the world for Afghan relief and reconstruction efforts. Every single day, the men and women of American Diplomacy are working hard to keep their fellow Americans safe and to shape a democratic, prosperous, peaceful world – a world where terrorism cannot thrive.

Every day, American diplomats help to free human potential by promoting political and economic reforms. They open growth-promoting trade and investment opportunities. They work to stem the spread of weapons of mass destruction, prevent or end conflicts, combat HIV/AIDS, protect the environment, and so much more.

Like the fine Americans who serve in our military, the men and women of the Department of State also serve on the frontlines of freedom. We will not send our military forces into action without the best support, equipment and training in the world. We must not give our diplomats any less.

I invite your attention to this *Report*. I believe it shows that the Department of State has been a wise steward of the people's money. It shows that American Diplomacy is essential to our nation's success in meeting the challenges of the 21st century.

A handwritten signature in black ink, appearing to read 'C. L. Powell'.

Colin L. Powell
Secretary of State



MESSAGE FROM THE ASSISTANT SECRETARY AND CHIEF FINANCIAL OFFICER

The *Accountability Report for Fiscal Year 2001 (Report)* provides meaningful financial and program performance information about the Department of State. Publication of the *Report* is an integral part of our efforts to improve our accountability to our customers, constituents, and the public.

For the fifth consecutive year, the independent CPA firm, selected by our Inspector General, has issued an unqualified (“clean”) opinion on the Department’s consolidated financial statements. This is the best possible audit result which gives confidence to the reader that the financial statements contain reliable information about the Department’s accounts. The *Report* presents program performance results and achievements consistent with the Department’s Strategic Plan and FY 2001 Program Performance Report.

As you read the *Report*, you will learn about the accomplishments of the Department’s highly dedicated staff as well as the significant challenges we face. These challenges are complex and diverse, ranging from improving the security of our facilities to non-traditional diplomacy challenges such as illegal drugs, international crime and terrorism. For years the Department has been on the frontlines of fighting terrorism at many of our embassies. Even so, the September 11 terrorist attacks have profoundly altered our thinking and priorities. The War on Terrorism has of course become the Department’s primary focus, but we also continue to address the other challenges we face.

President Bush has established a bold strategy for improving the Federal government’s financial management and performance. In support of this strategy, our goal is to provide timely and accurate financial and performance information that facilitates foreign policy decision-making, and to manage Department operations in an effective and efficient manner. We will achieve this goal by reorganizing the Department’s fiscal, budget and planning authorities, establishing a single worldwide financial management system, centralizing our financial operations at our Charleston Financial Service Center (FSC), transforming ourselves into an E-Government organization, and investing in our most valuable asset – our people.

To that end, we made considerable progress in 2001. A new Bureau of Resource Management was established, which has authority over the Department’s financial management, strategic planning, and budget activities, and ensures the integration of plans and performance with budget decisions and execution. In November 2001, our new Regional Financial Management System (RFMS) became operational, with Embassy Lima becoming the first serviced post to offer the full range of financial services under RFMS. The worldwide implementation of RFMS by September 2003 will result in standardized recording and reporting of financial data worldwide. We finalized plans and began renovation of our Charleston facilities. In 2002 we will begin to relocate work to Charleston from our Washington, D.C. and Paris FSC operations. In 2004 certain Bangkok FSC operations will be consolidated into the bureau’s Charleston facility. At that time the Charleston FSC will serve as the Department’s central location for all global financial operations. As we implement our enterprise-wide financial system and consolidate our financial operations, we are also working hard to meet the President’s E-Government goals. For example, as early as 2002 a number of our invoicing, travel and payroll processes will become paperless.

The Department maintains an effective management controls program, which includes clearly defined lines of responsibility, and requires annual assurance statements from our overseas Ambassadors and all Assistant Secretaries. A Management Control Steering Committee, chaired by the Chief Financial Officer and composed of other senior officials, oversees the program. Our strong commitment to management controls will continue.

We will continue to support the War on Terrorism and the President’s Management Agenda, while we provide the quality financial services our customers expect. We will achieve our goals, and ensure that our systems and operations provide reliable data that is used to promote results, accountability and efficiency.



A handwritten signature in black ink that reads "Christopher B. Burnham". The signature is fluid and cursive.

Christopher B. Burnham
Assistant Secretary for Resource Management
and Chief Financial Officer
February 27, 2002

DEPARTMENT OF STATE HISTORY

WHY IS IT CALLED THE DEPARTMENT OF STATE?

On September 15, 1789, Congress passed “An Act to provide for the safekeeping of the Acts, Records, and Seal of the United States, and for other purposes.” This law changed the name of the Department of Foreign Affairs to the Department of State because certain domestic duties were assigned to the agency.

These included:

- ◆ Receipt, publication, distribution, and preservation of the laws of the United States;
- ◆ Preparation, sealing, and recording of the commissions of Presidential appointees;
- ◆ Preparation and authentication of copies of records and authentication of copies under the Department’s seal;
- ◆ Custody of the Great Seal of the United States;
- ◆ Custody of the records of the former Secretary of the Continental Congress, except for those of the Treasury and War Departments.

Other domestic duties that the Department was responsible for at various times included issuance of patents on inventions, publication of the census returns, management of the mint, control of copyrights, and regulation of immigration. Most domestic functions have been transferred to other agencies. Those that remain in the Department are: storage and use of the Great Seal, performance of protocol functions for the White House, drafting of certain Presidential proclamations, and replies to public inquiries.

WHO WAS THE FIRST U.S. DIPLOMAT?

Benjamin Franklin was the first U.S. diplomat. He was appointed on September 26, 1776 as part of a commission charged with gaining French support for American independence. He was appointed Minister to France on September 14, 1778 and presented his credentials on March 23, 1779, becoming the first American diplomat to be received by a foreign government. Franklin was one of three Commissioners who negotiated the peace treaty with Great Britain, and continued to serve in France until May 17, 1785.

WHEN WAS THE FIRST U.S. TREATY SIGNED?

The first U.S. treaty to be signed was a Treaty of Amity and Commerce with France that was signed in Paris on February 6, 1778.

WHAT IS THE OLDEST DIPLOMATIC PROPERTY OWNED BY THE UNITED STATES?

The oldest diplomatic property owned by the United States is the U.S. Legation building in Tangier (see page 123). The Sultan of Morocco made a gift of the building in 1821. It served as the U.S. Consulate and Legation until 1956. It is currently preserved as a museum and study center.

MANAGEMENT'S DISCUSSION
AND ANALYSIS



MISSION AND ORGANIZATION OF THE DEPARTMENT OF STATE

Diplomacy is an instrument of power. It's essential for maintaining effective international relationships, and a principal means by which the United States defends its interests, responds to crises, and achieves its international goals. The Department of State (Department) is the lead institution for the conduct of American diplomacy; its mission is based on the Secretary of State's role as the President's principal foreign policy adviser.

Department of State Mission Statement

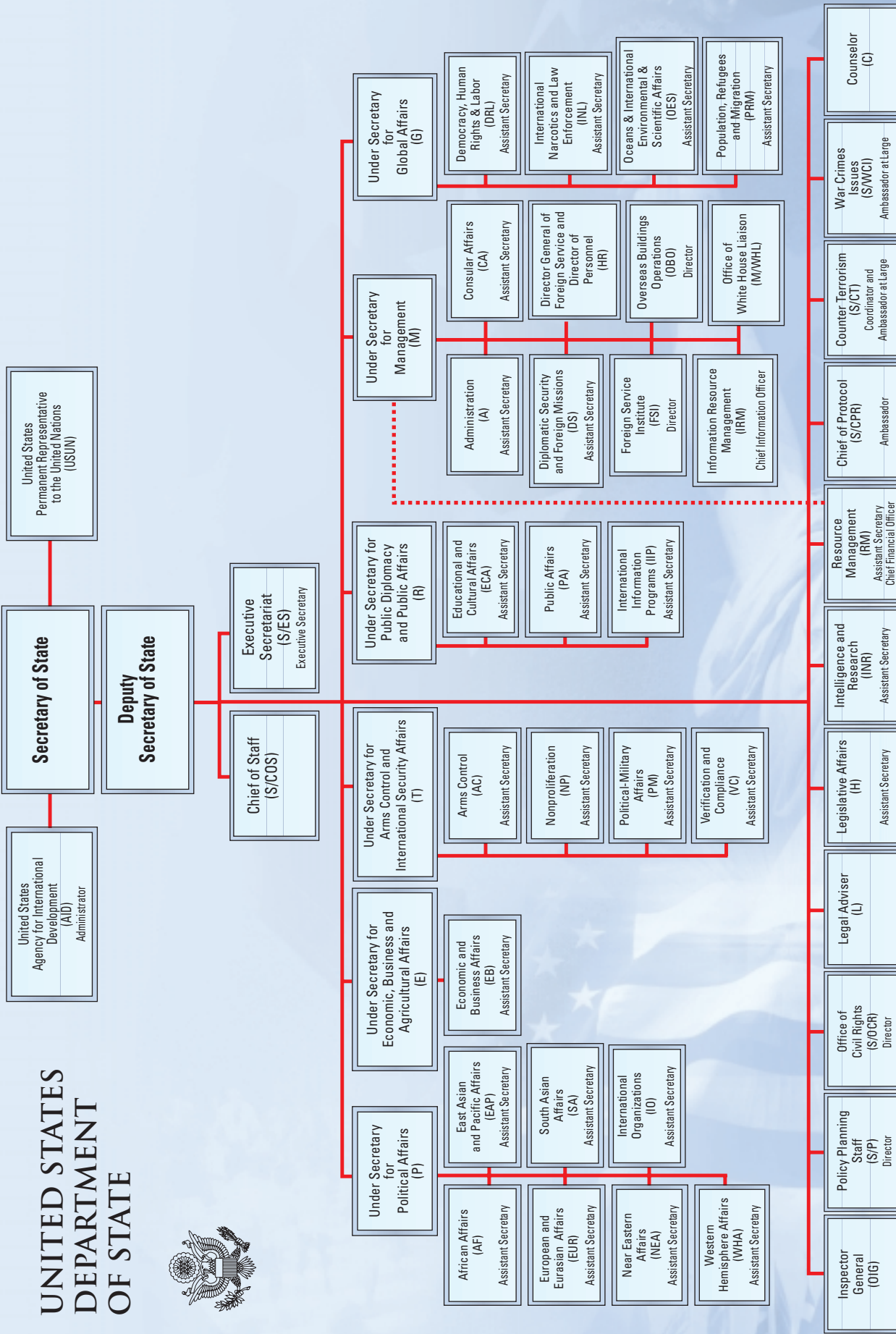
*"Create a more secure, prosperous, and democratic world
for the benefit of the American People".*

In order to carry out U.S. foreign policy at home and abroad, the Department of State:

- Exercises policy leadership and broad interagency coordination, and management of resource allocation for the conduct of foreign relations;
- Leads representation of the United States overseas and advocates U.S. policies with foreign governments and international organizations;
- Coordinates and provides support for the international activities of U.S. agencies, official visits, and other diplomatic missions – in short, the Diplomatic Readiness of the U.S. Government;
- Conducts negotiations, concludes agreements, and supports U.S. participation in international negotiations of all types;
- Coordinates and manages the U.S. Government's response to international crises of all types;
- Carries out public diplomacy and public affairs;
- Reports on and analyzes international issues of importance to the U.S. Government;
- Assists U.S. business;
- Protects and assists American citizens living or traveling abroad;
- Adjudicates immigrant and nonimmigrant visas to enhance U.S. border security; and
- Manages the international affairs programs and operations for which the Department has statutory responsibility.

The Department, the oldest and most senior cabinet agency, was established in 1789 to advise the President on formulating and executing foreign affairs. The Secretary of State heads the Department and serves as the President's principal advisor on the conduct of foreign relations. A Deputy Secretary and six Under Secretaries aid the Secretary of State, serving as the Department's corporate board on foreign policy. Each specializes in the following areas: political affairs; economic, business and agricultural affairs; arms control and international security; global affairs; public diplomacy and public affairs; and management.

UNITED STATES DEPARTMENT OF STATE



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2001 ACCOUNTABILITY REPORT

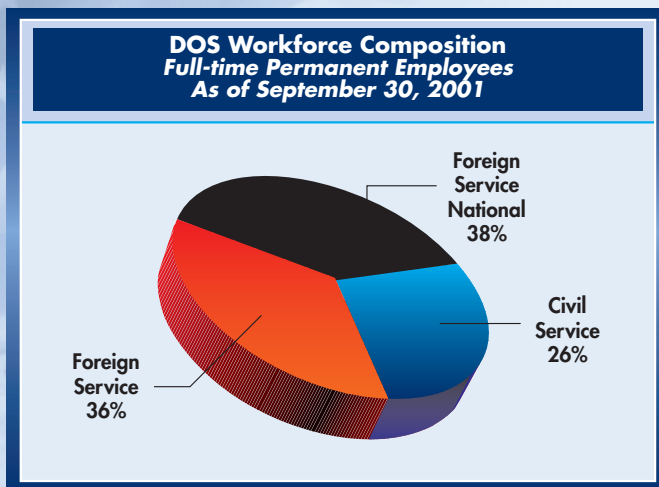


The Department's mission statement guides its personnel, who carry out foreign affairs programs and activities. Department employees are also guided by a set of values.

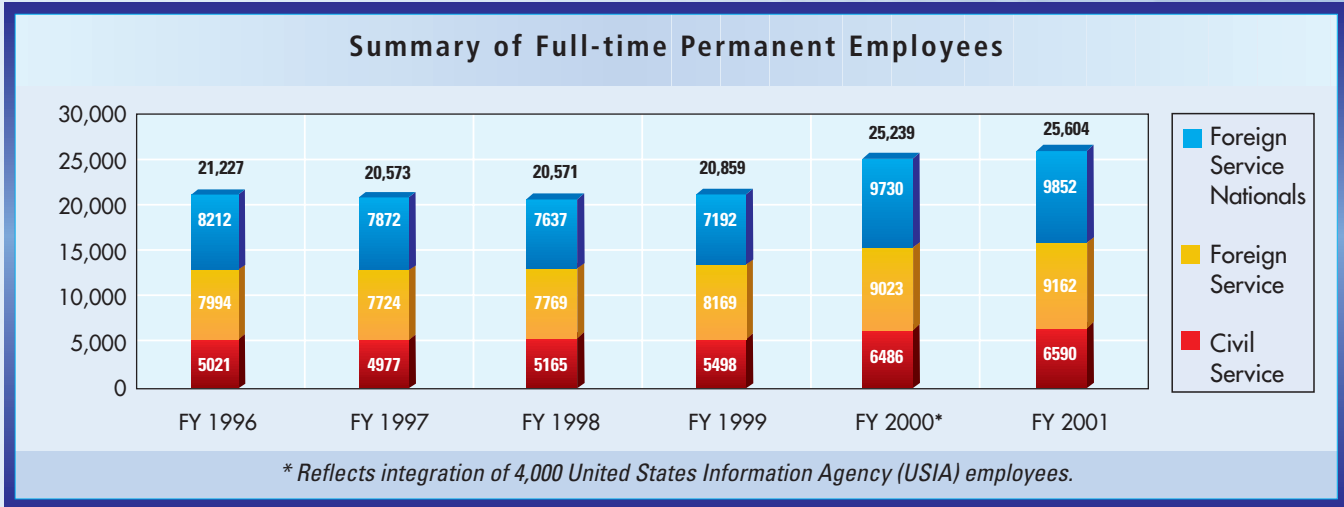
DEPARTMENT OF STATE VALUES

- **Impact:** Our work significantly advances the interests of the American people at home and abroad.
- **Expertise:** Language and cultural skills, area and technical expertise, science and technology literacy, management ability, and international experience are critical to our role as the lead U.S. Government agency overseas; our skills help others representing the United States do their jobs more effectively.
- **Discipline:** We faithfully execute policy regardless of personal views; members of the Foreign Service are ready to serve worldwide as needed.
- **Dissent:** The constructive, thoughtful expression of divergent views strengthens the formulation and execution of foreign policy.
- **Diversity:** We strive for a merit-based workforce that is excellent, reflective of the American people, and confident that solid, mission-related performance is rewarded.
- **Partnership:** Our effectiveness as an institution is heightened by the unique mix of skills and experiences that our Civil Service, Foreign Service and Foreign Service National colleagues bring to the workplace.
- **Commitment:** We are dedicated to America's leadership in the world and to the effective conduct of international relations; we take the long-term view that comes with a career, not merely a job.

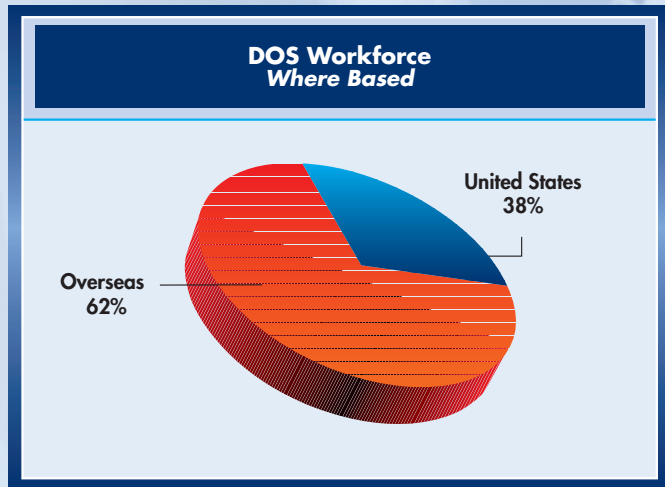
The work of Department employees has an impact on the American people here and abroad. Expertise in languages, understanding of foreign cultures, and the ability to manage complex issues and programs gained from international experience are essential elements of this work.



The Department's workforce reflects the diversity of America and consists of approximately 25,600 employees in both the Civil Service and the Foreign Service, which includes Foreign Service Nationals in the 162 countries where the United States is represented. The Department also operates the following: national passport centers in Portsmouth, New Hampshire and Charleston, South Carolina; national visa centers in Portsmouth, New Hampshire and Williamsburg, Kentucky; two foreign press centers; one reception center; four offices that lease with foreign consular offices in the U.S.; 13 passport agencies; five offices that provide logistics support for overseas operations; 22 security offices; and three financial services centers located overseas in Paris and Bangkok, and domestically in Charleston, South Carolina.



Within the Department’s headquarters in Washington, D.C., the mission is coordinated and managed through six regional bureaus, which are each responsible for a specific geographic region of the world. The regional bureaus and the overseas posts are supported by domestic offices (referred to as functional bureaus), which provide program management and administrative expertise in matters such as economics, intelligence, human rights, finance, administration, information management, personnel, training, medical services, and security programs.



In each Embassy, the Chief of Mission (usually an Ambassador) is responsible for coordinating and managing all U.S. Government functions in the host country. The President appoints each Ambassador, who the Senate confirms. Chiefs of Mission report directly to the President through the Secretary. The Diplomatic Mission is also the primary U.S. Government contact for Americans overseas and foreign nationals of the host country. The Mission serves the needs of Americans traveling and working abroad, and supports Presidential and Congressional delegations visiting the country.

N O O I A C C O U N T A B I L I T Y R E P O R T

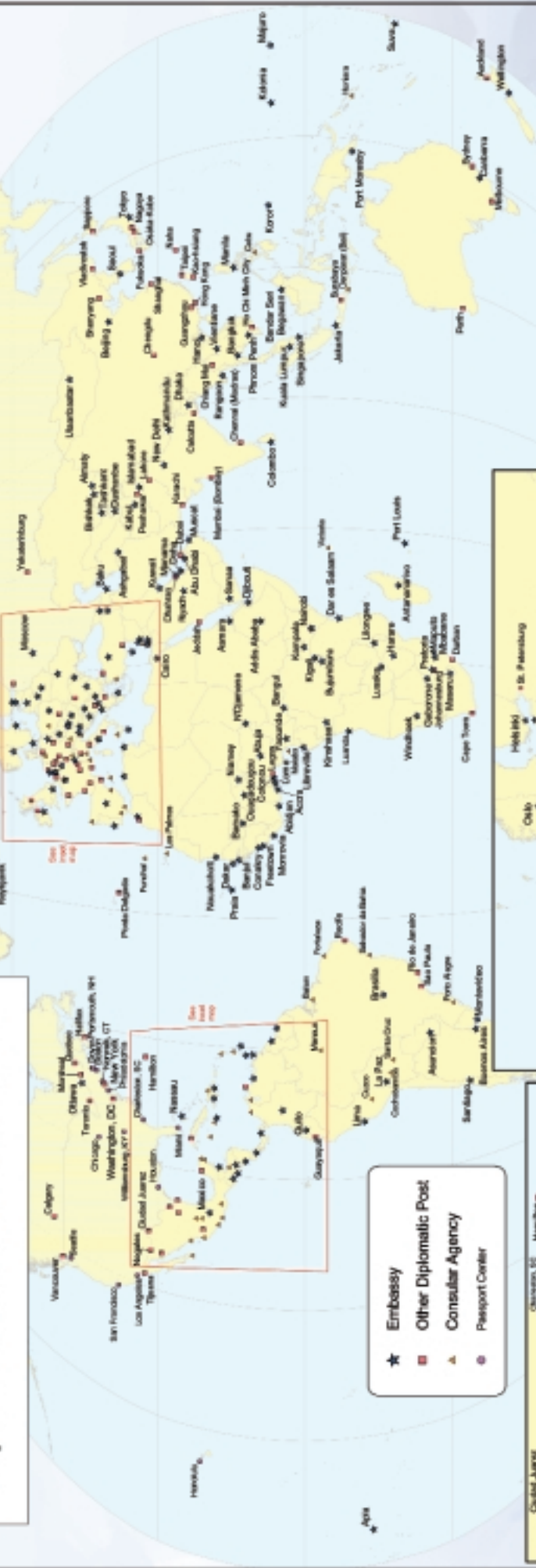
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Since 1789, the Department of State has been located in 17 buildings in New York City, Philadelphia, and Washington, D.C. The Department's present home is 2201 C Street, N.W., Washington, D.C. On January 5, 1957, President Eisenhower joined Secretary Dulles to lay the cornerstone. The President used the same trowel that George Washington used to lay the cornerstone of the U.S. Capitol in 1793. This "New State" building was completed in 1961. It joined the "Old State" building that was constructed in 1939.



Department of State Locations



Cities with more than one Department of State mission

Brussels: Embassy Brussels US Mission to European Union US Mission to NATO	Paris: Embassy Paris US Mission to OECD US Mission to UNESCO
Kinshasa: Embassy Kinshasa Embassy Brazzaville	Rome: Embassy Rome Embassy Holy See US Mission to FAO
Montreal: Consulate General Montreal US Mission to ICAD	Vienam: Embassy Vietnam US Mission to OSCE US Mission to Intl. Organizations Washington, DC; Department of State US Mission to OAS
Nairobi: Embassy Nairobi US Mission to UNEP New York: US Mission to UN New York Passport Agency	Washington, DC: Department of State Washington Passport Office



Boundary representation is not necessarily authoritative.



SUMMARY OF KEY PERFORMANCE AND RESULTS

The Government Performance and Results Act (GPRA) requires that agencies plan for and measure the performance of their programs. In carrying out GPRA, the Department helps develop the International Affairs Strategic Plan, and prepares its own Strategic Plan, Annual Performance Plan, and Annual Program Performance Report.

DOCUMENT	WEB SITE
International Affairs Strategic Plan	www.state.gov/m/rm/rls/iastrat/
Department of State Strategic Plan September 2000	www.state.gov/m/rm/rls/dosstrat/
Department of State Performance Plan Fiscal Years 2001-2002	www.state.gov/m/rm/rls/perfplan/
Department of State Accountability Report for Fiscal Year 2001*	www.state.gov/m/rm/rls/accrpt/2001/
Department of State Performance Report FY 2001*	www.state.gov/m/rm/rls/perfrpt/
* Available after May 2002	

International Affairs Strategic Plan (IASP). The overall framework for the Department’s strategic and performance planning is the International Affairs Strategic Plan (IASP)—a multi-departmental, comprehensive guide to the U.S. Government’s (USG) international concerns. The IASP organizes USG purposes and strategies in the international arena under seven broad *National Interests* and 16 *Strategic Goals*. The seven *National Interests* explain why the USG pursues the *Strategic Goals* on behalf of the American people.

Department of State Strategic Plan. The Department’s Strategic Plan, issued in September 2000, presents the seven *National Interests* identified in the IASP in terms of long-range goals. The goals are divided into two essential categories:

- The Department’s role to support the 16 *Strategic Goals* in the IASP; and
- *Diplomatic Activities*.

Strategic Goals. The 16 *Strategic Goals* represent the outcomes the Department wants to achieve in world affairs. Most of the goals – such as protection of American citizens abroad – represent ongoing responsibilities as opposed to missions that can be accomplished during an established period of time. Other goals – such as those regarding the environment, population growth, and health care – focus on global problems where the results won’t be seen for a long period of time. Few of the Department’s *Strategic Goals* are easily quantifiable. For example, the Department has a wealth of quantifiable data on the amount of drug seizures and eradication. However, the data reveals little about the direct effect that these seizures are having on the desired outcome of reducing the flow of narcotics into the U.S. Therefore, qualitative measures, in addition to or rather than quantitative measures, are more practical for some *Strategic Goals*.

**Department of State
National Interests and Strategic Goals**

National Security – To protect vital interests and secure peace; deter aggression; prevent, defuse, and manage crises; halt the proliferation of weapons of mass destruction; and advance arms control and disarmament.

- **Regional Stability** – Ensure that local and regional instabilities do not threaten the security and well-being of the United States or its allies.
- **Weapons of Mass Destruction** – Reduce the threat of Weapons of Mass Destruction.

Economic Prosperity – To expand exports and open markets, assist American Business, foster economic growth, and promote sustainable development.

- **Open Markets** – Open world markets to increase trade and free the flow of goods, services and capital.
- **U.S. Exports** – Expand U.S. exports to \$1.2 trillion early in the 21st century.
- **Global Growth and Stability** – Increase global economic growth and stability.
- **Economic Development** – Promote broad-based growth in developing and transitional economies.

American Citizens and U.S. Borders – To protect American citizens abroad and safeguard the borders of the United States.

- **American Citizens** – Protect the safety and security of American citizens who travel and live abroad.
- **Travel & Migration** – Facilitate travel to the United States for foreign visitors, immigrants, and refugees, while deterring entry by those who abuse or threaten our system.

Law Enforcement – To combat international terrorism, crime, and narcotics trafficking.

- **Countering Terrorism** – Reduce international terrorist attacks, especially on the United States and its citizens.
- **Countering Narcotics** – Reduce the entry of illegal drugs into the United States.
- **International Crime** – Minimize the impact of international crime on the United States and its citizens.

Humanitarian Response – To provide humanitarian assistance to victims of crises and disaster.

- **Humanitarian Assistance** – Prevent or minimize the human costs of conflicts and natural disasters.

Democracy – To support the establishment and consolidation of democracies, and uphold human rights.

- **Democracy & Human Rights** – A worldwide community of democracies where human rights, including worker rights, and religious freedom are universally respected.

Global Issues: Environment, Population and Health – To improve the global environment, stabilize world population growth, and protect human health.

- **Environment** – Secure a sustainable global environment to protect U.S. citizens and interests from the effects of international environmental degradation.
- **Population** – Achieve a healthy and sustainable world population.
- **Health** – Promote global health.

Diplomatic Activities:

Mutual Understanding

- Improve and strengthen the international relations of the United States by promoting better mutual understanding between the people of the United States and the peoples of the world through educational and cultural exchange.

Diplomatic Readiness

- Contains Human Resources, Information Resources, and the Department’s Infrastructure and Operations.

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Diplomatic Activities. Diplomatic Activities represent the support activities needed to achieve the 16 Strategic Goals. These activities consist of public diplomacy and administrative support, which are categorized as Mutual Understanding and Diplomatic Readiness, respectively. Mutual Understanding is achieved by disseminating information that supports key U.S. foreign policy goals, and through academic, professional and cultural exchange activities. Diplomatic Readiness includes the Department’s human resources, information resources management, and infrastructure and operations. The Department provides the basic platform from which all Federal agencies operate overseas, without which it would be impossible to achieve the 16 Strategic Goals.

Performance Goals. Each *Strategic Goal* and *Diplomatic Activity* is supported by one or more performance goals. Performance goals establish expected performance for the year. Where possible, performance goals entail activity-based performance measures when applied to specific countries or to objectives with shorter time frames. Performance goals are as specific as the nature of international relations permit. Unfortunately, finality is not the language of foreign policy, and the goals do not always lend themselves to concrete statistical measurement.

These annual performance goals provide a Department-level overview of the work of Embassies and similar posts around the globe. Each post creates its own annual Mission Performance Plan (MPP). These in turn lead to the Bureau Performance Plans prepared by each of the Department’s bureaus in Washington. The 2001-2002 Plan is the result of goal teams that were assembled around each of the Department’s Strategic and Diplomatic Activity Goals. A Deputy Assistant Secretary or Office Director led each team, assisted by other members from across the Department who had an interest or expertise in a particular goal.

The most significant (“key”) strategic goals, performance goals, and performance measurement data were selected for inclusion in this Management’s Discussion and Analysis (MD&A). Because of the rapidly evolving nature of foreign affairs in the world, and because many of the goals lend themselves to qualitative versus quantitative measurement, an “Other Achievements” is also presented to recognize the accomplishments that were not included in our goals or measures. Finally, fulfilling the Department’s Strategic and Performance Goals involves coordinating with other agencies of the U.S. Government. When such coordination is significant, the other agencies are indicated at the end of the performance measure.

Performance Data Verification and Validation

In accordance with GPRA requirements, the Department is committed to ensuring that the performance information reported is reliable, accurate and consistent. To ensure the highest quality data, the Department has developed a strategy to validate and verify the quality of the Department’s performance information. This strategy involves several steps:

Identification of the Most Critical Measures of Success. Given the number of performance goals and measures contained in the Department’s Performance Plan, the Department will identify key performance measures. The initial verification and validation efforts will focus on these key measures.

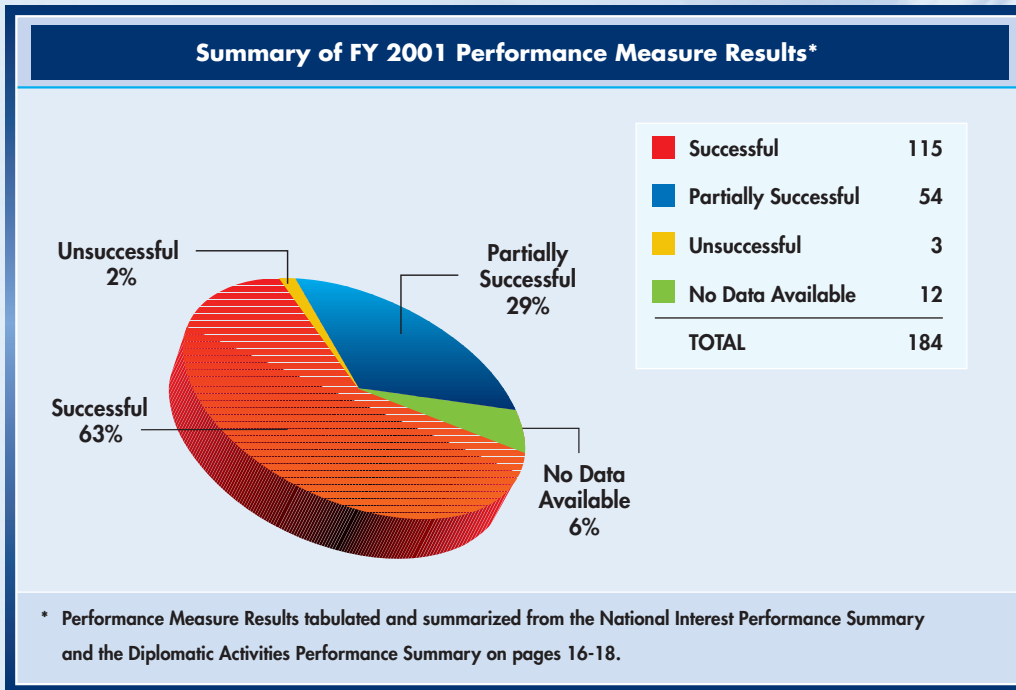
Assessment of Data Quality. Starting with the key performance goals and measures selected, and in coordination with the Department’s Office of Inspector General (OIG), a combination of approaches will be adopted to verify and validate the data and systems behind these key measures. These approaches will involve incorporating performance verification and validation as part of traditional audits, and making program managers accountable by requiring self-assessments.

The OIG has established a performance goal for evaluating the Department’s progress with measuring performance and linking these goals to the budget. The OIG currently incorporates the assessment of performance data into their traditional audits and inspections related to the programs being reviewed. The future focus will be on validating the selected key measures. More measures will be added in subsequent years.















Certification. Responsibility for providing performance data rests with each of the Department’s Bureaus. Plans are in place to hold program managers accountable by requiring them to certify that procedures are in place to ensure the accuracy of their data, and that the performance measurement source data is complete and reliable. If data problems exist, program managers will be required to certify that a data improvement plan is in place to remedy the deficiencies.


Training. Plans are in place to train program managers on performance data requirements and how to conduct self-assessments.

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National Interest Performance Summary

NATIONAL INTEREST	STRATEGIC GOAL	*	PERFORMANCE GOAL	No. of Performance Measures	RESULTS	
National Security	Regional Stability		Maintain close, stable ties with U.S. neighbors and key allies.	1 1	Successful Partially Successful	
			Foster stable and secure regional partners.	2	Partially Successful	
			Develop conflict prevention/conflict resolution tools.	2 4	Successful Partially Successful	
	Weapons of Mass Destruction (WMD)			Resolve outstanding regional conflicts.	1 1	Successful Partially Successful
				Prevent proliferation of WMD and their means of delivery to other countries or terrorists. Where proliferation has occurred, contain or reverse it.	1 3	Successful Partially Successful
				Develop the new strategic framework that, with the support of allies and friends, encompasses deployment of missile defenses and further reductions in strategic offensive arms, and establishes a new cooperative strategic relationship with Russia.	1 1	Successful Partially Successful
				Strengthen existing, and negotiate new, multilateral non-proliferation and arms control regimes to reduce the WMD threat.	1 2	Successful Partially Successful
			Develop effective verification regimes and verify compliance with arms control and nonproliferation treaties, agreements, and commitments.	2 2	Successful Partially Successful	
			Ensure nuclear cooperation serves safety, environmental, and nonproliferation goals.	1 1	Successful Partially Successful	
		Economic Prosperity	Open Markets		Strengthen the international framework for open markets.	9 2
	Provide support to U.S. firms competing for business worldwide by increasing exports of U.S. oil and gas field equipment and services, U.S. telecommunications equipment and services, and U.S. agricultural products.			7 2	Successful Industry Data Unavailable	
Global Growth and Stability			Promote growth-oriented economic policies abroad and reduce the likelihood and severity of economic crises.	1 1 2	Successful Partially Successful Data not available	
Economic Development			Initiating the global debt reduction program for all eligible Highly Indebted Poor Countries who qualify with macroeconomic reforms and effective poverty reduction strategies before the end of FY 2002, while integrating the former Communist countries into the international economic institutions and making them eligible for IFI assistance.	4	Data not available	
American Citizens & U.S. Borders	American Citizens		Timely and effective passport issuance, with document integrity assured.	2	Successful	
			Support U.S. citizens abroad and those concerned about them in the United States.	2	Successful	
	Travel & Migration		Meet anticipated increase in demand for nonimmigrant and immigrant visas.	2	Successful	

*  denotes key performance goals presented in the MD&A performance narrative.

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National Interest Performance Summary

NATIONAL INTEREST	STRATEGIC GOAL	*	PERFORMANCE GOAL	No. of Performance Measures	RESULTS
Law Enforcement	Countering Terrorism	●	Strengthen international determination, cooperation, and tools to prevent terrorist attacks and to catch and punish terrorists. Prevent terrorists from attacking American citizens and prevent a repetition of major attacks.	5	Successful
				2	Unsuccessful
	Countering Narcotics	●	Increased effectiveness of foreign governments in reducing the cultivation of coca, opium poppy, and marijuana.	1	Successful
				3	Data Unavailable
		●	Increased effectiveness of foreign governments in breaking up major drug trafficking organizations and in investigating, prosecuting and convicting major traffickers.	2	Successful
International Crime	●	Improved law enforcement and criminal justice institutions in target countries.	3	Successful	
			1	Partially Successful	
		Strengthened international cooperation against international organized crime.	3	Successful	
			1	Partially Successful	
Humanitarian Response	Humanitarian Assistance	●	Promote equal access to effective protection and assistance for refugees and conflict victims.	2	Successful
			The international community, including United Nations agencies, is prepared to respond more efficiently and effectively to humanitarian crises by using vulnerability mitigation and early warning mechanisms.		Deferred until FY 2002
			Increase adherence to the Amended Mines Protocol of the Convention on Conventional Weapons by countries that have resisted controls on antipersonnel landmines and promote adoption of further improvements to the Protocol at the Review Conference in 2001.	5	Successful
Democracy	Democracy and Human Rights	●	Consolidate new democracies and promote greater liberalization of authoritarian regimes.	3	Successful
				1	Partially Successful
			Greater respect for human rights around the world.	3	Successful
				2	Partially Successful
		Expand observance of worker rights, in context of broader participation in global economic growth and prosperity.	1	Successful	
			2	Partially Successful	
		Worldwide acceptance of freedom of religion and conscience.	2	Successful	
			1	Partially Successful	
Global Issues	Environment	●	Build international support among donor countries and international financial institutions for U.S. positions to make trade and environment mutually supportive through coalition building, diplomatic engagement, and public diplomacy.	2	Successful
				3	Partially Successful
			International treaties and agreements that protect the environment are negotiated, implemented, and enforced.	4	Successful
		4	Partially Successful		
			International financial and multilateral institutions and donor countries increase development assistance to address key environmental issues that support U.S. environmental foreign policy goals.	7	Successful
				3	Partially Successful
			1	Unsuccessful	
	Population	●	Improving reproductive health, including improved access to voluntary family planning, safe motherhood services, STI prevention information, and girls' education.	1	Successful
				1	Partially Successful
				1	Data Not Available
	Health	●	Protect the health of the American people and reduce the global burden of disease.	5	Successful
				1	Partially Successful

* ● denotes key performance goals presented in the MD&A performance narrative.

N O O I A C C O U N T A B I L I T Y R E P O R T

Diplomatic Activities Performance Summary

DIPLOMATIC ACTIVITIES	STRATEGIC GOAL	*	PERFORMANCE GOAL	No. of Performance Measures	RESULTS	
Mutual Understanding			Increased communication with emergent and current foreign leaders through exchanges, better American understanding of foreign cultures through exchanges, and high quality programs that demonstrate the creativity, diversity, and openness of American culture and society.	1	Successful	
Diplomatic Readiness	Human Resources	●	The Department will hire and retain an adequate number of talented , diverse Foreign and Civil Service and Foreign Service National employees.	3	Successful	
		●	Develop and implement training and professional development program and make them available to all full time employees through their careers.	2 2	Successful Partially Successful	
			The Foreign Service Institute is configured and equipped to provide the full range of FSI distance-learning offerings and support via at least two delivery systems to every post/facility worldwide by the end of FY 2002, and the National Foreign Affairs Training Center is adequate to support staff and student needs.	2	Successful	
			Maintain current work-life programs and introduce new programs to improve the quality of the workplace for all employees, and to improve the quality of life of Foreign Service employees and their dependents serving abroad.	1	Successful	
	Information Resources	●	Provide secure, advantageous, commercial quality information technology (IT) support for the full range of international affairs and activities of the United States.	2 2	Successful Partially Successful	
		●	Security for formerly lower threat posts is heightened to meet standards used at higher threat posts.	3 1	Successful Partially Successful	
	Infrastructure and Operations - Information Security	●	All classified and sensitive information overseas and in domestic facilities is safeguarded from physical and technical compromise.	2 1	Successful Partially Successful	
	Infrastructure and Operations - Domestic Security	●	All employees working in Department of State domestic facilities and designated foreign dignitaries within the U.S. are safe from physical harm.	2 1	Successful Partially Successful	
		●	Continue the worldwide security upgrade program started with the FY 1999 Emergency Security Appropriations Act and extend through strategic and timely rehabilitation, the useful lives of facilities and enhance their functionality.	3	Partially Successful	
	Infrastructure and Operations - Domestic Property	●	The Department's domestic facilities are cost-effective and energy efficient and enable employees to perform their duties.	1 3	Successful Partially Successful	
			Obtain funding to achieve all of the Department's foreign policy and diplomatic readiness goals, effectively administering funds desired.	2 1	Successful Partially Successful	
	Infrastructure and Operations - Central Management Systems					
	Financial Management Systems			Improved financial management with demonstrated financial accountability as evidenced by required financial documentation, through substantial compliance with legislative requirements, and by the implementation of better business practices and enhanced customer service.	12	Successful

* ● denotes key performance goals presented in the MD&A performance narrative.

NATIONAL INTEREST: NATIONAL SECURITY

STRATEGIC GOAL — REGIONAL STABILITY

Desired Outcome: *Ensure that local and regional instabilities do not threaten the security and well-being of the United States and its allies.*

The United States shapes the international environment through an integrated mix of diplomacy, economic, humanitarian and military security assistance and force to minimize threats to stability in regions of the world. Left unresolved, such threats can result in loss of life, regional or global disruption in the flow of goods and services, and the need for protracted US intervention. Diplomacy that avoids conflict is our most cost-effective measure of performance. To ensure regional stability, the Department plans to maintain close, stable ties with its neighbors and allies; establish stable and secure regional partners; develop mechanisms for conflict prevention and resolution; and resolve regional conflicts.

FY 2001 clearly illustrated the degree to which the Department has successfully used key diplomatic relationships and tools to achieve regional stability. The September 11 terrorist attacks on the United States demonstrated the value of our diplomatic relationships with traditional friends and allies and sparked a search for new allies in the War on Terrorism. Nations around the world quickly offered humanitarian and military assistance to the U.S. — a visible sign of the strong, durable ties that the United States has developed.



*At the NATO headquarters in Brussels on September 14, NATO Ambassadors and employees observe three minutes of silence as the U.S. flag flies at half-mast to respect the victims of the September 11 terrorist attacks in New York and Washington.
AFP Photo EPA|BELGA|Benoit Doppagne*

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PERFORMANCE GOAL: Maintain close, stable ties with U.S. neighbors and key allies.

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Our alliance with the North Atlantic Treaty Organization (NATO) remains our strongest and most important. Immediately after the September 11 terrorist attacks, our NATO allies agreed to invoke Article V of the NATO Treaty for the first time in the Alliance’s history, making it clear to our enemies that the attack on the U.S. constituted an attack on all NATO members.



Key to achieving regional stability is strengthening NATO’s central role in European security by maintaining NATO leadership in Balkan peacekeeping efforts, and by deepening ties with NATO partners and member aspirants.



NATO Secretary-General George Robertson (R) listens as Secretary of State Colin Powell addresses a press conference at NATO Headquarters in Brussels on February 27, 2001. Powell pledged once again that the U.S. would not withdraw its troops in the Balkans.
AFP EPA/BELGA Etienne Ansotte

Key Performance Measure	Planned Results	2001 Results
Maintenance of strong European security relationships	<p>North Atlantic Treaty Organization (NATO)-European Union (EU) linked to assure mutual consultation, cooperation, and transparency.</p> <p>Appropriate mechanisms for participation of non-EU Allies within security deliberations.</p> <p>Membership Action Plan process continues. Groundwork laid for Open Door decisions.</p> <p>NATO Information Office opened in Moscow.</p> <p>Ukraine begins defense reform.</p>	<p>Successful: European Security Defense Identity (ESDI) participation issues resolved, ensuring appropriate mechanisms for participation of non-EU Allies in ESDI and opening door to final arrangements for NATO-EU links.</p> <p>Aspirants continue to effectively use the Membership Action Plan to prepare for NATO membership.</p> <p>NATO Heads of State and government reinforce commitment to Open Door, agreeing to launch another round of enlargement at their November 2002 Prague Summit.</p> <p>Progress toward new NATO-Russia relationship with NATO Information Office opened in Moscow. Arrangements for Military Liaison near completion.</p> <p>Ukraine makes progress on defense reform and continues to seek closer engagement with NATO.</p>

PERFORMANCE GOAL: Foster stable and secure regional partners.

The Department endeavors to establish stable and secure regional partners by building effective working relationships with leading regional states. Ensuring regional stability involves supporting the emergence of a People’s Republic of China (PRC) that is stable and non-aggressive, tolerates differing views, adheres to international rules of conduct, and cooperates with the U.S. to build a secure regional environment.



*Secretary of State Colin Powell shakes hands with Chinese President Jiang Zemin on July 28, 2001 during a trip to Beijing.
AFP Photo| Goh Chai Hin*

Key Performance Measure	Planned Results	2001 Results
Chinese cooperation on regional security in Cross-Strait relations and in engaging North Korea.	<p>Regional security cooperation increased and Cross-Strait dialog resumed.</p> <p>Chinese efforts to elicit North Korean cooperation increased and greater willingness by the People’s Republic of China (PRC) to share information.</p> <p>More active Chinese role in restraining South Asia arms race; restart Indo-Pakistani dialog.</p>	<p>Partially Successful: Continued concern with the PRC arms-building across the Taiwan Strait. The U.S. continues to support Cross-Strait dialogue, but progress has been slow because the PRC views U.S. arms sales to Taiwan as threatening and has attempted to link it with other nonproliferation goals.</p> <p>The PRC has cooperated in encouraging North Korean openness, North-South dialogue, and a peaceful resolution to issues on the Korean peninsula.</p> <p>Concerns continue about the PRC missile-related transfers to Pakistan that led to the September 1, 2001 missile sanctions. The Department continued to use high-level meetings and other conversations to seek authoritative Chinese clarification of its nonproliferation commitments. China shares goal of a stable South Asia.</p>

PERFORMANCE GOAL: Develop conflict prevention/conflict resolution tools.

Enhancing the long-term ability of our friends and allies to meet their self-defense needs, and encouraging active participation in and promotion of bilateral security dialogues and confidence and security building measures contribute to regional stability. Additionally, providing tools that address near-term threats lessens the likelihood of regional conflict. These force multipliers enable other countries to play an active role in promoting regional security and help keep U.S. troops out of harm’s way.

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Key Performance Measure	Planned Results	2001 Results
Conflict resolution, peacekeeping and regional stability efforts occur in Africa.	Organization of African Unity (OAU) continues to participate in conflict resolution and regional stability efforts.	Successful: OAU/African Union's Joint Military Commission continues to support DRC conflict resolution efforts - progress towards peace is being made.
	Economic Community of West African States (ECOWAS) participates in peacekeeping and conflict resolution efforts.	ECOWAS countries conduct successful humanitarian response exercise in Togo and deploy to UN mission in Africa.
	Southern African Development Community (SADC) participates in Democratic Republic of the Congo (DRC) conflict resolution efforts.	South Africa deploys units and personnel to DRC and Burundi for peace support missions.
	Inter-Governmental Authority on Development involved in Somalia and Sudan.	Special Envoy Danforth proposes four major peace initiatives for Sudan; three of the four proposals are accepted in 2001.

PERFORMANCE GOAL: Resolve outstanding regional conflicts.

Through our pursuits of conflict resolution, the Department is often at the frontlines of political tension around the world, where U.S. national security is of the utmost concern. The Department, through its diplomatic efforts, has been instrumental in the cessation of regional conflicts. At the forefront of our efforts has been the conversion of the Bosnia-Herzegovina region into a politically stable country with a market-driven, self-sustaining economy and institutions based on the rule of law.

Key Performance Measure	Planned Results	2001 Results
Implement the Dayton Arms Control Accords	Improved implementation of Articles II and IV in the Dayton Arms Control Agreement, with successful Review Conference for Article II.	Partially Successful: Implementation of Article II continues to improve, marked by increased cooperation between the Bosnian entities. A major effort was undertaken this year to do an international audit of the Federation defense budget, an important step in improving transparency of military budgets in Bosnia. The report was presented to the Organization for Security and Cooperation in Europe (OSCE) in November 2001. The Review Conference in February 2001 carefully reviewed implementation and made nine decisions to improve it.
	Article V agreement reached that protects U.S. equities.	The Department had mixed results with its attempts to improve implementation of the Article IV Agreement. For the first time, the State of Bosnia-Herzegovina was able to report information on the newly established State Border Service. However, Republika Srpska refused to allow the State of Bosnia-Herzegovina to conduct inspections. The Department will continue to work with the OSCE to improve implementation of both Agreements, since they contribute to security and stability in the Balkans. Successful: The Article V negotiations ended in July 2001. The Concluding Document is exhortative, and urges all participants— particularly the states in Southeast Europe—to cooperate more in a variety of arms control areas. The Department succeeded in ensuring that the Concluding Document is essentially a list of suggestions, not requirements, thus protecting U.S. interests in the region.

STRATEGIC GOAL — WEAPONS OF MASS DESTRUCTION

Desired Outcome: Reduce the threat of Weapons of Mass Destruction (WMD).

Since the end of the Cold War, the Department’s strategic thinking has been transformed as the nature of the threat from weapons of mass destruction (WMD) has profoundly changed. The proliferation and potential use of WMD and the missiles that carry them are the greatest national security threat facing the United States and our allies. The terrorist attacks in New York and Washington on September 11 provide dramatic proof of the changed environment. A comprehensive strategy to counter the WMD and missile threat has been developed. This strategy includes, among other things, nonproliferation, arms control, counter-proliferation, effective verification, and missile defenses.

Our achievements in FY 2001 kept WMD and missiles out of the hands of rogue states, terrorists and those countries that harbor or support them. The Department has made real progress with impeding their access to the materials, equipment, technology and expertise that would aid their WMD and missile aspirations. The Department accomplished this through successful interventions that halted transfers to countries of concern. When necessary, sanctions were invoked.

The U.S. decided to revise its deterrence strategy to reflect the end of the Cold War while maintaining the capabilities to counter uncertain emerging threats. A new triad including defenses and non-nuclear strike forces will allow U.S. strategic forces to be reduced to the lowest possible number of nuclear weapons consistent with our national security needs and our obligations to our allies.

PERFORMANCE GOAL: Prevent proliferation of WMD and their means of delivery to other countries or terrorists. Where proliferation has occurred, contain or reverse it.

This goal aims to deny material, equipment and technology to terrorists or the countries that harbor them by promoting export controls, information sharing, appropriate restraint, and coordinated diplomatic action. Of greatest concern are proliferation threats emanating from Russia, China, North Korea, and threshold states that seek to acquire WMD. Russia and the New Independent States, China, and North Korea are urged under this goal to disengage fully from support of WMD and missile efforts in Iran.



DF-21 Surface-to-Surface Missiles as seen at the Chinese Communist Party’s 50th Anniversary Parade. Beijing, China.



Side view of Hungarian SA-2 Guideline mounted on a fixed launcher.

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Key Performance Measure	Planned Results	2001 Results
<p>Access of states of concern to WMD and missile equipment and technology impeded through diplomacy, export control assistance and interdictions.</p>	<p>Russia talks to U.S. about stopping assistance to Iran and India.</p> <p>Progress on China's full adherence to its 1997 nuclear nonproliferation commitments. China fully abides by its November 2000 missile technology export commitment and begins improving its export control system.</p> <p>North Korea does not export nuclear material or technology, and constrains missile exports.</p> <p>Significant progress by additional countries, especially in the New Independent States, toward internationally recognized export-control standards; significant progress by additional countries with meeting standards for effective enforcement; additional blocked transfers or interdictions.</p>	<p>Partially Successful: U.S. objected to Russian assistance to Iran's and India's WMD and ballistic missile programs. Partial success in halting elements of Russian assistance to Iran. Efforts to achieve cooperation are ongoing.</p> <p>U.S. engaged with China on its failure to implement November 2000 commitments, and implemented sanctions to that affect. China is implementing its 1997 nuclear commitments.</p> <p>North Korea is not a supplier of nuclear-related technology, but continues to seek buyers for missile exports.</p> <p>We saw a marked increase in both meeting export control standards and in reported successes with interdicting WMD and related components.</p> <ul style="list-style-type: none"> • U.S. and Ukraine signed an Export Control Agreement, resolving taxation and customs issues that had impeded our assistance efforts. • Uzbekistan customs officials intercepted radioactive materials at their border with the aid of U.S. equipment. • Slovakia stopped arms cargo destined for Angola. • Slovenian customs seized four containers of military weapons en route to Yugoslavia. • Interagency visit regarding training and equipment needs enabled Turkey to commence prevention/interdiction of WMD and related components. • Cyprus has strengthened its transshipment enforcement program, resulting in several detentions of suspect transshipment cargo. • Armenia and Azerbaijan have been unable to get their Parliaments to enact necessary laws. • Malta has failed to implement customs control of its free port, despite EU admission requirements.
<p>Several Russian/New Independent States weapons scientists redirected in civilian activities; and progress in developing self-sustaining civilian alternative employment.</p>	<p>New programs in commercialization, training, and industry partnering as well as expansion into former missile and chemical weapons institutes.</p>	<p>Partially Successful: Implementation progress made, while transition to self-sustainability needs further development. Under Science Centers, up to 40,000 scientists and several new high-interest institutes now engaged. Redirection activities and budgets expanded, and increases achieved in the number of private industry partners as well as industry financing of science center projects. Centers are studying program effectiveness.</p>
<p><i>The Department collaborates closely with the National Security Council, Departments of Commerce and Defense, and the Intelligence Community.</i></p>		

PERFORMANCE GOAL: Develop the new strategic framework that, with the support of allies and friends, encompasses deployment of missile defenses and further reductions in strategic offensive arms, and establishes a new cooperative strategic relationship with Russia.

Under this goal, the Department develops and negotiates new arms control positions; oversees implementation of existing agreements; ensures that strategic arms control policy and U.S. Government decisions on force posture are complementary; and works with other countries that share our goals.

Key Performance Measure	Planned Results	2001 Results
Develop New Strategic Framework	<p>The reduction of strategic weapons under START I on pace to finish before Treaty deadline in Calendar Year 2001.</p> <p>U.S. Government decisions made on deterrence strategy, force reductions, and role of arms control.</p>	<p>Successful: The START I reductions were completed as required on December 5, 2001, with assistance from the U.S. Cooperative Threat Reduction (CTR) program. All strategic offensive arms in Ukraine were eliminated by October 30. The INF Treaty inspection regime was completed successfully on May 31, 2001. The number of former Soviet strategic warheads accountable under START I decreased from 6,860 to 5,988 during FY 2001.</p> <p>Following USG decisions, the Department held extensive consultations on the new strategic framework and missile defenses with our NATO and Pacific allies, other friends, Russia and China, made it clear that the U.S. will move beyond the Anti-Ballistic Missile (ABM) Treaty to test and deploy missile defenses, and gave formal notice of U.S. withdrawal from that Treaty. There was steady improvement in the dialogue between Russia and the U.S., even though Russian agreement to U.S. missile defense efforts was not achieved.</p>

The Department collaborates closely with the National Security Council, Departments of Commerce and Defense, and the Intelligence Community.

PERFORMANCE GOAL: Strengthen existing, and negotiate new, multilateral nonproliferation and arms control regimes to reduce the WMD threat.

Under this goal, the Department engages in widespread consultations to launch the review process leading to the 2002 meeting of the Nuclear Non-proliferation Treaty (NPT) Review Conference Preparatory Committee. The Department seeks support for measures to strengthen NPT compliance and the International Atomic Energy Agency (IAEA) through adequate funding. Work is also performed to ensure implementation of the Chemical Weapons Convention (CWC). In addition, the Department works with the Organization for the Prohibition of Chemical Weapons (OPCW) to improve financial management of the organizations and improve implementation of the CWC.



Members of the IAEA nuclear inspection team leave their hotel in Baghdad on January 23, 2001. The annual inspection of Iraq's nuclear site in Tuwaittha was carried out under the Nuclear Non-proliferation Treaty, which Iraq signed in 1972. AFP Photo| Karim Sahib

Key Performance Measure	Planned Results	2001 Results
<p>Strengthen the Non-Proliferation Treaty (NPT) and the International Atomic Energy Agency (IAEA).</p>	<p>Reach a strong international consensus to preserve and strengthen the NPT and ensure that withdrawals are not threatened.</p> <p>The United States provides more financial support to improve the safeguards and fund key new responsibilities. More states sign or ratify the safeguards protocol.</p>	<p>Successful: NPT remains strong with widespread support; the review process for 2005 NPT Review Conference began smoothly. No state threatened to withdraw. North Korea remained a party and took limited steps to improve cooperation with IAEA. U.S. provided strong support for IAEA safeguards, essential new IAEA programs (e.g., information and imagery analysis), and integrated safeguards.</p> <p>Key equipment needs (e.g., in surveillance areas) were met. Over \$50 million in Nonproliferation, Antiterrorism, Demining and Related Programs (NADR) funds for safeguards equipment made important contributions to IAEA safeguards. Seven additional states signed protocols; 13 additional protocols were brought into force.</p> <p>IAEA responded quickly to September 11 terrorist attacks. General Conference requested Director General to strengthen relevant IAEA activities and provide initial views to Board of Governors.</p>
<p>Strengthen the Chemical Weapons Convention (CWC)</p>	<p>At least 5 new states are parties to the CWC, including at least one state of proliferation concern.</p> <p>The United States fully implements its industry and other obligations.</p>	<p>Partially Successful: Yemen, Zambia, the UAE, and the Dominican Republic became state parties during the reporting period. There are now 144 parties. The Department will persist in this effort, in particular with Libya.</p> <p>The U.S. is fully implementing its industry obligations. All declarations have been made. In the reporting period, (the first full year of inspections) 16 inspections of U.S. industry facilities were conducted. The Department, which is the national authority for civic implementation, works closely with the Commerce Department to ensure smooth conduct of these inspections. Some problems occurred, but we either resolved them or continue to make progress, and will improve implementation with experience.</p> <p>The Department invested much time and effort to improve financial and administrative management of the OPCW, where budget problems are preventing the Organization from executing its full responsibilities. Because of our efforts, the OPCW maintained a sufficient level of activity to ensure credible implementation of the CWC.</p> <p>The Department will continue to work with the Russians on their declarations and destruction plans. Although destruction began in FY 2001, Russia will not meet the deadlines for chemical weapons destruction and has requested extensions. Efforts will continue to urge them to make this a higher priority, but they also need significant international assistance, which the Department will continue to work on.</p>

The Department collaborates closely with the National Security Council, Departments of Commerce and Defense, and the Intelligence Community



Russian military servicemen form an honor guard next to the national flags of countries that gave aid and shared the construction costs for scrapping Russian chemical weapons. The cornerstone-laying ceremony near Schuchye took place June 8, 2001. Russia has about 40,000 tons of chemical weapons. The U.S., Germany, Sweden, Finland and the Netherlands are contributing to this project.

AFP Photo EPA| Yuri Kochetkov

PERFORMANCE GOAL: Develop effective verification regimes and verify compliance with all arms control and nonproliferation treaties, agreements, and commitments.

Under this goal, the Department develops, proposes, and ensures implementation of effective verification and transparency policies and regimes. The Department also rigorously assesses the compliance of U.S. Treaty and commitment partners with their arms control and nonproliferation obligations. Timely analysis of any indications of noncompliance is undertaken and reported on in annual compliance reports. Under this goal, the Department also works to preserve key verification and monitoring technology assets and to maximize interagency coordination of arms control and nonproliferation research and development to promote arms control and nonproliferation objectives.

Key Performance Measure	Planned Results	2001 Results
Compliance with existing treaties and commitments.	<p>Calendar year (CY) 2000 Compliance Reports submitted on time.</p> <p>CWC compliance issues identified and resolved.</p> <p>Progress on unresolved Strategic Arms Reduction Treaty/Intermediate-range Nuclear Forces (START/INF) issues, with several concluded.</p> <p>Nuclear Verification Information System concept of operation developed, resources identified.</p> <p>Timely development of nuclear testing International Monitoring System (IMS) verification regime.</p>	<p>Successful: <i>CY 2000 Annual Compliance Report</i> was submitted to the National Security Council on time. This <i>Report</i> records the outcome of compliance issues as of that CY.</p> <p>We actively pursued our compliance concerns with the 16 nations that we have been unable to certify as compliant to date including:</p> <ul style="list-style-type: none"> • Two site visits were conducted. • Follow-up questions were prepared. • Bilateral discussions were held. <p>Several previously unresolved START issues were successfully resolved among the Parties and concluded during FY 2001. Progress continues to be made on several other issues. Achievements reflect U.S. strategy successfully implemented during START Joint Compliance and Inspection Commission (JCIC) sessions and intersessions. It appeared likely at the close of 2001 that the Treaty Parties would successfully meet the final phase reduction obligations by December 5, 2001, as mandated by the Treaty – a significant milestone.</p> <p>During INF Special Verification Commission (SVC) sessions and intersession, the Parties resolved issues pertaining to the Treaty-mandated expiration of the inspection regime. The inspection regime came to a successful conclusion on May 31, 2001. The Treaty remains in effect for unlimited duration.</p> <p>The original concept of Nuclear Verification Information System as part of the U.S. National Authority for the Comprehensive Nuclear Test-Ban Treaty evolved to encompass all relevant nuclear testing treaties and agreements.</p> <p>The interagency Nuclear Testing Verification and Monitoring Task Force developed U.S. verification policies and technical perspectives as needed that were deployed during relevant international meetings.</p> <p>After a review of U.S. concerns regarding nuclear testing, the U.S. announced at the August meeting of the Preparatory Commission that the U.S. would no longer participate in establishing the entire Comprehensive Test Ban Treaty (CTBT) verification regime. Henceforth, the U.S. will continue to participate in and fund only those activities directed at establishing and supporting the International Monitoring System, and, only to the extent required for the support of the IMS, the International Data Center and the Global Communications Infrastructure.</p> <p>It is expected that approximately 23 stations of the IMS will be certified by the end of CY 2001. As of 31 October, data from 30 IMS stations were included in the International Data Center operations.</p>
Availability of needed verification and monitoring technology.	<p>Collection resources preserved.</p> <p>Nonproliferation and Arms Control Technology Working Group (NPAC TWG) report issued.</p>	<p>Successful: During 2001, critical collection sensors were funded and provided information for treaty verification. The Department pushed to fund future collection systems to ensure that there will be no gaps in coverage.</p> <p>The Nonproliferation and Arms Control Technology Working Group (NPAC TWG) continued to foster the development of key research and development activities that may contribute to verifying arms control and nonproliferation agreements. The NPAC TWG Report will be issued in the spring of 2002.</p>

N O O I A C C O U N T A B I L I T Y R E P O R T

PERFORMANCE GOAL: Ensure nuclear cooperation serves safety, environmental, and nonproliferation goals.

Under this goal, the Department strives to strengthen international nuclear safety and nuclear energy cooperation regimes in order to pursue international nuclear cooperation policies. Effective cooperation policies reduce proliferation risks and help safeguard the global environment from nuclear accidents and improperly managed nuclear waste from Soviet-era facilities.

Key Performance Measure	Planned Results	2001 Results
Reactor Closures and nuclear waste improvements	<p>Chernobyl closure implemented. Ignalina I prepares for closure. Bulgaria prepares for closure of units 1&2 of its Kozloduy Plant.</p> <p>G-7 and Russia continue to work on specific safety initiatives within the former Soviet Union.</p> <p>Funding provided for the sarcophagus and support for energy reform.</p>	<p>Successful: Chernobyl was shutdown on December 15, 2000, and working with the European Bank for Reconstruction and Development (EBRD) and the G-7, we secured a Ukrainian decision on a design concept for the Chernobyl shelter. Ignalina is preparing for closure in 2005 and Bulgaria signed an International Decommissioning Fund Agreement with the EBRD requiring early closure of Kozloduy 1 & 2.</p> <p>The U.S. negotiated a policy change in the G-7 that strengthens nuclear accident aversion in Russia and presses for closure of unsafe reactors. The G7 agreed to continue to provide expert safety advice to Russia as its high-risk reactors enter life extension. Substantial progress was made in negotiating a Multilateral Nuclear Environmental Program (MNEPR) agreement with Russia and EU.</p> <p>Donors providing funding for the sarcophagus and energy reform support through EBRD.</p>
Extension of nuclear cooperation benefits to U.S. by other countries and effective implementation of existing cooperation agreements.	China agrees to U.S. proposals for retransfer consents, facilitating peaceful nuclear cooperation.	Partially Successful: U.S.-China discussions on retransfer consents progressed in allaying PRC concern that its domestic technology could be captured by U.S. controls and foreseeing a successful outcome for FY 2002 with detail in talks.

The Department collaborates closely with the National Security Council, Department of Defense, and the Intelligence Community.



A worker checks departing automobiles for radiation levels near the TOMSK-7 plutonium processing facility in Russia.

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NATIONAL INTEREST: ECONOMIC PROSPERITY

STRATEGIC GOAL — OPEN MARKETS

Desired Outcome: Open World Markets to increase trade and free the flow of goods, services, and capital.

The prosperity of the United States and other countries depends on open international markets for goods, services, and capital. More than ever, America’s prosperity is linked to the rest of the world’s. We are the world’s largest exporter of farm products, manufactured goods, and services. The United States is both the largest source and foremost recipient of foreign capital investment. At the same time, this open international economy brings increased prosperity to other nations around the globe who are our trading partners and strengthens international peace and stability as well. The United States does, however, need to continue to work with our developed and developing country partners to strengthen the international framework for open markets.

PERFORMANCE GOAL: Strengthen the international framework for open markets.

Throughout the fiscal year the Department worked closely with other USG agencies, especially the Office of the U.S. Trade Representative, and with foreign governments to promote the open flow of goods and capital around the globe. We worked bilaterally, regionally, and multilaterally to open markets for trade and investment. Through bilateral and multilateral policy discussions, the United States worked to strengthen and open further the international system to financial flows. For example, the United States launched an investment dialogue with Japan and reinvigorated talks with Russia on investment policy. We also worked in the Organization for Economic Cooperation and Development (OECD) as it expanded its investment outreach with China, Russia, and other nonmembers.



A worker installs a neon sign in downtown Shanghai on October 9, 2000, as key Chinese officials meet to discuss economic development. China entered the WTO in November 2001. AFP Photo/ Liu Jin.

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As a result of a team effort by the Department, the Office of the U.S. Trade Representative and the Departments of Agriculture and Commerce, the United States won international support for launching new talks with the World Trade Organization (WTO). A substantial public diplomacy effort was key to gaining international understanding of the importance of this new round.

Key Performance Measure	Planned Results	2001 Results
Status of market opening negotiations in the WTO.	Consensus to launch new round of multilateral trade negotiations achieved.	Successful: The over 140 members of the World Trade Organization worked through the year to prepare for the launch of new market-opening talks. The members agreed November 14, 2001, after the end of the fiscal year, at their Ministerial meeting in Doha to start these negotiations in January 2002.
China's WTO accession.	China completes WTO accession process and enters WTO.	Successful: Negotiations continued during the fiscal year. China was admitted to the WTO in November, after the close of the fiscal year.
Status of Integrated Framework (IF) for Trade-Related Capacity Building Roundtables.	Majority of needs met, as identified in IF roundtables.	Successful: Pilot-trade capacity needs diagnostic projects in three least developed countries (Cambodia, Madagascar, Mauritania) were successfully completed as the IF was re-energized by member agencies. Eleven additional countries have been identified for diagnostic studies.
Status of multilateral policy dialogs.	Recommendation to OECD Ministerial on new policy initiatives. Enhanced OECD work with Russia and China.	Successful: OECD expanded its investment outreach work with China, Russia and other non-member countries. Latvia, Israel, Singapore, and Venezuela are in the pipeline to adhere to the Declaration on Investment and Multilateral Enterprises.
Status of Bilateral Investment Treaty (BIT) negotiations.	Commence review of 1994 model BIT. Increase total number of signed BITs by four (10%).	Partially Successful: An interagency review of the 1994 Model BIT is well-advanced. Some of the agreed changes are reflected in draft investment chapter of the Chile FTA. Pre-negotiations for BITs are underway with Korea, Russia, and Venezuela. Discussions continue with 25 countries; others are requesting to initiate talks.

The Department collaborates closely with the Office of the U.S. Trade Representative, Departments of Commerce and Agriculture and Treasury

STRATEGIC GOAL — U.S. EXPORTS

Desired Outcome: Expand U.S. exports to \$1.2 trillion early in the 21st century.

Trade will be increasingly important to the domestic economy and U.S. economic security. The 1997 National Export Strategy set the goal of expanding U.S. exports of goods and services from \$800 billion in 1995 to \$1.2 trillion early in the 21st century. To accomplish the national Export Strategy objective, the Department relies on several export promotion efforts, including advocacy, finance, and public diplomacy. This is especially effective in fast-growing, emerging markets such as Mexico, Brazil, China, Korea, and India. The Department's geographic bureaus work with the Bureau of Economic Affairs to coordinate efforts to promote U.S. exports with other USG agencies. The Department cooperates closely with other USG agency members on the Trade Policy Coordinating Committee to improve USG export-assistance programs and increase the accessibility of these programs to small- and medium-sized firms.

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PERFORMANCE GOAL: Provide support to U.S. firms competing for business worldwide by increasing exports of U.S. oil and gas field equipment and services, U.S. telecommunications equipment and services, and U.S. agricultural products.

Exports in certain sectors, such as agriculture and energy, increased. The Department met its performance objectives. However, due to general weakening in the U.S. economy and a sharp decline in exports for September, overall exports remained flat for the October 2000-September 2001 period. Services exports helped offset a slight decline in goods exported.



Visitors view Motorola's displays at a telecommunication show in Beijing on October 24, 2000. China's telecom industry was undergoing major restructuring in anticipation of its membership to the WTO. AFP Photo/Goh Chai Hin

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Key Performance Measure	Planned Results	2001 Results
Number of outreach meetings and business briefings held	200	Successful: 228
Number of companies for whom advocacy services were provided	75	Successful: 118
Number and type of training opportunities	Commercial orientation 9/00	Successful: Training completed 10/01
Telecomm and IT equipment sales	\$126 billion	Year 2001 Data unavailable until 2002** Year 2000 – \$115 Billion
Minutes/messages of overseas service provided by U.S. telecom operators, including satellite companies	30.2 billion minutes 5.7 billion messages	Year 2001 Data unavailable until 2002** Year 2000 – 27.5 billion minutes – 5.2 billion messages
Oil and gas sector reports	Meaningful increases in U.S. exports of oil and gas field equipment and energy services to support opening energy tracts in the Middle East, Latin America, and the Caspian Region.	Successful: Exports in sector grew by 25.6 percent for the first 9-month period of 2001 over the same period last year.
Agricultural exports	\$29.4 billion in total agricultural exports.	Successful: \$52.9 Billion in agricultural exports. \$2 billion increase over FY 2000.

*** Reports from industry on 2001 operations are not compiled and issued by the FCC until mid-2002*

The Department collaborates closely with the Office of the U.S. Trade Representative, Departments of Commerce and Agriculture and Treasury

NATIONAL INTEREST: AMERICAN CITIZENS AND U.S. BORDERS

STRATEGIC GOAL — AMERICAN CITIZENS

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Desired Outcome: Protect the safety and security of American citizens who travel and live abroad.

Protecting American citizens is a critical responsibility for the U.S. Government and one that every Foreign Service post carries out. The millions of Americans who travel and reside abroad expect to do so with freedom and in reasonable safety.



The Department of State plays an important role in Americans' lives by issuing more than six million passports each year that enable them to travel abroad; publishing information to help them avoid trouble; and assisting them when they encounter situations they cannot handle on their own. Americans make more than 50 million trips abroad annually, and approximately 4 million live overseas. Increasingly, they are turning to the Department for advice and help. To assist those seeking advice and help, the Department provides citizenship documents as well as a wide variety of consular services.

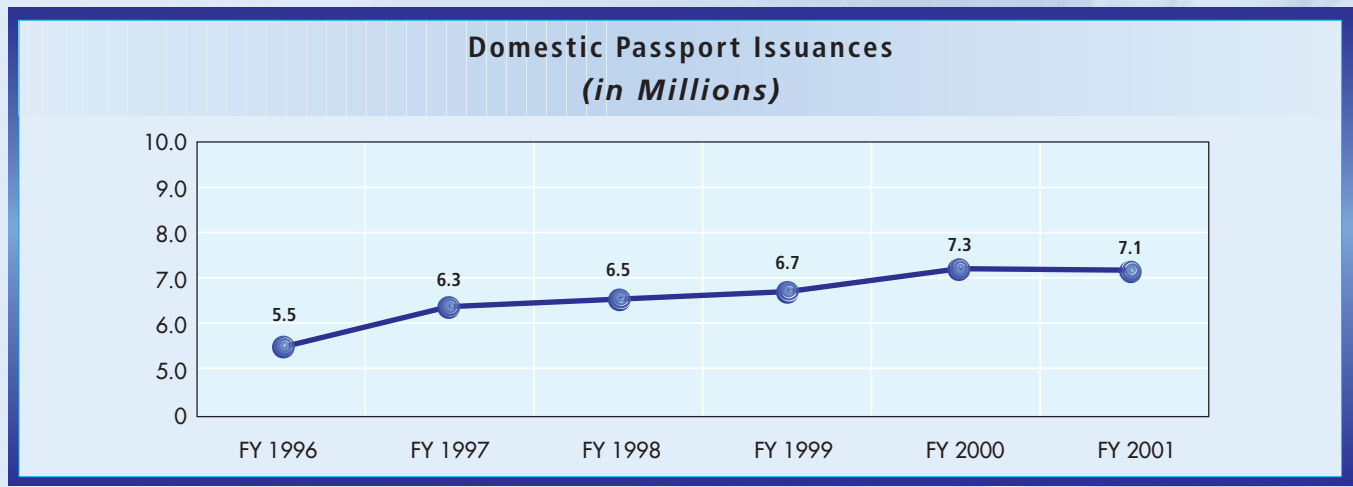
PERFORMANCE GOAL: Timely and effective passport issuance with document integrity assured.

The Department continues to face heavy demands for passports. In customer satisfaction surveys, the Department’s services to passport applicants scored high in all of the areas measured: information accessibility and usefulness; professional behavior of employees; convenience and timeliness of the application process; and passport value.

Our success in adding passport staff was a primary source of the progress in our service levels. The number of people on board at the end of the year was 17% higher than the previous year—a major reason that the number of overtime hours decreased by almost 80% from the previous record year.

The average wait time for in-person applications in 2001 was within a respectable range of 25 to 46 minutes. However, at our busiest offices, wait times during peak periods sometimes exceeded two hours.

The target for completing routine applications is 25 business days. Our work during the three busiest months averaged 3.1 weeks. The Department issued 1.9 million passports (27% of the total) within three days of receiving the applications. In 2002, we will increase the volume of routine passport applications transferred to our two “mega centers” to further improve the timeliness and efficiency of our service. Our goal is to continue to move towards centralization of routine passport work at these centers.



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Key Performance Measure	Planned Results	2001 Results
Increase passport application issuances to meet rising demand.	7.6 million passports issued.	Successful: 7.1 million passports issued in 2001. The planned number was missed due to lower demand after September 11, terrorism in the Middle East, and the downturn in the economy.
Produce a more secure and tamper-resistant U.S. passport by implementing a photo-digitized passport.	Passport field offices are successfully converted to and trained in new passport issuance system.	Successful: The new photo-digitization passport issuance system was installed at four additional domestic passport-issuing offices, bringing the total using the new system in FY 2001 to 14 offices, covering over 93% of passport workload. By December 2001, all passports issued by the domestic passport offices incorporated the use of printed digital photos and related security devices, resulting in greatly improved passport security. Research started to efficiently bring this new technology to passport applicants abroad.

PERFORMANCE GOAL: Support U.S. Citizens abroad and those concerned about them in the United States.

Throughout the year, the Department continued its efforts to keep Americans apprised of information that may affect their safety and security overseas. Civil unrest in Indonesia, Israel, the West Bank and Gaza, and Macedonia; terrorists threats to U.S. citizens and interests throughout the world; violent demonstrations at international conferences in Canada, Italy and elsewhere; kidnappings in Colombia and the Philippines; earthquakes and hurricanes; and the aftermath of the horrific September 11 events kept us extremely busy. Our efforts were largely devoted to ensuring that our posts' warden systems were up-to-date; that accurate information was available and consistent with USG domestic information; and that the Department conveyed that information to Americans overseas in a factual but non-alarmist manner.

Our Consular Information Program continues to be instrumental for providing Americans worldwide with information concerning upcoming events and potential threats to their safety. It is also a tool by which the Department can dispel rumors and evoke a measured, informed response by the public. With access to technology becoming more prevalent and significant outreach efforts by the Bureau of Consular Affairs (CA), the Department has seen a steady increase in the number of visits to the consular web site (travel.state.gov).

In 2001, the average daily hits on the web site were more than 324,000—up 84,000 per day from the 240,000 per day in 2000. The daily level of hits, which was as high as 653,550 in January, declined after February as interest in international travel lessened due to the economic downturn. However, hits climbed again after September 11, as concern about safety abroad rose. The site received 3 million hits in the week after September 11, compared to 1.5 million in the preceding seven days.

In January, a new and improved version of the Passport Acceptance Facility Database became available to our on-line customers. The database's search engine allows customers to locate the nearest passport acceptance facility after entering a zip code. Thanks to the efforts of Passport staff, major U.S. airlines and numerous on-line travel industry resources added to their web sites Internet "hotlinks" to travel.state.gov.

Key Performance Measure	Planned Results	2001 Results
Accuracy and availability of Consular Information	CA's Web site accommodates 230,000 hits per day. Additional features added as defined by customer needs.	<p>Successful: The web site received 117.9 million hits, 30.7 million more than in FY 2000.</p> <p>Average daily hits were 324,000 versus 240,000 in 2000.</p> <p>90% of users surveyed found the web site helpful.</p> <p>On-line customers now have access to a new and improved Passport Acceptance Facility Database, which allows them to locate the nearest passport acceptance facility by entering a zip code.</p> <p>Hotlinks to the web site added by major U.S. airlines and on-line travel industry resources.</p>
Availability of automated case-tracking information	<p>The requirements analysis/definition and software development for systems to track international parental-child abductions and international adoption cases begins.</p> <p>The American Citizens Services (ACS) system is modified to easily report information on mistreatment of and access to arrested Americans.</p>	<p>Successful: Consular Affairs conducted a successful test phase of the U.S. Government comprehensive case management tracking system for international parental-child abduction cases.</p> <p>The International Parental Child Abduction application module was deployed to the Office of Children's Issues to improve our ability to track abduction cases and to work with other agencies to resolve them.</p> <p>Consular Affairs and the Immigration and Naturalization Service coordinated efforts to create an adoption tracking system.</p> <p>The latest ACS release includes improvements to arrest services; the reporting functionality is facilitated through establishment of the Consular Consolidated Database.</p> <p>Crisis Management module deployed for domestic task force staff to improve services to Americans during crises events.</p> <p>Piloted a Consular Lost and Stolen Passport database which allows posts abroad to enter losses and thefts of U.S. passports.</p>

STRATEGIC GOAL — TRAVEL AND MIGRATION

Desired Outcome: Facilitate travel to the United States by foreign visitors, immigrants, and refugees, while deterring entry by those who abuse or threaten our system.

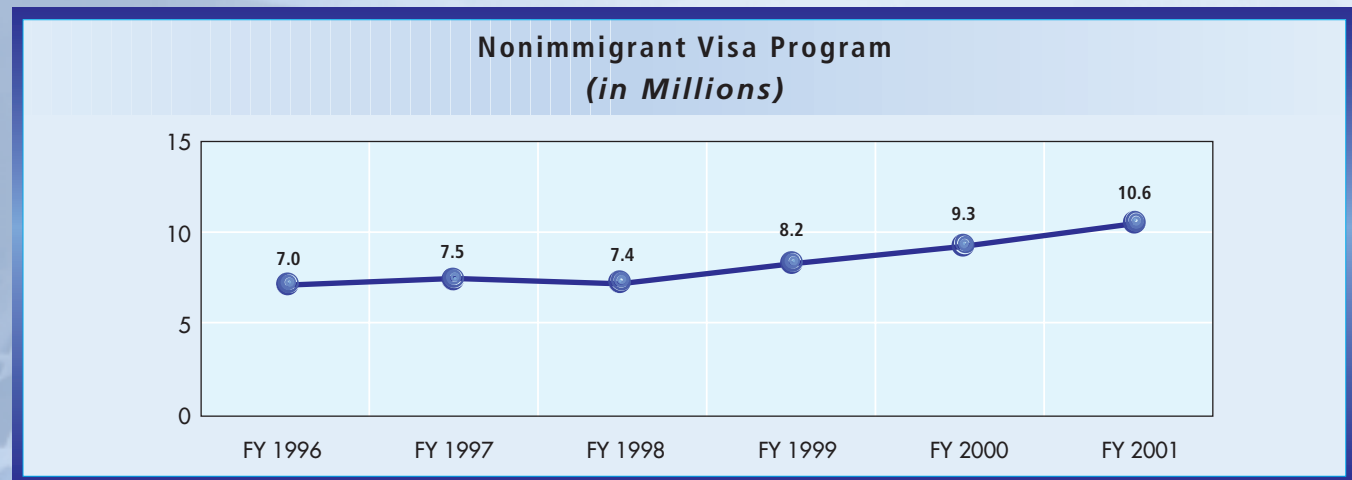
The Department of State shares responsibility with the Department of Justice/Immigration and Naturalization Service (INS) for administering U.S. immigration laws fairly and effectively. U.S. Consular officers adjudicate visas of persons seeking to enter the United States either temporarily or as immigrants. Consular screening facilitates entry of those who qualify while deterring illegal immigration, and prevents the entry of terrorists, narcotics traffickers, and other criminals into the U.S. Data generated by consular officers and shared with the INS and other agencies enhance both border security and service to visa recipients upon their arrival in the United States.

PERFORMANCE GOAL: Meet anticipated increases in demand for nonimmigrant and immigrant visas.

The decrease in immigrant visa (IV) case numbers from FY 2000 to FY 2001 is due to the fact that a number of potential applicants chose, as permitted by regulation, to pursue their application for immigrant status in the U.S with INS rather than overseas at a U.S. Embassy or Consulate. The nonimmigrant visa (NIV) demand in FY 2001 was higher than projected and would have been even higher, except that the terrorist attacks disrupted international travel in the last three weeks of the fiscal year.

Key Performance Measure	Planned Results	2001 Results
Immigrant visa cases processed	2000 Actual - 669,872 2001 Target - 715,000	Successful: 628,762 Increased demand did not materialize.
Nonimmigrant visa cases processed	2000 Actual - 9,550,000 2001 Target - 9,800,000	Successful: 10,596,194

The Department collaborates closely with the Department of Justice/Immigration and Naturalization Service.



Following a 14-year pilot period, the President on October 30, 2000, signed the *Visa Waiver Permanent Program Act*, providing the Department with a program that permits nationals of 29 countries to enter the United States for business and tourism without first obtaining a U.S. visa, as long as U.S. citizens are granted similar privileges in their countries. The purpose of this program is to foster goodwill for the U.S. as well as to give citizens from participating countries an opportunity to visit our country. In FY 1999, according to INS statistics, 76.7 percent (12.66 million) of nonimmigrants admitted under the *Visa Waiver Program* were from five countries: Japan, the United Kingdom, Germany, France, and Italy. The remaining 24 visa waiver countries accounted for 3.85 million entrants.*

*INS Statistical yearbook, FY 1999

NATIONAL INTEREST: LAW ENFORCEMENT

STRATEGIC GOAL — COUNTERING TERRORISM

Planned Outcome – Reduce international terrorist attacks, especially on the United States and its citizens.

The Department of State, the lead agency to coordinate U.S. counter-terrorism policy and programs overseas, revises and tailors its responses to international terrorism in close cooperation with other government agencies. The objective of our nation’s counter-terrorism policy is to eliminate the threat of international terrorism to U.S. national interests as well as the capacity of terrorist groups to undermine the stability of friendly nations.

The horror of the September 11 attacks, which killed citizens of 78 nations, has strengthened the determination of countries to combat terrorism. Bolstering the will and capabilities of other countries has been an important goal for the U.S. The task became more complicated, however, as the threat from state sponsors was overtaken by the emergence of new, loosely organized and largely self-financing terrorist groups. September 11 marked a dividing point in the fight against terrorism, injecting a new urgency and more resources into the efforts to prevent additional attacks and bring the perpetrators of past attacks to justice.

Through a series of consultations with the Secretary, the Coordinator for Counter-terrorism, and other senior officials, the Department transformed a broad international consensus against terrorism into a coalition of concerned states that have taken concrete action to identify and eliminate terrorist cells, cut off terrorist financing, and limit terrorists’ freedom of movement.

PERFORMANCE GOAL: Strengthen international determination, cooperation, and tools to prevent terrorist attacks, and catch and punish terrorists. Prevent terrorists from attacking American citizens and prevent a repetition of major attacks.

The reaction of the U.S. and its allies to the terrorist attacks demonstrated the importance of determined steps and international cooperation to counter terrorism. The military strikes to destroy al-Queda’s sanctuaries in Sudan were the most impressive part of the campaign against terrorism, but they were only one component. At the same time that military actions were in the public eye through the media, aggressive work behind the scenes by law enforcement agencies in the United States and overseas helped deter additional attacks. An international campaign involving financial experts and diplomats worked to clamp down on the flow of money to terrorists. In addition, border security officials tightened scrutiny to try to prevent terrorists from moving across international boundaries.

These elements have long been an important part of U.S. counter-terrorism policies. Over the years, the U.S. has been working to strengthen these efforts and the international cooperation needed to improve their effectiveness.

This goal was partially achieved because the U.S. and other governments were unable to prevent the September 11 attacks. However, given the number of variables beyond the Department’s control, the Department now believes that this element of our goal, though easily quantifiable, is unrealistic, and will remove it during the next performance plan cycle.

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Key Performance Measure	Planned Results	2001 Results
The number of terrorist attacks against American citizens and interests, the rate of casualties, and the trend in international terrorism worldwide	Reduction in number, lethality of attacks.	Unsuccessful: This goal was not met considering the events of September 11 that caused more than 2,800 deaths through well-planned attacks that evaded detection by U.S. and foreign security services.
Level of coordination and cooperation among friendly governments in sharing information, techniques, and training	Improved coordination, especially with regard to protection and safety of participants at the Salt Lake City 2002 Olympics.	Successful: Cooperation greatly increased and CT coalition developed post 9-11, with greater efforts, especially in Europe, to help disrupt terrorist cells.
Adherence to and use of international treaties on terrorist crimes, including prosecution, extradition, and mutual legal assistance obligations, including the U.S.-proposed treaty on suppressing terrorist bombings	Increased effective recourse to treaties for extraditions and renditions; substantial number of priority countries sign treaty.	Successful: Suppression of Terrorist Bombing Convention has been signed by 58 nations; Terrorism Financing by 132.

The Department collaborates closely with the Department of Justice, Department of Defense, Central Intelligence Agency, Treasury, Federal Aviation Agency, and Department of Energy.

STRATEGIC GOAL — COUNTER-NARCOTICS

Planned Outcome – Reduce the entry of illegal drugs into the United States.

Most illegal narcotics in the U.S. come from abroad. Control of the foreign supply must complement efforts to reduce domestic drug use and its harmful consequences in the U.S. The Department of State is responsible for implementing elements of the National Drug Control Strategy, including relations with or actions by foreign governments or international organizations as well as activities outside the U.S. that are subject to the authority of the Chiefs of U.S. Diplomatic Missions.

The most effective means of reducing the illegal drug supply is to target drug production at its source through a combination of enforcement, eradication, and alternative development programs. In terms of program funding, the primary U.S. focus is the Andean region, which is currently the sole source of the world’s cocaine production and the main source of heroin entering the United States. The Andean Regional Initiative (ARI) – eradication of coca cultivation, destruction of processing facilities, and interdiction of and breakup of trafficking organizations – combines law enforcement with economic incentives, including alternative development coupled with broader institution-building in the justice and rule of law sectors. A similar but less extensive strategy applies to the poppy-growing areas of Asia.

Performance Goal: Increased effectiveness of foreign governments in reducing the cultivation of coca, opium poppy, and marijuana.

Despite problems, eradication and alternative development programs are achieving some level of success:

- **Colombia.** The U.S.-funded aerial eradication program expanded considerably, spraying over 84,000 (est.) hectares of coca production (goal was 100,000), and more than 1,800 hectares (goal was 10,000) of poppy. The threat of the expanded spray program spurred participation in the alternative development programs, leading to 33 agreements covering more than 37,000 families and approximately 37,000 hectares of coca cultivation. However, the violence associated with the struggle between the leading guerilla group (the FARC) and paramilitaries to control the drug trade in southern Colombia, especially in Putumayo, coupled with poor soil conditions, posed serious obstacles to alternative development programs in that area.
- **Bolivia.** Violence against eradication authorities and alternative development workers, high coca prices, and government concessions to demands by coca growers have hampered eradication efforts, and overall cultivation has increased since last year. Even so, the area under cultivation remains well below the level of several years ago.
- **Peru.** Peru’s eradication program proceeded largely on schedule, with 4,000 hectares of coca eradicated over the first ten months of 2001 (the goal was 4,500). Some 15,000 farmers were involved in over 27,000 hectares of licit agriculture in ex-coca cultivating areas. In three of five targeted areas, the value of licit crops exceeds that of coca. However, government failure to maintain pressure on coca communities allowed replanting that essentially kept pace with eradication efforts. The area under cultivation remains well below the figure of several years ago. Political violence directed against eradication/alternative development in Bolivia has undermined the government’s political commitment.
- **Pakistan.** Pakistan is a model for a successful eradication program for opium poppy. In 2001, Department programs helped Pakistan further reduce remaining pockets of production and expand alternative development programs, including in the Khyber area, which historically has been the site of most heroin laboratories in Pakistan.
- **Thailand.** A major producer of opium poppy as late as the mid-1980s, Thailand is now a net importer of opium and heroin thanks to a vigorous program of eradication and alternative development supported by U.S. funding. In 2001, the cultivation of opium poppy in Thailand remained below 1,000 hectares for the third year in a row.

The impact of September 11 on drug trafficking operations out of Latin America and the Caribbean is not yet clear. Some reports indicate that traffickers are being scared off by increased vigilance at U.S. ports of entry, while others claim that traffickers have been emboldened by the shift of law enforcement resources, including the DEA’s, to counter-terrorism efforts.

Looking ahead, U.S. programs and policies will continue to target drug production at its source, including an expanded aerial spray program in Colombia. Assistance to Latin America will have a more regional focus, including greater development assistance and institution building to support eradication, and greater law enforcement for neighboring Venezuela, Brazil, Ecuador, and Panama to avoid spillover from counter-narcotics activities in Colombia. In Afghanistan, opium poppy cultivation is down approximately 98 percent from a year ago when Afghanistan was the world’s leading producer. A key element of our approach to post-conflict Afghanistan reconstruction will be to incorporate effective counter-narcotics measures, including effective sustainment of the poppy ban.

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Key Performance Measure	Planned Results	2001 Results
Number of hectares of illicit coca under cultivation	175,380	2001 data not yet available
Number of hectares of illicit opium under cultivation	155,125	2001 data not yet available
Number of hectares of marijuana under cultivation	7,600	2001 data not yet available
Number of regional and international prevention summits	2	Successful: 3

Validity of indicators. Host governments provide the most statistics on crop cultivation/eradication. In some cases, such as the aerial spray program in Colombia, U.S. authorities conduct their own surveys. Even so, there is some interagency disagreement over the amount under cultivation and the number of hectares destroyed by spraying. The U.S. and Mexico are currently working on a joint opium yield survey to improve estimates for heroin production in Mexico.

PERFORMANCE GOAL: Increased effectiveness of foreign governments in breaking up major drug trafficking organizations, and investigating, prosecuting and convicting major traffickers.

Strengthening the counter-drug capabilities of foreign governments requires a combination of diplomatic activism and technical support delivered through bilateral, multilateral, and unilateral channels. This is a long-term process that has produced significant results over the years in terms of improved cooperation with partner nations and greater effectiveness by partners with countering drug production and trafficking.

As is the case with anti-crime programs, training remains a key activity for increasing the effectiveness of foreign governments in countering drug activities. In FY 2001, the Department reached its goal of training 1,800 foreign law enforcement officers in counter-narcotics (in addition to the 11,500 who received anti-crime training):

- In Colombia, the U.S. trained and equipped a counter-narcotics brigade (three battalions) and provided additional airlift (30 helicopters) as well as other equipment for Colombian police and military counter-narcotics units. The Colombian Army’s counter-narcotics brigade found and destroyed more than 800 base labs (target was 370) and 21 HCL labs (target was 15). Colombia extradited 23 drug lords to the U.S., twice the annual rate of the previous three years. We also designated the Self-Defense Forces of Colombia (AUC), a right wing paramilitary group that derives some of its financing from drug-trafficking, as a Foreign Terrorist Organization and are working to disrupt its financing network.
- Mexico. Most illegal drugs entering the U.S. come through Mexico. Bilateral cooperation improved considerably in 2001 following President Fox’s inaugural pledge for an all-out effort to dismantle the international drug cartels. The Department revamped its programs to support the Fox Administration’s criminal justice reform plan, concentrating on strengthening key police and prosecutorial units and on reinforcing training institutions. New joint procedures on maritime interdiction have been set up, and new procedures on aerial interdiction are now being developed. Cocaine seizures were up nearly 300 percent in 2001, and the number of hectares under opium poppy and marijuana cultivation continued to drop under Mexico’s strong eradication program.

For most countries, the United Nations is the primary or only source contributing to international drug and crime control efforts. By the end of 2001, 162 countries had ratified the 1988 UN Drug Convention.

We anticipate that U.S.-Mexican cooperation will continue to improve, which should increase the effectiveness of interdiction efforts against drugs entering through our southern border. Completion of the MEM evaluation should open the way for strengthened national controls and improved multilateral cooperation both in the Western Hemisphere and elsewhere.

Key Performance Measure	Planned Results	2001 Results
Number of foreign law enforcement personnel trained	1,500	Successful: 1,662
Number of countries party to the 1988 United Nations Drug Convention	155	Successful: 162

STRATEGIC GOAL — INTERNATIONAL CRIME

Planned Outcome – Minimize Impact of International Crime on the United States and Its Citizens

Given the global character and transnational reach of organized crime today, international cooperation on criminal justice issues, backed by funding for effective programs, is central to minimizing the impact of crime on the United States and its citizens. No amount of effort by a single country can have a lasting impact. The Department draws upon the expertise of federal, state, and local law enforcement, judicial agencies and non-government organizations to provide criminal justice sector training, equipment, and technical assistance to help foreign governments fight international crime and enhance their ability to help the U.S. identify, investigate, and arrest and prosecute international criminals. This is a long-term goal and a continuing process that saw several key accomplishments and steps forward in FY 2001.

PERFORMANCE GOAL: Improve the law enforcement and criminal justice institutions in target countries.

Training is a core element of the Department’s strategy for combating transnational crime, and improving law enforcement and criminal justice institutions. Such training not only imparts key skills to law enforcement officials, it also builds relationships between the U.S. agencies providing the training (DOJ, DEA, FBI, Customs, INS, Coast Guard, DOD, and others) and their foreign counterparts, which pays important dividends at the operational level.

In 2001, the Department opened a regional International Law Enforcement Academy (ILEA) in Gaborone, Botswana, which will initially serve southern and eventually all of Africa. This brings to three the number of regional ILEAs (others are in Bangkok and Budapest) that provide U.S. training on regional issues and problems. The Department also opened an ILEA in Roswell, New Mexico, which provides advanced training for graduates of the three regional ILEAs.

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Through ILEAs and bilateral training programs, the Department provided training for more than 11,500 law enforcement officials in more than 120 countries in 2001. The Department will continue to make training a priority, and is currently planning to establish an ILEA for Latin America in FY 2002.

Looking ahead, in the aftermath of the September 11 attacks and under strong U.S. pressure, many states have taken steps to strengthen money-laundering laws and regimes. While aimed primarily at terrorist financing, these steps will also have an impact on money-laundering efforts in general by organized crime groups. The opening of the Trafficking Office and Smuggling Center should strengthen enforcement and disrupt operations in these areas. The planned ILEA for Latin America will improve training by focusing on regional issues and problems. The September 11 attacks have also placed demands on some of our training agencies – DOJ, FBI, and DEA – that may cause the Department to restructure training priorities for the immediate future.

Key Performance Measure	Planned Results	2001 Results
Number of ILEAs established	4	Successful: 4
Number of students trained:		Partially Successful:
<ul style="list-style-type: none"> • ILEA students • Other program students 	1,500 8,750	1,412 11,500



The International Law Enforcement Academy in Gaborone, Botswana



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NATIONAL INTEREST: HUMANITARIAN RESPONSE

STRATEGIC GOAL — HUMANITARIAN ASSISTANCE

Desired Outcome: Prevent or minimize the human costs of conflicts and natural disasters.

The American people believe that this country and its government should help those suffering from conflict or natural disasters even when the conflict does not pose a threat to U.S. national security interests. The Department’s extensive diplomatic influence and reporting capacity, even in the most remote parts of the world, provides early warning about evolving situations that could lead to humanitarian crises. When humanitarian crises do occur, the Department urges and coordinates responses by other donor countries and international organizations, and often plays a key role in implementing those responses.

PERFORMANCE GOAL: Promote equal access to effective protection and assistance for refugees and conflict victims.

The Department responded to emergency refugee crises as they emerged throughout the year. The Department also supported ongoing programs that provide protection and assistance for conflict victims, and the nearly 23 million refugees and “persons of concern” to the UN High Commissioner for Refugees (UNHCR).

Most of the Department’s work was accomplished through contributions to our major multilateral humanitarian partners including UNHCR, the International Committee of the Red Cross (ICRC), the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the World Food Program (WFP), the International Organization for Migration (IOM), and numerous non-governmental organizations.

The Department supported repatriation and reintegration programs for persons from Eritrea, Somalia, Sierra Leone, East Timor, and various countries in the Balkans. As the situation inside Afghanistan improves in 2002, we anticipate repatriation for a significant number of Afghan refugees in Pakistan and Iran. The Department will closely follow these movements, as well as support the return and reintegration process.

No extraordinary suffering for prolonged periods was reported among refugee populations, as measured by crude mortality rates (CMR). However, internally displaced persons (IDPs) in some situations (notably Afghanistan, Democratic Republic of Congo, and Angola) did experience periods where CMRs exceeded one per 10,000 per day. Some measures have been taken to address these concerns, especially through better planning and coordination with the U.S. Agency for International Development. However, conditions of these IDPs remain a concern.



Approximately 170,000 Hutus in the Maguna refugee camp in Goma, Democratic Republic of Congo.

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Key Performance Measure	Planned Results	2001 Results
Crude Mortality Rates (CMR)	Crises do not exceed a crude mortality rate of > 1 per 10,000 people/day for an extended period.	<p>Successful: No extraordinary suffering for prolonged periods was reported among refugee populations.</p> <p>Internally displaced persons in some situations (notably Afghanistan, Democratic Republic of Congo, and Angola) did experience some periods where CMRs exceeded 1 per 10,000 per day. Measures were taken to address these concerns, yet IDP conditions remain a concern.</p>

NATIONAL INTEREST: DEMOCRACY

STRATEGIC GOAL — DEMOCRACY AND HUMAN RIGHTS

Desired Outcome: A worldwide community of democracies where human rights, including worker rights, and religious freedom are universally respected.

Democracy and respect for human rights are central components of U.S. foreign policy. Supporting democracy promotes such fundamental American values as religious freedom and worker rights, and helps create a more secure, stable, and prosperous global arena in which the United States can advance its national interests. The growth of democratic culture, including respect for human rights, is actively encouraged through the Department’s relations with foreign governments and multilateral organizations.

The United States supports democracy for the long term, fostering the growth of a democratic culture wherever it may be an option. The Department’s role is to provide support for countries in transition, defend democracies under attack, and strengthen the network of established democracies.

PERFORMANCE GOAL: Consolidate new democracies and promote greater liberalization of authoritarian regimes.

The Department promotes democracy by advancing universal democratic norms in international, multilateral and regional forums. The Department also provides tangible financial and technical support for democracy and human rights programs. Through the annual Country Reports on Human Rights Practices, State provides a comprehensive analysis of human rights conditions around the world. The newer Annual Report on International Religious Freedom does the same for religious freedom. In response to new legislation, the Department in 2001 issued a new report on Trafficking in Persons.

Multilaterally, the Department participated in a major review of the Community of Democracies (CD), which resulted in an Administration decision to participate in a refined CD. In both the Commission on Human Rights and the United Nations General Assembly (UNGA), the U.S. supported resolutions passed on the promotion of democracy. Most of the country-specific resolutions that the U.S. supported were passed in the Commission on Human Rights. However, the U.S. was not reelected to the Commission for 2002, and the Administration is considering its future course of action, both as an observer for 2002 and for future candidacy with the Commission.

Key Performance Measure	Planned Results	2001 Results
United Nations resolutions on the right to democracy	United Nations General Assembly (UNGA) passes resolution on right to democracy.	Successful: The United Nations Commission on Human Rights (UNCHR) resolution to promote democracy was passed; similar resolution passed in UNGA plenary; a U.S.-sponsored resolution to support UN democracy programs passed with more cosponsors.
Community of Democracies (CD)	Establish Community of Democracies Caucus at United Nations General Assembly.	Successful: CD Caucus at UNGA was established and met.

PERFORMANCE GOAL: Greater respect for human rights around the world.

The Department increased its emphasis on Trafficking in Persons as an important part of human rights policy. The new Trafficking in Persons report was issued in July 2001 in response to new legislation, and addresses human rights and law enforcement concerns. In addition, we cooperated with the Stability Pact Task Force on Trafficking to support anti-trafficking efforts in Southeast

Europe. The U.S. also co-sponsored an anti-trafficking resolution in the Commission on Human Rights. A new office, established in October 2001, will consolidate and coordinate the Department’s anti-trafficking policies and programs.



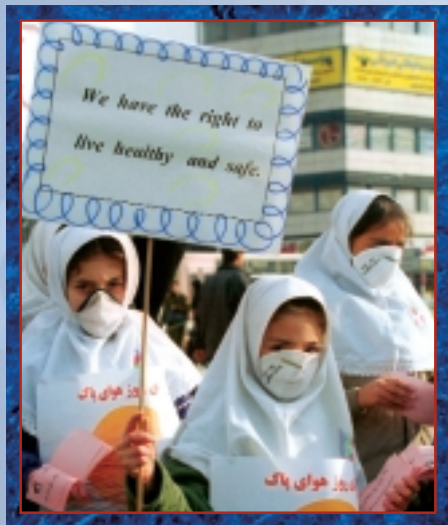
Iraqi Kurds, who were abandoned by a trafficking gang after their leaking cargo ship marooned on the rocks of the French Riviera, rest in an unused military depot in Frejus, France in February 2001. AFP Photo/Jacques Munch

Key Performance Measure	Planned Results	2001 Results
Anti-trafficking protocol to the crime convention	U.S. signs anti-trafficking protocol.	Successful: The U.S. signed the trafficking protocol on 12/12/2000, the first day it was open for signature.
Institutionalization of reporting on trafficking	Section on trafficking significantly expanded.	Successful: The new trafficking in persons report required by legislation was issued in July 2001; the trafficking section of the Country Reports on Human Rights Practices was expanded.

NATIONAL INTEREST: GLOBAL ISSUES

STRATEGIC GOAL — ENVIRONMENT

Desired Outcome: Secure a sustainable global environment to protect U.S. citizens and interests from the effects of international environmental degradation.



Iranian students in Tehran in January 2001 participate in the “Day of Clean Air.” Tehran police began cracking down on vehicles emitting excess pollution to help the city cope with a pollution crisis that kills about 4,600 people every year. AFP Photo/Henghameh Fahimi

The global environment has a profound impact on the United States, its citizens and its national interests. Pollution crosses borders and oceans, affecting the health and prosperity of Americans. Increased competition for scarce natural resources can lead to regional and international instability and conflict, thereby threatening political, economic and other interests of the United States.

Even with the best efforts, no single donor country can hope to solve international environmental degradation on its own. The Department therefore seeks to promote international responses to key environmental issues that affect U.S. citizens and interests. The Department’s efforts on global environmental protection fall into three categories:

- *International Treaties and Agreements* – Working with others, the Department develops positions and policies that address complex international environmental issues.
- *International Private Capital* – The Department works with Treasury and other organizations to ensure that Export Credit Agencies (ECAs) support capital flows that take environmental standards into account.
- *International Initiatives and Official Development Assistance* – The Department works to ensure that developmental assistance provided by U.S. agencies helps developing countries build their capacity to protect their environments.

PERFORMANCE GOAL: Build international support among donor countries and international financial institutions for U.S. positions to make trade and environment policies mutually supportive through coalition building, diplomatic engagement, and public diplomacy.

The international community is currently negotiating and implementing agreements and initiatives that, taken together, will comprise the international environmental architecture for decades. U.S. leadership, as reflected in the performance metrics below, is essential to resolving international environmental problems and ensuring that the emerging environmental regime protects U.S. national interests.

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Key Performance Measure	Desired Results	2001 Results
Content and status of the Free Trade Agreement for the Americas (FTAA).	Parties agree to consider environmental provisions similar to those of the NAFTA and FTAA.	Partially Successful: Progress was made in garnering support for consideration of environmental provisions in the FTAA process. However, some countries still question the need to address environmental issues in trade discussions.
Status and impact of Jordan's environmental institutional capacity, its laws, and regulations.	Negotiation, conclusion, and beginning of implementation of U.S.-Jordan FTA. Jordan establishes new Environment Ministry. Establishment of U.S.-Jordan Environment Working Group.	Partially Successful: U.S.-Jordan FTA signed and ratified. While making some preparations in FY 2001, Jordan did not establish its new Environment Ministry. U.S. technical experts (EPA) met with Jordanian officials for consultation on the new Ministry, but the U.S. Jordan Environment Working Group has not yet been formally constituted.
Compliance with World Bank Chad-Cameroon pipeline social/environmental program.	Chadian local development plan complete. Development board established. Baseline survey of Cameroon's Pygmy communities and implementation of community-based compensation projects is complete.	Successful: Chadian local development plan completed. Development board established. Baseline survey of Cameroon's Pygmy communities and implementation of community-based compensation projects completed.
International private capital flows for the South-North Water project in China to incorporate environmental protection.	U.S.-China consultations produce recommendations for how environmental protection can be incorporated into South-North Project.	Partially Successful: Interagency participation (including Bureau of Reclamation, TVA, and State) with Chinese Ministry of Water Resources in two-day conference on environmental-protection practices in the South-North Water Project. Interagency coordination on tracking the environmental impact and management of the South North Water Project.
Haze pollution situation in Indonesia.	Government of Indonesia prosecutes and fines most significant violations.	Unsuccessful: Government of Indonesia did not enforce its no-burn laws. Significant violators were not prosecuted. Without enforcement, Indonesia haze pollution will continue to be a problem for the region, particularly during the next El Niño.
<i>The Department collaborates closely with the Departments of Treasury, Commerce and Agriculture, the Tennessee Valley Authority, Environmental Protection Agency, and the U.S. Agency for International Development.</i>		

STRATEGIC GOAL — POPULATION

Desired Outcome: Achieve a healthy and sustainable world population.

The U.S. Government works with other nations to provide reproductive health care, including family planning, to women and men around the world; improve the status of women; and enhance educational opportunities, especially for girls. Our concern for the quality of life for the earth’s 6 billion citizens makes ensuring a healthy and sustainable world population a vital U.S. foreign policy interest.

Performance Goal: Improving reproductive health, including improved access to voluntary family planning, safe motherhood services, Sexually Transmitted Infections (STI) prevention information, and girls’ education.

In 2001, current data on fertility and reproductive health in developing countries indicated that actual fertility exceeds desired fertility by nearly one child per woman. Ample evidence demonstrates that family planning programs are the most effective means for closing the gap between actual and desired fertility. The Department has worked to increase motivation for adopting the voluntary practices that contribute to higher contraceptive prevalence rates (CPR). The Department has also increased awareness of and demand for family planning and reproductive health interventions by improving the policy environment, public information and communication as well as spousal communication.

Key Performance Measure	Planned Results	2001 Results
Availability of modern family planning and other reproductive health care for individuals requesting such services.	An additional 10 countries increase CPR (modern methods) by 2 percent.	Successful: 22 less-developed countries increased CPR (modern methods) by (at least) 2 percent. These countries were Kenya (+4 percent), Madagascar (+5), Tanzania (+3), Cameroon (+3), Ghana (+3), Nigeria (+3), Togo (+3), Philippines (+3), Vietnam (+12), Bangladesh (+2), India (+6), Pakistan (+4), Jordan (+11), Haiti (+9), El Salvador (+8), Guatemala (+5), Nicaragua (+12), Bolivia (+8), Colombia (+5), Ecuador (+6), Paraguay (+7), and Kazakhstan (+6).
Maternal mortality at the national level.	Maternal mortality rate (MMR) is over 500/100,000; 10 additional countries increased by 2 percent births assisted by a skilled attendant.	Partially Successful: In Laos and Bhutan, where MMR is over 500/100,000, live births increased by at least 2 percent, as did the number of births assisted by a skilled birth attendant.

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STRATEGIC GOAL — HEALTH

Desired Outcome: Promote global health.

The Department is responsible for foreign policy issues surrounding international health, particularly as it relates to infectious diseases of epidemic or pandemic proportions that pose a serious threat to American citizens and the international community.

The Department plays a central role in negotiating international agreements and advancing American interests at international organizations, which enhances global capacity to confront and avert health threats. Efforts to reduce the incidence of targeted diseases and strengthening health care capabilities in targeted regions help the Department achieve those goals.

PERFORMANCE GOAL: Protect the health of the American people and reduce the global burden of disease.

Significant progress was made during FY01 toward protecting human health and reducing the global burden of disease, particularly the spread of infectious diseases. The global fight against HIV/AIDS, tuberculosis, malaria, other infectious diseases, and emerging health threats continued as more countries followed the U.S. example and placed international health issues at the forefront of foreign policy efforts. U.S. objectives and interests to establish a healthier world community were advanced through diplomatic initiatives.

While advances were made in international health, formidable challenges remain. Collectively, HIV/AIDS, tuberculosis and malaria continue to account for one-third of all deaths from communicable diseases worldwide. The impact of HIV/AIDS in particular continued to grow: 40 million persons were living with HIV/AIDS at the end of 2001, including 2.7 million children under the age of 15. Though fewer than in 2000, 5 million adults and children were infected with HIV in 2001; 3 million died of AIDS during the year. Tuberculosis accounted for nearly 2 million deaths during the year, and malaria killed more than 1 million - mostly children in Africa.

Globally, 521 cases of polio were confirmed in 2001, compared to 2,971 cases in 2000 - an 82.5% reduction.



Secretary of State Colin Powell hugs HIV/AIDS infected children at a clinic in Soweto, South Africa in May 2001. The Secretary said he would press for more U.S. funding to counter AIDS. AFP Photo|Alexander Joe

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Key Performance Measure	Planned Results	2001 Results
Disease incidence rates for HIV/AIDS.	Decline in the number of new infections.	<p>Successful: Globally, 5.0 million adults and children were newly infected in 2001, compared to 5.3 million new infections in 2000, representing a nearly 5.67% decline in the number of new infections in 2001 compared to 2000.</p> <p>The greatest number of new infections in 2001 occurred in sub-Saharan Africa, with 3.4 million persons newly infected; although the number of new infections declined nearly 10.5% in the same region between 2000 and 2001.</p> <p>Compared to 2000, new infections in 2001 rose by nearly 107.7% in East Asia and the Pacific; 2.5% in South and Southeast Asia; and declined by 13.3% in Latin America. The level of new infections between 2000 and 2001 remained generally constant in North Africa and the Middle East, the Caribbean, Eastern Europe and Central Asia, Western Europe, North America, and Australia and New Zealand.</p>
Disease incidence rates for Polio.	Drop in incidence; eradication.	<p>Successful: Polio is 99% eradicated worldwide. Globally, there were 521 confirmed cases of polio in 2001, representing an 82.5% reduction.</p> <p>Intensive Global Polio Eradication Initiative continues, spearheaded by World Health Organization (WHO) to meet the goal of global and polio-free certification by 2005. Few remaining pockets of polio are found, mainly in about 20 countries in Southeast Asia and Africa.</p> <p>In October 2000, China and the Western Pacific were certified as being polio-free..</p>

MUTUAL UNDERSTANDING

The U.S. Information and Educational Exchange Act of 1948 and the Mutual Educational and Cultural Exchange Act of 1961 both emphasize that the authorized programs’ purpose is “to increase mutual understanding between the people of the United States and the people of other countries.” The educational and cultural exchanges authorized by these acts are meant to serve the long-term purposes of U.S. diplomatic relations. Taken in total, exchange programs between the people of the United States and people of other countries are a powerful tool for foreign policy. The Bureau of Educational and Cultural Affairs (ECA) was established within the Department to administer these programs.



President John F. Kennedy signs the Mutual Educational and Cultural Exchange Act of 1961 (P.L. 87-256), on September 21, 1961. Senator J.W. Fulbright and Congressman L. Hays, among others, look on.

Desired Outcome: Improve and strengthen the international relations of the United States by promoting better mutual understanding between the people of the United States and peoples of the world through educational and cultural exchanges.

Many indicators demonstrate that exceptional individuals are selected for our exchange programs. More than 23 Fulbright Program alumni are Nobel laureates, and over 35 are Pulitzer Prize winners. Over 200 current and former heads of state have participated in the International Visitor (IV) Program.

While opportunities for Americans to go abroad increased, the events of September 11 clearly demonstrated that mutual understanding is not universal. The strategies to inform and influence elites and leaders in key regions were not fully implemented due to lack of funding. Indeed, in the last decade cultural exchanges have declined 40 percent. In FY 2001, ECA started putting more resources into alumni contact and activities so it could continue to reap the rewards from investments made in people. The Department is confident that educational and cultural exchange programs are central to winning the war against misunderstanding.

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PERFORMANCE GOAL: Increased communication with emergent and current foreign leaders through exchanges, better American understanding of foreign cultures through exchanges, and high quality programs that demonstrate the creativity, diversity, and openness of American culture and society.

During 2001, ECA exchanged over 11,500 Americans and 17,100 foreign visitors, and leveraged over \$172 million in private-sector funds to increase communication with emergent and foreign leaders. To meet the goal of improving American understanding of foreign cultures, ECA launched two opportunities for Americans to go abroad - the Benjamin Gilman Fellowship and the Fulbright Specialist Program. The Gilman Fellowship provided support to 140 U.S. undergraduates who needed financial assistance to study overseas. The Fulbright Specialist Program provided the opportunity for 37 U.S. faculty and professionals who were unable to go overseas for an extended period of time, to collaborate with professional counterparts. Program participants worked on curriculum and faculty development, institutional planning and other activities by presenting lectures; leading workshops and seminars; conducting needs assessments; and developing academic curricula and educational materials.

Currently, the Department uses only one customer satisfaction measure, but it was found to be insufficient for indicating success and results. ECA will be adding some immediate outcome and intermediate outcome measures in future performance plans to better track and report success. The additional measures are currently being developed.

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DIPLOMATIC READINESS

The Department of State’s ability to advance the foreign policy interests of the United States, including supporting the overseas role of other Federal agencies abroad, depends on the quality of Departmental personnel, technologies, and infrastructure. Diplomatic readiness - a core responsibility - is the strategic asset that enables the Department to carry out its mission.

The Department’s Strategic Plan identifies three principal components of diplomatic readiness:

- Human resources,
- Information resources, and
- Infrastructure and operations.

DIPLOMATIC READINESS GOAL – HUMAN RESOURCES – THE RIGHT PEOPLE

Desired Outcome: An optimum number, distribution, and configuration of the Department’s workforce both domestic and overseas in response to the foreign policy priorities identified in the strategic plan.

People are the Department’s most significant resource. It has 25,600 highly qualified direct hire civil service, foreign service, and foreign service national employees, with many more contract employees, in over 300 locations in the U.S. and overseas. If the United States is to maintain its role as a world leader in the 21st century, the Department must ensure that its foreign policy representatives - the people of the Department of State - are the best our nation has to offer. In 2001, the Department started to lay the foundation for our three-year Diplomatic Readiness Initiative, which begins in 2002. This initiative will rectify a severe workforce imbalance compared to our workload.

PERFORMANCE GOAL: The Department will hire and retain an adequate number of talented, diverse Foreign and Civil Service and Foreign Service National employees.

In 2001, the Department’s performance exceeded the planned results for this goal. The Department employed a full range of strategies that met our recruitment and hiring goals, and set the stage for 2002. Our successful efforts included targeting recruitment, increasing outreach, maintaining contact with more candidates, and developing new advertising and a web site. Senior leadership support was critical to our success, with the Secretary participating in the ad campaign, senior officials conducting direct outreach, and others generating press interest and stories about our efforts. This produced an unprecedented 23,000 plus registrants for the Foreign Service Written Exam and over 13,000 takers. More registrants for the Consular career track were received than any other, partly due to our outreach targeted at groups most likely to be interested, and in better “marketing” of the career tracks. Our minority registrants and takers are the highest ever due to our targeted outreach and advertising, and intensive follow-up.

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We also made progress in 2001 toward a complete workforce plan. A Domestic Staffing Model is being developed and will be completed in 2002. A three-year Diplomatic Readiness Initiative was developed and secured Administration support. This Initiative includes hiring personnel to fulfill staffing requirements not met as well as adding personnel to allow a training float, and the ability to respond to crises and prevent staffing gaps. The Department has received Congressional support for diplomatic readiness in the FY 2002 budget.

Full implementation of the Diplomatic Readiness Initiative hiring will begin in 2002. The Department will build on the success of our Foreign Service re-engineering to achieve similar successes in Civil Service recruitment and hiring. A comprehensive workforce plan will be completed in 2002.

Key Performance Measure	Planned Results	2001 Results																
Number of registrants for the Foreign Service Written Exam (FSWE), the Alternate Exam Program (AEP), and Student and Specialist Programs.	<table border="0"> <tr><td>FSWE</td><td>14,000</td></tr> <tr><td>AEP</td><td>600</td></tr> <tr><td>Student Program</td><td>1,480</td></tr> <tr><td>Specialist Program</td><td>3,100</td></tr> </table>	FSWE	14,000	AEP	600	Student Program	1,480	Specialist Program	3,100	<p>Successful:</p> <table border="0"> <tr><td>FSWE</td><td>23,459</td></tr> <tr><td>AEP</td><td>900</td></tr> <tr><td>Student Program</td><td>3,000</td></tr> <tr><td>Specialist Program</td><td>6,900</td></tr> </table>	FSWE	23,459	AEP	900	Student Program	3,000	Specialist Program	6,900
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FSWE	23,459																	
AEP	900																	
Student Program	3,000																	
Specialist Program	6,900																	
Hiring levels (to meet expanding priorities and mandates and to provide a training float.)	Hiring to attrition (Approx. 800)	<p>Successful:</p> <p>Overall Hiring:</p> <ul style="list-style-type: none"> 504 Foreign Service 351 Civil Service <p>Hiring to attrition:</p> <ul style="list-style-type: none"> 229 FSOs 87 Specialists 351 Civil Service <p>Hiring above attrition:</p> <ul style="list-style-type: none"> • Security Officers. & Engineers: 101 • IT- IMS & IMTS: 87 																
Foreign Service (FS) and Civil Service (CS) resignation rates.	<table border="0"> <tr><td>FS generalists</td><td>1.1%</td></tr> <tr><td>FS specialists</td><td>1.2%</td></tr> <tr><td>CS full time</td><td>1.8%</td></tr> </table>	FS generalists	1.1%	FS specialists	1.2%	CS full time	1.8%	<p>Successful:</p> <table border="0"> <tr><td>FS generalists</td><td>.67%</td></tr> <tr><td>FS specialists</td><td>1.06%</td></tr> <tr><td>CS full time</td><td>1.79%</td></tr> </table>	FS generalists	.67%	FS specialists	1.06%	CS full time	1.79%				
FS generalists	1.1%																	
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DIPLOMATIC READINESS GOAL –

HUMAN RESOURCES – TRAINING AND PROFESSIONAL DEVELOPMENT

Desired Outcome: *A foreign affairs workforce with the highest quality leadership, management, substantive, technical, and language skills essential to accomplish the foreign policy objectives in the strategic plan.*

PERFORMANCE GOAL: Develop and implement training and professional development programs and make them available to all full time employees throughout their careers.

The Department recognizes the need to develop programs that enhance our ability to recruit the best local employees and remain competitive in tight labor markets. A Career Entry Program has been developed to hire domestic-based employees in the expert fields of finance, personnel, and logistics. In addition, the Leadership Competencies Development Initiative was launched in early 1999 to develop Civil Service employees at all levels of the organization.

As the Department’s trainer for more than 50 years, the Foreign Service Institute (FSI) develops the men and women our nation needs to fulfill its leadership role in world affairs and defend U.S. interests. FSI’s major initiatives during 2001 encompassed the continued development of its vigorous new Leadership and Management School programs, which include piloting mandatory leadership/management training requirements; completing crisis management exercises at 256 overseas posts and beginning the second cycle of this training worldwide; and continuing to expand FSI-wide efforts to provide more training opportunities for Foreign Service Nationals and other locally employed staff overseas.

An increasing area of emphasis lies in expanding new training technologies that broaden opportunities beyond the traditional classroom, including Internet-based distance learning; developing new multimedia programs and tools for foreign language learning; orientation programs for locally employed staff abroad; professional tradecraft; and crisis-management training. Overall, the Institute has provided over 2.2 million hours of training to ensure ongoing professional development that supports the Department’s hiring and assignments plan, as shown in the accompanying chart.

Key Performance Measure	Planned Results	2001 Results
Number of Civil Service employees in career development programs.	5% increase over the 2000 baseline of 1,040 employees (total of 1,092).	Partially Successful: 1,055 employees
Number of Foreign Service Nationals (FSNs) trained in crisis management.	1,623	Partially Successful: 1,487 Goal not met. A change in approach that includes more efforts to tie the completion and use of individual development plans to funded training is being considered.
Status of the Foreign Service Institute’s (FSI) upgrade of analog multimedia laboratories (installed in 1993) to digital.	First digital lab in operation.	Successful: First lab operational in Feb. 2001. Second lab operational in Sept. 2001. Plan in place to upgrade third lab. Definition of requirements initiated.
FSI’s formal capacity review.	Capacity review initiated.	Successful: Review of Junior Officer orientation space initiated; pending approval of request to utilize USIA prior year unobligated balances to fund space analysis of FSI/NFATC and construction.

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In FY 2002, Human Resources plans to institute mandatory training, including leadership/management training, and to expand the 360-degree program to all employees. The development of multimedia distance learning tools will continue, along with products in foreign languages and professional tradecraft, crisis management, and leadership/management.

Foreign Service Institute (FSI) Training Hours Provided			
	1999	2000	2001
IM User Training	145,000	69,000	53,100
IM Specialist Training	135,000	258,000	177,700
Language Training	915,000	958,000	1,112,100
Leadership/Tradecraft/Other Training	935,800	940,200	917,700

DIPLOMATIC READINESS GOAL — INFORMATION RESOURCES

Desired Outcome: Fully modernized, secure, and advantageous IT infrastructure and information systems, relying largely on commercial services and approaches, supporting the mission of the Department of State and the international community.

The collection, analysis and communication of information concerning international issues and developments important to the U.S. Government continue to be essential to our foreign policy goals. Given the increasing quantities of information available, the Department places a premium on value-added and timely information. The availability of secure and reliable information networks and E-Government applications (known collectively as the Department’s *e-Diplomacy* initiative) are essential tools for the policy process and Department operations at home and abroad. They are equally critical for the effective conduct of foreign relations as well as communications with other USG agencies, businesses, and the public.

PERFORMANCE GOAL: Provide secure, advantageous, commercial quality information technology (IT) support for the full range of international affairs and activities of the United States.

The Department is pursuing a disciplined, multiyear IT strategic plan and vision for providing information technology (IT) support to the international affairs mission in the new millennium. This plan is documented in the Information Technology Strategic Plan, FY 2001-FY 2005, published in January 2000, and is incorporated in the Diplomatic Readiness section of the Department’s Strategic Plan.

During 2001, the Department focused on establishing the underlying platform or infrastructure to support e-Diplomacy. The performance metrics below provide the foundation for the Department to position itself and begin major implementation tasks in 2002.

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Key Performance Measure	Planned Results	2001 Results
Percentage of commercial networking facilities available for unclassified and classified processing completed.	Conduct studies to move toward commercial-style networking.	<p>Partially Successful: Some progress has been made toward meeting this goal. However, responsibility for procurement of networking facilities was placed with the Diplomatic Telecommunications Service Program Office (DTS-PO) during this period, obviating the need for a Department-initiated study.</p> <ul style="list-style-type: none"> • The Department independently moved toward commercial style networking by installing in 2001 Virtual Private Networks (VPNs) between Washington and 12 posts abroad as alternate routes to the DTS-PO-provided primary circuits. • The initial success with VPNs indicates that they will become a significant network alternative as a back-up (alternate route) for the primary service. • The OpenNet Plus pilot that was scheduled for completion in FY 2002 was completed in FY 2001. Deployment of OpenNet Plus has begun domestically and overseas in Nicosia and Damascus, as well as in India and Mexico as part of the Foreign Affairs Systems Integration (FASI) prototype and pilot that will commence in FY 2002.
Percentage of classified and unclassified desktop computers more than 4 years old.	Develop plan to refresh equipment to capitalize on ALMA investment through regular refresh.	<p>Successful: The Classified Connectivity Program (CCP) plan, which will replace classified desktops (and infrastructure) overseas was written and approved in FY 2001.</p> <ul style="list-style-type: none"> • CCP was installed at 60 posts by the end of FY 2001, replacing 1,875 desktops that were more than four years old worldwide. • The ALMA program continued to replace original unclassified ALMA equipment with the priority in FY 2001 on replacing servers and routers. 90 servers were replaced in FY 2001. <p>As a result of these efforts, the Department went beyond its commitment in the FY 2000 Performance Plan to develop a refresh plan and actually jump-started the replacement program that was scheduled to begin FY 2002.</p>
Reduction of overseas servers.	Reduce the average number of servers by 25% each year. Average post has 16 servers (increases due to PDNet and expanded functionality).	<p>Partially Successful: The average number of servers per post decreased to 13.1 versus 12.</p> <p>The shortfall resulted from the deployment of CCP and CablExpress servers to 75 posts, and the deployment of 150 PD ALMA servers. The FASI prototype deployment utilized a totally centralized server model to handle FASI operations in Washington, Mexico and India.</p>
Progress toward elimination of the current cable system and processes (e.g., ACP-127 and IRM Communications Centers.)	No planned improvements to be completed.	<p>Successful: The Department made significant progress in FY 2001 with preparing the groundwork for eliminating the current cable system. Although the FY 2000 Performance Plan indicated no progress would be made in FY 2001, the following was accomplished:</p> <ul style="list-style-type: none"> • A plan and strategy was developed for eliminating the telegram. • A high-level requirements analysis was completed for a new messaging system. • An initial market survey of commercially available technologies was completed. • High-level process and module diagrams of the future messaging system were completed. • A mock-up of the capabilities to be expected in a new messaging system was completed. The mock-up was successfully demonstrated to one regional bureau and received positive and useful feedback.

DIPLOMATIC READINESS GOAL –

INFRASTRUCTURE AND OPERATIONS – OVERSEAS SECURITY

Desired Outcome: All U.S. Government personnel on official duty abroad and under the authority of a Chief of Mission perform their duties in support of diplomatic operations in safety from serious injury due to terrorism, political violence, crises, or crime.

The global-threat environment was radically altered following the embassy bombings in August 1998. We now face threats from numerous transnational and other terrorist organizations around the world. The number of threats and incidents to U.S. interests overseas more than doubled after the bombings; it remains at an elevated level today. At the same time, we confront significant demands on our domestic personnel to support our overseas operations, and protect the Secretary of State and resident and visiting foreign dignitaries in the United States.



A Marine guard checks security at a U.S. embassy overseas.

The Bureau of Diplomatic Security, the security and law enforcement arm of the Department of State, is dedicated to providing a secure environment for the conduct of American diplomacy worldwide. The U.S. presence overseas, particularly in this unstable period, requires our sustained commitment to protect American personnel, information, and facilities.

PERFORMANCE GOAL: Security for formerly lower-threat posts is heightened to meet standards used at higher-threat posts.

The accomplishments following the embassy bombings have created a firm foundation upon which the Department can build its long-term security posture. This strategy encompasses sustaining programs that provide enhanced security measures; supporting the additional security personnel; and expanding the capital building program based on an assessment of global terrorist threats.

Through 2001, the Bureau of Diplomatic Security has completed 90% of the security upgrade projects that were started under the Emergency Security Appropriation. Only three of the Department's initial projects [Chemical/Biological Countermeasures, X-ray Equipment, and Technical Security Upgrades] will continue as scheduled beyond 2002.

To address the conclusions of the Accountability Review Board, funding was appropriated in FY 2001 to extend activities initially started with emergency supplemental funding, and to launch a comprehensive perimeter security program. This funding supports programs to keep vulnerability low and to continue defensive countermeasures that help thwart attacks or mitigate their effects.

Efforts to upgrade posts around the world continue as there are still major improvements needed. For security to remain effective, it is imperative to sustain programs such as local guards, physical security equipment, technical security support, armored vehicles, chemical biological programs, radio replacement, and perimeter security upgrades.

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Key Performance Measure	Planned Results	2001 Results
Percentage of 38 projects that have been completed.	90%	Successful: 90%
Percentage of posts with technical security equipment upgrades.	36%	Successful: 36%
No Accountability Review Board finds that a serious injury, loss of life, or significant destruction at a U.S. Government Mission was due to inadequate security management or countermeasures.	0	Successful: 0
Number of Foreign Service Nationals trained in crisis management.	1,623	Partially Successful: 1,487 (Preliminary number)

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**DIPLOMATIC READINESS GOAL –
INFRASTRUCTURE AND OPERATIONS – INFORMATION SECURITY**

Desired Outcome: *The Department’s highest systems security priorities are being met and information systems security safeguards are in place for all major Department Systems.*

Safeguarding information is a responsibility that involves myriad programs. National security information is discussed at meetings in secure conference rooms and on secure telephones; processed and stored on computers; preserved and communicated on paper documents; and retained in the minds of our employees. The need to heighten security for information domestically is a Department priority.

PERFORMANCE GOAL: All classified and sensitive information overseas and in domestic facilities is safeguarded from physical and technical compromise.

The target goal for FY 2001 to increase the number of cleared employees who have received an *annual security briefing* has been exceeded. Over 25,000 employees have been briefed worldwide. All newly hired employees have also received a security briefing.

The strategy for our *network intrusion detection program* to protect the Department’s open network has not been fully implemented in all locations abroad. The goal was to complete our overseas locations by the end of fiscal year 2001. However, the creation of additional sub-networks at overseas posts that did not exist during site surveys has pushed back our original projections. The additional units, coupled with our diversion of resources to address the “Attack on America,” have moved our completion date abroad to the second quarter of FY 2002. However, the domestic network intrusion project is 87% complete, far exceeding the original installation/implementation schedule.

An integral part of the counterintelligence effort is to reduce potential vulnerabilities through the Department’s *personnel security investigations* of potential new employees, and the periodic employee investigative update program under Executive Order 12968. Recent events only underscore that espionage is still possible despite the collapse of the Soviet Union. The Department’s workforce,



which is dispersed throughout the United States and more than 160 other countries, is sizable. Maintaining a vigorous *personnel security investigative program* at this level of complexity and scope is a challenging task. However, the target for FY01 was met, and our FY02 budget will address strengthening our counterintelligence programs.

Key Performance Measure	Planned Results	2001 Results
Percentage of cleared Department employees that have received an annual security briefing.	90%	Successful: 92%
Percentage of network intrusion detection systems for OpenNet in place.		Partially Successful:
<ul style="list-style-type: none"> ● Abroad. ● Domestic. 	100% 75%	66% 87%
Percentage of periodic reinvestigations being done to meet 5-year requirement of Executive Order 12968.	33%	Successful: 33%

**DIPLOMATIC READINESS GOAL –
INFRASTRUCTURE AND OPERATIONS – DOMESTIC SECURITY**

Desired Outcome: No employee suffers physical harm at a Department of State facility due to inadequate physical security or access controls, and no incidents occur that result in bodily harm to a Diplomatic Security protectee.

A worldwide security program cannot focus exclusively abroad. It must also encompass domestic programs to fulfill the global security mission. The need to increase security for domestic facilities has risen dramatically as a priority.

PERFORMANCE GOAL: All employees working in Department of State domestic facilities and designated foreign dignitaries in the United States are safe from physical harm.

Key Performance Measure	Planned Results	2001 Results
Percentage of access control system and newly designed building passes in place.	20%	Successful: 20% Fiscal Year 2001 began the upgrade of our Access Control System (ACS). The project is on schedule. Phase I, the ACS installation and implementation portion, is complete, and 150 new Smart Card identification badges have been issued to select employees for final testing and acceptance.
Percentage of Level V and IV facilities with shatter resistant window film.	50%	Partially Successful: 22% The Shatter Resistant Window Film (SRWF) project goals for the fiscal year were not fully achieved. The funding for this project was not approved until late in the third quarter of the year. Although targets were not achieved, progress was made. One Level V and one Level IV facility were outfitted with SRWF. A plan is in place to achieve the original project over a three-year period beginning in FY 2002.
Number of protectees that suffer physical harm while under DS protection.	0	Successful: 0 The performance target was met and no protectee suffered physical harm while under Diplomatic Security protection.

DIPLOMATIC READINESS GOAL –

INFRASTRUCTURE AND OPERATIONS — DOMESTIC PROPERTY

Desired Outcome: A comprehensive domestic facilities program that contributes to greater productivity, employee retention and operational effectiveness.

The Department is implementing a comprehensive domestic facilities program that takes into account heightened security requirements. This includes the multi-year consolidation and renovation of office space in the Harry S Truman building and elsewhere, and the construction of a new building for the U.S. Mission to the United Nations.

PERFORMANCE GOAL: The Department’s domestic facilities are cost-effective and energy efficient, and enable employees to perform their duties.



The new design for the new USUN building

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Key Performance Measure	Planned Results	2001 Results
Status of Master Real Estate Plan.	Complete Harry S Truman basement renovation. Meet Phase I milestones for Harry S Truman "Old State" wing renovation. Complete Navy Hill renovation.	Partially Successful: The basement-level "Foggy Bottom" complex was opened in the third quarter of FY 2001. Renovation on schedule. Renovation 97% complete, with 100% completion expected in January 2002. Delay due to changes in the proposed occupants and their requirements.
Status of physical consolidation aspect of Foreign Affairs consolidation of former USIA and ACDA.	40 renovations/moves.	Successful: 63 renovations/moves completed.
Status of new USUN construction at United Nations Plaza.	Locate interim office space. Complete design specifications.	Partially Successful: Acceptable space identified but future actions dependent on receiving adequate construction funds. Design specifications for modern, secure, energy efficient building completed.
Annual Mega British Thermal Unit (MBTU) reduction rates.	317 MBTU (4% reduction)	Partially Successful: 321.3 MBTU

DIPLOMATIC READINESS GOAL – INFRASTRUCTURE AND OPERATIONS –
 OVERSEAS BUILDING OPERATIONS – OVERSEAS PROPERTY

Desired Outcome: Overseas facilities under the Department of State’s stewardship meet physical security standards and technical security requirements, and allow State and other U.S. Government agencies employees to perform their duties safely.

The Department operates and maintains a network of diplomatic and support facilities in over 255 locations worldwide, ranging from highly developed countries with an advanced infrastructure to underdeveloped crises-bound nations without reliable communications, transportation, or financial institutions. The Department must respond to a vast array of support needs at overseas posts, ensuring that representatives from all U.S. Government agencies and their families can live and conduct business safely and efficiently, with due regard for morale, even in unhealthy or dangerous locations.



New Office Building – Kampala, Uganda
Dedication of the new embassy building
was held April 25, 2001

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PERFORMANCE GOAL: Continue the worldwide security upgrade program started with the FY99 Emergency Security Appropriations Act and, expeditiously relocate U.S. Government staff into safe, secure functional facilities, extend, through strategic and timely rehabilitation, the useful lives of facilities and enhance their functionality.

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Key Performance Measure	Desired Results	2001 Results
<p>Status of Physical Security Upgrade Program:</p> <ul style="list-style-type: none"> Number of projects completed Number of posts with added security setback 	<p>286 projects</p> <p>10 posts with added setback acquired or under negotiations.</p>	<p>Partially Successful:</p> <p>315 projects</p> <p>4 posts with added setback acquired. 5 posts with setback in progress.</p> <p>Results have been partially successful as the Department continues to complete security upgrade projects at overseas posts. The new Bureau for Overseas Buildings Operations (OBO) met a primary FY 2001 performance target by utilizing outside contractors and Department and post assets to complete 315 security upgrade projects.</p>
<p>Status of New Construction Projects:</p> <ul style="list-style-type: none"> Acquire/obtain options for sites Initiate design/construction Complete construction 	<p>5-8 projects</p> <p>8 projects</p> <p>5 projects</p>	<p>Partially Successful:</p> <p>7 new office building sites acquired, 4 under contract 5 projects initiated* 3 projects completed**</p> <p>Many of the Department's overseas facilities are overcrowded, antiquated, deteriorating, and "shabby." When these facilities cannot be made safe, secure or functional through physical security upgrades, rehabilitation, or means such as purchase of adjacent property to increase setback, they must be replaced.</p> <p><i>*Three projects were not started while awaiting funding approval from Congress. **One project counted in FY 2000 and another project was occupied 3 weeks after the end of FY 2001.</i></p>
<p>Status of Major Rehabilitation Projects:</p> <ul style="list-style-type: none"> Complete Construction Initiate Designs 	<p>8 projects</p> <p>6 projects</p>	<p>Partially Successful:</p> <p>6 projects* 3 projects**</p> <p><i>* Six of eight major rehabilitation projects were completed in FY 2001. Not completed was a Cairo Chancery project due to a requirement for additional survey to ensure floor would safely support new equipment to be installed. A Vienna major project was not completed due to a problem with a security shipment requiring a new shipment that delayed project.</i></p> <p><i>** Designs were initiated on three of the six major rehabilitation projects targeted for FY 2001. Not completed was the Istanbul (fresco restoration) project, which is awaiting evaluation of costs to bring the entire building up to standards. The Brussels Chancery rehabilitation project was not completed because funding was shifted to another project at the request of Congress. Finally, the Chengdu (staff housing) rehabilitation project was still in survey at end of FY 2001, with design scheduled for FY 2002.</i></p>

Department of State 2001 Other Achievements

National Interest

Regional Stability

In Central Asia, engagement and cooperation with the governments of Uzbekistan and Tajikistan improved through bilateral assistance, high-level visits, and a sustained working-level dialogue that encouraged both governments to explore new areas of substantive cooperation in Uzbekistan. The high degree of support for Operation Enduring Freedom (OEF) demonstrates the effectiveness of U.S. efforts to build relations. In Tajikistan, we started with a lower base of contact. Despite lower base of contact and our initial lack of full-time diplomatic presence, Tajikistan also has provided remarkable support for OEF.

The Department negotiated and financed the destruction of over 115,000 surplus and collected Small Arms and Light Weapons, and associated ammunition in Southern Africa and the Balkans. The destruction of these weapons prevents their continued illegal circulation in regions of conflict, promoting stability and helping protect civilians and peacekeepers.

The Department promoted peacekeeping (PK). All countries that have received funding under the Department's Enhanced International Peacekeeping Capabilities (EIPC) Initiative are taking decisive steps toward increasing their involvement in international un-mandated peacekeeping operations (PKO) and contributing to the prevention and resolution of regional conflicts. For example, Argentina developed the pre-eminent PKO Training Center in Latin America, which trains its officers and units for UN PKO deployment. The Center also trains officers from neighboring countries. Nepal, Mongolia, Thailand, and Chile make significant advances in their PK commitments.

Weapons of Mass Destruction

Under the Iran Nonproliferation Act of 2000, the Department imposed penalties on a Chinese entity for transferring to Iran technical assistance controlled in accordance with a multilateral regime, and on a North Korean entity for transferring to Iran equipment and technology controlled under the Missile Technology Control Regime (MTCR) Annex.



C-801 Coastal Defense Missile at Chinese Communist Party 50th Anniversary Parade in Beijing, China.

In East Asia, North Korea continued to comply with Agreed Framework and missile flight-test moratorium. The Department helped shape policy review on North Korea, which was completed in June. U.S. seeks serious discussions on range of issues: improved implementation of Agreed Framework relating to North Korea's nuclear activities; verifiable constraints on North Korea's missile program and a ban on missile exports; and a less threatening conventional military posture. However, North Korea has yet to agree to the U.S. proposal for comprehensive talks.

Economic Prosperity

Six additional Open Skies Agreements were completed, improving access to international civil aviation markets and boosting competition.

The Department advocated for dozens of U.S. companies, helping these firms win billions of dollars in contracts that boost American jobs and prosperity.



McDonald's near Tiananmen Square, Beijing, China



Ad near metro (subway) station, Tashkent

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Belfast, Ireland

In 2001, the peace process in Northern Ireland experienced the normal fits and starts that have occurred since the Good Friday Agreement was signed in 1998. However, the overall trend has been positive. Due to negotiations held last summer, the Republican paramilitary (PIRA) moved closer to arms decommissioning (which it effected in October); a new police service was established (which was inaugurated on November 4); and Her Majesty's Government moved toward further demilitarization (which it began in October after the decommissioning announcement).

The Department's African Crisis Response Initiative (ACRI) significantly enhanced the capacity of African states to conduct effective peacekeeping and humanitarian relief operations by successfully completing ACRI's first multinational brigade-level training exercise on the continent. Ghana, Kenya and Senegal have all successfully deployed peacekeeping missions.

Long-term programs were initiated to professionalize the Nigerian Army, and to strengthen South African Defense forces and other key partners, increasing their capacity for crisis response.

Signed an agreement to provide support for draining and processing the sodium coolant from a fast-breeder reactor in Kazakhstan; engineering work is under way. Three hundred metric tons of spent fuel containing three metric tons of weapon-grade plutonium were placed in canisters and secured under IAEA safeguards.



Control center panels for the BN-350 Breeder Reactor at Akhtau, Kazakhstan

Completed installation of radiation detection systems at eight sites in Russia.

An agreement was signed establishing a Science and Technology Center in the Ukraine branch office in Tashkent, which will improve coordination between Kiev and former institutes and scientists in Uzbekistan.

The Heavily Indebted Poor Country (HIPC) Initiative provides a mechanism to help some of the world's poorest countries significantly reduce their debts, enabling increased spending in areas such as health and education, and to put in place the economic and other structures needed to develop and reduce poverty. In FY 01, we were able to assist 13 countries to qualify for HIPC debt relief, a significant achievement for these nations. Countries included Cameroon, Guyana, Zambia, Guinea-Bissau, Nicaragua, Sao Tome, Gambia, Niger, Guinea, Malawi, Rwanda, Madagascar and Chad.

Economic health is also a critical determinant of stability worldwide. In order to increase global economic growth and stabilize economic crises when they occur, the Department encourages countries that have a major impact on the global economy to adopt market-oriented investment, legal, and regulatory reforms. A number of countries, including Indonesia, Argentina, Brazil, South Korea, Thailand, Ukraine, Pakistan and Turkey, were able to implement their International Monetary Fund reform programs.

The Department provided over \$425,000 to over 60 small U.S. embassies and consulates without a Foreign Commercial Service presence to help develop U.S. export and investment opportunities in new markets.



Central Bank of Russia Building, October Square, Moscow, Russia

Department of State 2001 Other Achievements

National Interest

American Citizens

A Crisis Management system was launched in 2001 that improves services to Americans during crisis events.

The Department continues to use technology to enhance both the security and efficiency of passport operations. In addition to the new photo-digitization passport issuance system, PFMWeb was implemented, which provides Department personnel with direct electronic access to full-color digital images of passport records stored in Washington.

The Passport Lookout Tracking System (PLOTS) was implemented. PLOTS, which is available on the Intranet, contains roughly 100,000 fraud files and is designed to virtually replicate fraud files in real-time to any authorized user.



St. Basil's Cathedral in Moscow, Russia

Law Enforcement

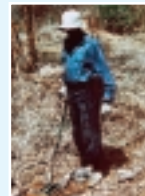
The Anti-Terrorism Assistance (ATA) programs continued to play an important role in the State Department's efforts. The program trained about 3,600 foreign law enforcement and security personnel from 49 countries in anti-terrorism and security methods. The programs also help strengthen policies and working relationships with participating countries, especially in times of high intensity such as the aftermath of September 11.

A new initiative to counter terrorist use of weapons of mass destruction (WMD) was launched. Policy-level roundtables were conducted with host-government senior officials from 15 nations. The seminars were successful. Future stages in the program will also include training for first responders.

An increasing number of states have strengthened or are strengthening their laws to criminalize terrorist acts; 132 have signed the international convention for the suppression of terrorist financing. More have ratified UN counter-terrorism conventions. Expanded law enforcement and intelligence cooperation have yielded important results by disrupting plots and completing arrests of Al Qaeda-linked terrorists in countries as diverse as Italy and Singapore.

Humanitarian Response

The Department organized and assisted the resettlement of over 69,000 refugees in U.S. communities in 2001. To ensure quality in these reception and placement programs, the Department initiated a program with private voluntary organizations to develop and implement well-defined "standards of care" for resettled refugees. These measures have increased program quality.



A Mozambican member of a de-mining platoon moves markers to show the cleared area

The Department's humanitarian mine action helped several countries develop and/or strengthen an indigenous capability for mine-awareness programs and mine clearance operations, and enabled other countries to strive for a date when they will be able to declare themselves impact-free. Other countries will soon read a program objective of sustainment—the point at which a country has the indigenous capability to plan, manage, and execute its national HMA efforts with diminishing assistance from the U.S.

Democracy

Progress towards democracy was made in a number of countries, most notably Peru. In Peru, U.S. assistance for vote monitoring and related activities facilitated elections, which brought an end to the Fujimori regime and instituted a transitional government.

In Belarus, the Department aided independent journalists, supported a cross-border radio station, and funded a "get out the vote" campaign in the last dictatorship in Europe. Although the election was far from free and fair, our efforts helped develop and protect nascent elements of civil society.



AP Photo/EPA/Victor Drachev

Belarusians are at polling booths in Minsk, Belarus during a parliamentary election in October 2000

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The Department's Passport Services also completed software to deploy the Consular Lost and Stolen Passport (CLASP) database system that allows posts abroad to enter losses and thefts of U.S. passports. Its purpose is to develop a consolidated database of lost and stolen passports, in support of U.S. border security initiatives.

The Border Biometric Program processed 2.3 million Border Cross Cards (laser visas) during FY 2001.

Passage of the Legal Immigration Family Equity Act in early FY 2001 created two new nonimmigrant visa categories. The first of the new visas was issued on April 1, 2001, with posts processing approximately 34,000 during the fiscal year.

Beginning in 1996, the Department undertook a major modernization of consular systems. By March 2001, all visa data collected abroad was being replicated to the Consular Consolidated Database (CCD). In May 2001, consular officers abroad gained access to the Consular Consolidated Database. The details of visa issuance, once available only to the post taking action, are now available in real-time to all visa offices worldwide. Visas can be checked at any point in the issuance process against all issued and refused visas worldwide. As 2002 began, the Department had searched over 900 nonimmigrant visa records at the request of Federal law enforcement personnel investigating the terrorist attacks. Passport Services provided law enforcement with 305 records. The National Visa Center (NVC) processed 365,000 immigrant visa petitions during the fiscal year, and reviewed an additional 64,000 cases for completeness before sending the cases to consular sections abroad for action.

The Department published its annual International Narcotics Strategy Control Report (INSCR), which is the most comprehensive public source of information on counter-narcotics, and anti-money-laundering policies, practices, and performances of every foreign government.

To lay the foundation for expanded anti-crime programs in Africa, the Department completed national assessments for six states (Benin, Ghana, Nigeria, Senegal, South Africa, and Togo), which will help determine the appropriate mix of anti-crime assistance.

Working under the umbrella of UNMIK (UN Interim Administration in Kosovo), the U.S. led the way in building from the ground up the new Kosovo Police Service by helping train 4,000 new multi-ethnic officers, who are now performing first-line policing functions independently. The Department also helped develop the (first-ever) unit for anti-organized crime/terrorism/extremism with a peacekeeping force, and supported training for multi-ethnic police in Southern Serbia and Macedonia.



Members of a Belgrade anti-terrorist unit, one in black, the other in camouflaged pattern uniform

The Department contributed \$40 million to humanitarian mine action (HMA) and actively managed de-mining programs around the world, reducing deaths and injuries; creating conditions for the safe return of thousands of internally displaced persons and refugees; and enabling significant social and economic reconstruction in former areas of conflict.



Rear side view of Locust 750 mini-flail mine clearing system

New guidelines were established for the Human Rights and Democracy Fund (HRDF) that focus on cutting-edge, innovative projects for key countries of strategic interest. These guidelines will be applied in 2002.

The Department prepared the third Annual Report on International Religious Freedom, although its September 2001 delivery was delayed until October due to the events of September 11.

LITTLE KNOWN FACTS ABOUT THE DEPARTMENT OF STATE

THE U.S. PASSPORT

The term “passport” derives from the French word *passer*, to enter or leave, and port, a port. It literally means a permit to leave a country. Issuance of passports and travel documents was first mentioned as a function of the Department of Foreign Affairs in 1782. The Department of State did not receive exclusive authority to issue passports until 1856. Prior to that date, governors, mayors, and even notaries public were known to issue passports. During the 19th century, the U.S. Government required travelers to obtain passports only in wartime. They would not be required of all travelers until 1914.



The earliest surviving U.S. passport was issued in France by Benjamin Franklin, Arthur Lee, and John Adams to W.D. Cheever, David Sears, and their servants on December 27, 1778, for travel to Holland. During the 1790s many passports were issued collectively to merchant ships and their crews. The passport function is the activity of the Department that the general public is most likely to encounter.

MARINE SECURITY GUARDS

During the 19th century, the U.S. Navy was frequently called upon to protect American lives and property in remote parts of the world. Marine detachments took part in these operations and on occasion were expected to protect diplomatic missions. The first such instance took place in 1835, when four marines from the U.S.S. *Brandywine* were assigned to protect the Consulate in Lima, Peru. The next year, one Marine was detailed to this task. Legation guard detachments were stationed at various times in Tokyo, Seoul, and Managua.

Civilian guards were unable to maintain adequate security at overseas missions, and the Department accordingly turned to the Armed Forces. The Secretary of State and the Secretary of the Navy signed a memorandum of agreement on December 15, 1948, which established the present Marine Security Guard program. Today Marines are assigned to Foreign Service posts throughout the world.

CRISIS MANAGEMENT TASK FORCES

Crisis task forces are formed to meet challenges to U.S. interests and include members from all affected government agencies. These task forces operate 24 hours-a-day and remain in operation until the crisis is resolved. The crisis task force pictured was formed because of the instability in Haiti in June 1964.



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