

FISCAL YEAR 2002 PERFORMANCE AND ACCOUNTABILITY REPORT

PERFORMANCE  
SECTION

## 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 Economic Growth** – Increase global economic growth and stability.
- **Economic Development** – Promote broad-based, sustainable growth in developing countries 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 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.
- **International Crime** – Minimize the impact of international crime on the United States and its citizens.
- **Countering Illegal Drugs** – Reduce the entry of illegal drugs into the United States.

**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.

**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.

**Global Issues: Environment, Population and Health** – To improve the global environment, foster a healthy and educated world population, 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 educated world population.
- **Health** – Improve global health for a more secure world.

### 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.
- **Human Resources**  
An optimum number, distribution, and configuration of the Department's workforce both domestic and overseas under the highest quality leadership employed in response to the foreign policy priorities identified in the strategic plan.
- **Information Resources**  
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.
- **Infrastructure and Operations**  
Establish and maintain infrastructure and operating capabilities that enable employees to pursue policy objectives and respond to crises.





## INTRODUCTION TO THE PERFORMANCE SECTION

In FY 2002, the Department carried out its mission through the pursuit of twenty strategic goals that articulate long-term outcomes (three-five years) and forty-two annual performance goals that represent shorter-term (one-year) outcomes and priorities. Annual goals include specific targets designed to achieve specific performance results.

The FY 2002 performance section of the Report is composed of chapters for each strategic goal that consist of five distinct sections:

**Strategic Goal Overview and Public Benefit:** A concise narrative explaining why the Department is pursuing a given strategic goal and a description of the tangible public benefits resulting from the pursuit of that goal.

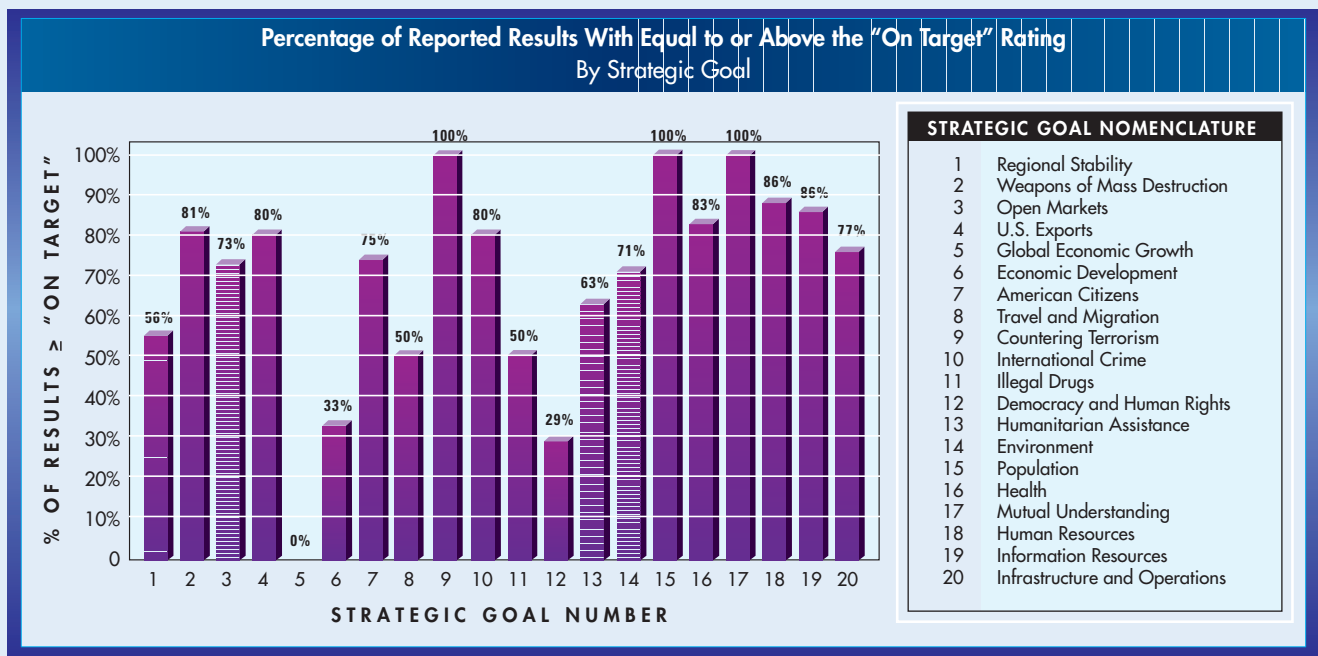
**Strategic Goal Summary of Key Results Achieved:** An easy-to-read chart and reference table summarizes the results achieved of all performance targets associated with a strategic goal.

**Performance Goal Results and Impact Summary:** This section answers three key questions: 1) How does the annual performance goal support the accomplishment of the longer term strategic goal?, 2) What key results were achieved?, and 3) What policy and programmatic impact were realized through the achievement of these results?

**Performance Results by Indicator and Target:** For each indicator and target identified in the FY 2002 Performance Plan, a table shows the result attained. A performance rating is also included to depict how well each result met its corresponding target.

**Program Evaluations and Management Challenges:** Selected program evaluations and the management challenges are identified by strategic goal.

The chart below summarizes the performance results attained for each Strategic Goal.





**NATIONAL INTEREST: NATIONAL SECURITY**

**STRATEGIC GOAL 1: REGIONAL STABILITY**

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

**STRATEGIC GOAL OVERVIEW/PUBLIC BENEFIT**

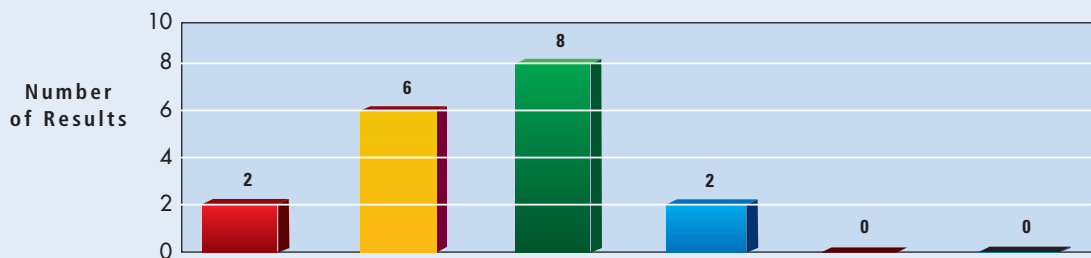
The United States must provide for the safety of Americans at home and abroad, protect against threats to its interests worldwide, and honor commitments to its allies and friends. The Department advances U.S. national security interests by promoting regional stability, so that all Americans, in the United States and abroad, are safe from violence. Through diplomacy, the United States builds and strengthens relationships with its neighbors and allies worldwide by shaping regional environments, promoting democracy and economic growth, and educating foreign audiences how to prevent, contain, or resolve conflicts.



*President George W. Bush meets on September 19, 2002, with his national security team including Vice President Dick Cheney and Secretary of State Colin Powell in the Oval Office at the White House. AFP Photo/Luke Frazza*

**STRATEGIC GOAL SUMMARY OF RESULTS ACHIEVED**  
*Four Annual Goals and Eighteen Targets Represented*

**DISTRIBUTION OF RESULTS**



Four Annual Goals Represented	Number of Targets	Significantly Below Target	Slightly Below Target	On Target	Above Target	Significantly Above Target	No 2002 Data Available
TOTAL	18	2	6	8	2	0	0
Percent of Total	100%	11%	33%	44%	11%	0%	0%

## ANNUAL PERFORMANCE GOAL 1

*U.S. ties with neighbors and key allies are close, strong, utilized and effective*

Working together with friends, neighbors, and key allies fosters regional stability. Similar to a preference for coalition warfare when required to engage in combat operations, the United States prefers that others join in the conduct of diplomacy and operations other than war. The United States is able to use these strong ties to its best advantage when the relationships are strong.

### SUMMARY OF KEY RESULTS AND IMPACT

Consistent with U.S. advice and recommendations, U.S. allies made commitments at the NATO summit in Prague in 2002 to increase their defense capabilities. With U.S. assistance, they will need to follow-up so that NATO can be in a position to address new threats and close the U.S.-European capability gap. Focusing efforts on "niche" capabilities should help close the gap. The Response Force agreed to at Prague will allow NATO to respond quickly and directly to threats wherever they arise.

The NATO Russia Council (NRC) gave Russia a voice in NATO, easing Russian concerns over NATO's enlargement. The NRC increased NATO-Russian cooperation in the key areas of civil emergency planning, counterterrorism, and peacekeeping, establishing a foundation for closer NATO-Russian relations in the future.

In July 2002, Japan adopted the Basic Plan for relocating the Futenma Marine Corps Air Station, enabling the project to go forward in a manner agreed upon by the U.S. and Japanese governments. Progress on relocating the facility is an important element of the Special Action Committee on Okinawa (SACO) Final Report on reducing the impact of U.S. forces stationed on Okinawa.

### KEY RESULTS BY INDICATOR AND TARGET

EUROPEAN SECURITY RELATIONSHIPS			
Initial Target	Revised Target <sup>1</sup>	Result	Rating
Strong reinforced trans-Atlantic framework with an emerging European capacity to act where the Alliance as a whole is not engaged.	Trans-Atlantic framework includes European ability to act where the Alliance as a whole is not engaged.	Seven new members invited at Prague.	<b>On Target</b> New members make the Alliance more "Atlanticist."
Improved capabilities bolstering both DCI (Defense Capabilities Initiative) and ESDI (European Security and Defense Identity). Open Door decisions made.	Improved capabilities bolstering both DCI and ESDI.	Europeans made pledges at Prague to improve their capabilities. New capabilities to focus on filling key shortfalls, encouraging pooling and specialization, introducing the NATO Response Force (NRF) and reforming NATO's Command Structure.	<b>On Target</b> European military capabilities continue to improve. Focus on "niche" capabilities helps close the U.S.-European gap.
NATO-Russian relationship continues to develop. Strong NATO coordination achieved on WMD and regional security interests outside Europe that affect Alliance interests.	NATO-Russian relationship outlined.	NATO-Russia Council (NRC) and 2002 work plan established in May 2002.	<b>On Target</b>

<sup>1</sup> Target was modified; activities related to achieving both initial and revised targets were undertaken. "Result" reported for both sets of targets.



BILATERAL SECURITY COOPERATION WITH JAPAN			
Initial Target	Revised Target <sup>1</sup>	Result	Rating
Progress on construction and operational plans for Futenma replacement site. Special Measures Agreement (SMA) further implemented. Launch a comprehensive security dialogue with Japan.	U.S. and Japan agree on type of replacement facility to build, including sea, land or a combination of options.	Japanese authorities adopted a Basic Plan for the relocation of Marine Corps Air Station Futenma in July 2002.	On Target
<sup>1</sup> Target was modified; activities related to achieving both initial and revised targets were undertaken. "Result" reported for both sets of targets.			



Nations that are politically and economically stable and militarily secure are less likely to resort to military conflict to resolve differences with neighboring states and non-state actors, particularly if others in their immediate environs have a similar sense of stability and security. U.S. efforts to foster democracy, economic development, and a sense of military sufficiency contribute to regional stability and diminish the likelihood that conflict will erupt.

**SUMMARY OF KEY RESULTS AND IMPACT**

The United States, with assistance from France, the UK, and others, is training, equipping, and funding a new Afghan national army. Three battalions were trained in FY 2002 and more are in training as part of an ongoing, long-term program that will eventually result in a robust army of multiple combined-arms, division-sized units. The first of these graduated battalions has begun taking part in Operation Enduring Freedom, thus demonstrating the Afghan government’s growing capacity to assume responsibility in its own country.

China stated its support for a nuclear weapons-free Korean Peninsula, which increased worldwide support for ending North Korea’s Highly Enriched Uranium (HEU) program. The Department will continue to seek Chinese support for dismantling the HEU program. Coordination on North Korea has helped strengthen Sino-U.S. ties. China continued to play a constructive role in South Asia in 2003. However, tension between China and Taiwan remains.

Russia’s fulfillment of the Flank Commitment of the adapted Conventional Forces in Europe (CFE) Treaty was a significant achievement. However, Russia’s failure to fulfill its commitments regarding Georgia and Moldova has delayed its ratification of the adapted CFE Treaty. While the current CFE Treaty is adequate for ensuring security and confidence through data exchanges and inspections, the long delay getting the adapted Treaty in place undermines confidence and stability. Russia’s failure to fulfill all its commitments also raises questions about its intentions in this region.

KEY RESULTS BY INDICATOR AND TARGET

CHINESE COOPERATION ON REGIONAL SECURITY IN CROSS STRAITS RELATIONS AND IN ENGAGING NORTH KOREA			
Initial Target	Revised Target <sup>2</sup>	Result	Rating
Continue to strive for regional security cooperation while effectively managing our differences; encourage resumption of constructive Cross-Strait dialogue; and take steps to build confidence and reduce tensions.	Cooperation increases while effectively managing our differences.  Encourage resumption of Cross-Strait dialogue.	China used diplomatic channels to urge Pakistan and India to avoid conflict and reduce tensions. China encouraged North Korea to reform, and not to pursue a nuclear weapons capability.  Limited discussions on other regional issues, including the South China Sea.	<b>On Target</b> Chinese diplomacy helped defuse tension in South Asia and has supported a nuclear weapons-free Korean Peninsula.  <b>Slightly Below Target</b> The lack of progress on Cross-Strait dialogue prevented achievement of the established target.
IMPLEMENTATION OF ADAPTED CONVENTIONAL FORCES IN EUROPE (CFE) TREATY			
Initial Target	Revised Target <sup>1</sup>	Result	Rating
Orderly CFE accession efforts underway; full implementation of adapted treaty.	Russia in compliance with flank limits and Final Act commitments, allowing ratification and entry into force (EIF).	Russia has fulfilled its Istanbul commitment on the flank issue, reduced its flank equipment to adapted Treaty levels, and discharged its Istanbul commitments relating to CFE equipment in Georgia and Moldova. However, Russia must reach agreement with Georgia on remaining issues regarding the Gudauta base and its future use and the duration of Russian presence at Batumi and Alkhalkalai. Russia also needs to continue the destruction/removal of munitions and small arms in Moldova.	<b>Slightly Below Target</b> Although Russia's fulfillment of the Flank Commitment was a significant achievement, it required continued U.S. and allied pressure at every opportunity. This was necessary in order to stress the importance NATO attaches to Russian fulfillment of all its commitments before NATO can consider ratification of the adapted CFE Treaty. Therefore, the established target was not met.
<p><sup>2</sup> Target language modified slightly but is substantially consistent; reported "Result" corresponds to Revised Target as shown.</p> <p><sup>1</sup> Target was modified; activities related to achieving both initial and revised targets were undertaken. "Result" reported for both sets of targets.</p>			

**ANNUAL PERFORMANCE GOAL 3**  
*Develop and utilize effective conflict prevention/conflict resolution tools*

To avoid direct involvement in every regional dispute around the world, it benefits the United States to train and equip others to participate in peacekeeping operations. Assisting states to develop credible military tools and diplomatic skills provides them with a sense of security as well as the capability to participate in peacekeeping operations. Using these tools to prevent, resolve, or contain conflict reduces the likelihood of regional instability.



## SUMMARY OF KEY RESULTS AND IMPACT

Withdrawal of the majority of foreign forces from the Democratic Republic of the Congo (DRC) and cessation of hostilities along the disengagement line have been critical to the overall peace process and have laid the groundwork for Disarming, Demobilizing, Repatriating, Reintegrating and Resettling (DDRRR) combatants in the DRC.

Continued instability in many areas of the DRC however, has stymied full DDRRR efforts and prolonged the humanitarian crisis in the eastern DRC. Participation by U.S.-trained and equipped West African troops deployed in the UN force and by the Economic Community of West African States (ECOWAS) has helped bring peace to Sierra Leone.

Having worked intensively for over two years through the Kimberley Process to combat the conflict diamonds trade, the United States is committed to ending the use of rough diamonds by rebel groups to fund insurrections against civilian populations. In the Interlaken Declaration of November 2002, the United States joined forty-seven other governments in pledging to eliminate conflict diamonds from international trade beginning January 1, 2003 through the implementation of a global rough diamond certification system. The U.S diamond industry will voluntarily issue Kimberley certificates to accompany rough diamond export shipments.

Pakistan has promised to cease support for infiltration into Kashmir, which is key to preventing war between India and Pakistan. However, continuing infiltration and high levels of election-related violence in September 2002 prevented implementation of confidence building measures (CBMs), requiring sustained U.S. and international pressure on Pakistan to help control violence. The potential for nuclear or ballistic weapons exchanges remains unacceptably high, making continued high-level diplomatic engagement necessary.

Russian objections to the continuation of the OSCE Chechnya mandate make it unclear whether the OSCE Assistance Group (AG) in Chechnya will be extended beyond January 1, 2003. During its previous mandate, the AG maintained the sole permanent international presence in Chechnya, providing key international perspective to local officials, activists, and persons in need. The AG facilitated both general and targeted humanitarian assistance to persons in need and provided training and equipment for local officials, educators and non-governmental organizations (NGOs). They interceded repeatedly with leading local officials regarding concerns over human rights, official mistreatment, and housing and security for returning internally displaced persons (IDPs), thus encouraging greater attention to these details. The overall impact of these activities was significant, particularly in reporting on the situation on the ground, coordinating humanitarian assistance to the region, and working closely with local officials to raise their awareness about human rights concerns.

In FY 2002, a record 122 states participated in the UN Register of Conventional Arms Transfers, meeting the participation target. China, however, still did not participate. The greater level of participation in the Register provided more transparency in the field of armaments and allowed the Register to function more effectively as an early-warning mechanism on excessive and destabilizing accumulations of conventional arms. It is estimated that the Register captures more than 95 percent of the global transfers in the seven equipment categories covered by the Register. Efforts will continue to expand participation in the Register.

China continued to refuse to resume participation in the Register as a protest against U.S. exports to Taiwan. As a result, one of the seven principal arms exporters is still not reporting data to the Register. The United States and other countries will continue to press China to be transparent in its conventional arms transfers and not hide behind the political issue of Taiwan.

**KEY RESULTS BY INDICATOR AND TARGET**

<b>CONFLICT RESOLUTION, PEACEKEEPING, AND REGIONAL STABILITY EFFORTS IN AFRICA</b>			
<b>Initial Target</b>	<b>Revised Target <sup>3</sup></b>	<b>Result</b>	<b>Rating</b>
Continued participation by all of these regional and sub-regional organizations in conflict resolution, peacekeeping, and regional stability efforts in these crises and others that may arise.	The Organization of African Unity (OAU), ECOWAS, and the Southern African Development Community (SADC) continue participation in conflict resolution, peacekeeping and regional stability efforts in crises that arise.	<p>South Africa, a member of the African Union (AU) provided leadership and facilitation for the Democratic Republic of the Congo (DRC) peace process and the AU provided personnel to the Joint Military Commission responsible for working with the UN Observation Mission in the DRC.</p> <p>The war in Sierra Leone is effectively over.</p> <p>Program activities such as the West Africa Stabilization Program and the African Contingency Operations Training and Assistance Program (formerly the African Crisis Response Initiative) have ensured that ECOWAS, as well as armies of individual African countries, are better equipped to meet the demands of peacekeeping operations.</p>	<p><b>Above Target</b></p> <p>Numerous organizations remained committed and continue to participate in conflict resolution, peacekeeping, and regional stability operations in Africa.</p>
<b>REDUCTION OF TENSION IN SOUTH ASIA</b>			
<b>Target</b>	<b>Result</b>	<b>Rating</b>	
Indian/Pakistani implementation of CBMs and restraint regime.	Pakistan provided assurances in June that support for infiltration across the Line of Control (LOC) would cease permanently. Infiltration decreased, although indications remain that it continues. India began to demobilize forces following Kashmiri elections. Pakistan followed suit. Nuclear test moratoria continued; however, ballistic missile and nuclear programs continued unrestrained.		<p><b>Slightly Below Target</b></p> <p>Although war between India and Pakistan was avoided during FY 2002, no progress was made with regard to implementing confidence building measures (CBMs). Indian initial demobilization steps, followed by similar Pakistani moves, and coupled with Pakistani measures to halt infiltration, will enable consideration of CBMs in the future.</p>
South Asia Task Force (SATF) actively engaged in promoting conflict-avoidance/confidence-building measures for the region.	Meetings on SATF cease in Spring 2002 based on a judgement that SATF did not advance shared goals.		<p><b>Significantly Below Target</b></p> <p>Given Indian and Pakistani hostility to SATF, bilateral approaches by the U.S. and other concerned countries have been more productive.</p>
<p><sup>3</sup> Target did not change. OAU, ECOWAS and SADC are the specific sub-regional organizations mentioned in the initial target.</p>			



**IMPLEMENTATION OF OSCE SUMMIT INITIATIVES**

Initial Target	Revised Target <sup>1</sup>	Result	Rating
Free and fair provincial elections in the Balkans. Nascent democratic institutions in Bosnia and Kosovo develop confidence and strengthened legitimacy, tackle increasingly difficult problems. Baltic Missions well on the way to transformation/closure.	Kosovo elections in 2001 lead to functioning democratic institutions.	Elections led to coalition government; functioning, multi-ethnic assembly.	On Target
	"Assistance Group" (AG) in Chechnya has broader role in political dialogue with Russia.	AG developed closer, stronger working relationships with local and federal officials and NGOs, and provided indispensable reporting on local developments to OSCE and USG.	On Target

**OAS ARMS ACQUISITION TRANSPARENCY CONVENTION**

Target	Result	Rating
Four more states parties ratify the convention, bringing it into effect. Ratifying states parties begin compliance with reporting requirements.	In addition to the three states that ratified the convention during FY 2001, three new states (El Salvador, Paraguay, and Peru) ratified the Convention during 2002, bringing it into effect. Many ratifying states voluntarily complied with reporting requirements prior to the Convention entering into force.	Above Target

**MULTILATERAL ARMS TRANSFER CODE OF CONDUCT**

Target	Result	Rating
Finalize text and achieve compliance.	Several influential countries have overcome their reluctance regarding an international arms transfer code of conduct. They are preparing their own versions of a code and developing strategies for widespread adoption.	<b>Slightly Below Target</b> The existence of many proposed and actual codes of conduct has made it difficult to advocate for another. More time will be required to work on text and strategy before the target can be met.

**ARMS TRANSPARENCY IN UN REVIEW AND WASSENAAR ARRANGEMENT CONTROL LISTS**

Target	Result	Rating
Add further categories to Wassenaar Arrangement mandatory reporting. UN Register participation increases to more than 100 states; China resumes participation.	No new categories were added, but progress was made in this multi-year effort.  In FY 2002, 122 states participated in the UN Register of Conventional Arms Transfers. China still did not participate.	<b>Slightly Below Target</b> Resistance from several countries was overcome; future progress is expected.  <b>Slightly Below Target</b> Although more than the targeted number of countries participated, creating greater transparency in the field of armaments, China's non-participation means that one of the world's seven principal arms exporters still does not report.

<sup>1</sup> Target was modified; activities related to achieving both initial and revised targets were undertaken. "Result" reported for both sets of targets.

Conflicts, whether between states or within a single state, are destabilizing. The United States advocates diplomacy as the first course of action. It views the application of military capabilities as a last resort for containing and resolving disputes so that peace, economic development, and democracy can flourish. The United States is prepared to take such steps unilaterally or in concert with other nations and international organizations.

## SUMMARY OF KEY RESULTS AND IMPACT

The 1995 Dayton Peace Accords mandated arms control agreements in Bosnia and Herzegovina (BiH) and the surrounding region to establish confidence building and reductions in force among the former warring parties. The agreement by the Article IV parties (the BiH entities, Croatia, and the Former Republic of Yugoslavia) to reduce heavy weapons in exempted categories in excess of the allowed ceilings has been difficult to reach despite its importance. While technically legal, such excesses are not in keeping with the intent of the agreement and amount to circumvention of the agreement. The United States and the Organization for Security and Cooperation Europe (OSCE) will continue to press the parties to follow through on this decision in FY 2003.

A key requirement for establishing permanent stability in BiH and the region and allowing for the withdrawal of international military forces is a functioning Bosnian state. This requires strengthening of state-level institutions, which the Article IV agreement has tried to support. During FY 2002, OSCE focused attention on allowing the BiH to conduct inspections equally with the other parties. The fact that the Republika Srpska (RS) opposes this indicates there is much work yet to be done to ensure a functioning state. The United States and the OSCE will continue to press the RS on this issue.

War between Pakistan and India was avoided during FY 2002. After the autumn 2002 Kashmiri elections, India initiated troop redeployment and negotiations with the new state government on a reduced security presence, all of which would foster a positive environment for the region.



*Deputy Secretary of State Richard Armitage meets Pakistani President Pervez Musharraf in Islamabad on August 24, 2002, on a visit to ease tension between India and Pakistan over the Kashmir dispute.*

*AFP Photo/B.K. Bangash/Pool*

KEY RESULTS BY INDICATOR AND TARGET

DAYTON ACCORDS ARMS CONTROL		
Target	Result	Rating
Improved implementation of Articles II and IV; Article V agreement implemented successfully.	Article II implementation continued to improve; data exchanges were better, and a new project to develop procedures allowing the two Bosnian entities' armed forces to assist one another in cases of man-made or natural disasters begun. At the Third Review Conference in June 2002, the Article IV Parties, endorsed measures to decrease the amount of heavy armaments held in exempted categories in excess of allowed ceilings. The Bosnian-entity Republika Srpska (RS) continued to oppose state-level Bosnia and Herzegovina (BiH) inspections, which must occur in order to build state-level BiH institutions. The first Article V review conference took place in June 2002 and agreed to rules and procedures for succeeding review conferences. Croatia and Slovenia announced additional voluntary inspection quotas.	<b>On Target</b> The progress achieved with respect to implementation of Dayton Arms Control is consistent with expectations.
THE SITUATION ALONG AND NEAR THE KASHMIR LINE OF CONTROL		
Target	Result	Rating
Indo-Pakistani dialogue is maintained and strengthened.	Major terrorist attacks brought India and Pakistan close to war, but U.S. and UK diplomatic intervention helped ease tensions; Pakistan took actions against Kashmiri jihadist militants. India successfully held elections in Kashmir.	<b>Significantly Below Target</b> Although war between India and Pakistan was avoided, hostilities precluded bilateral dialogue on all issues, including Kashmir, as well as dialogue between India and insurgent groups.

PROGRAM EVALUATIONS AND MANAGEMENT CHALLENGES

Three Program Evaluations were conducted in FY 2002 that pertained to this Strategic Goal:

1. Security Assistance Programs for New NATO and NATO-Aspirant Countries, (OMB PART)
2. Security Assistance Programs for Sub Saharan Africa, (OMB PART)
3. Peacekeeping Operations (including OSCE and East Timor Programs), (OMB PART)

Detailed information on major findings, recommendations, and actions to be taken can be found in the FY 2002 Key Program Evaluations by Strategic Goal section of the Appendix.



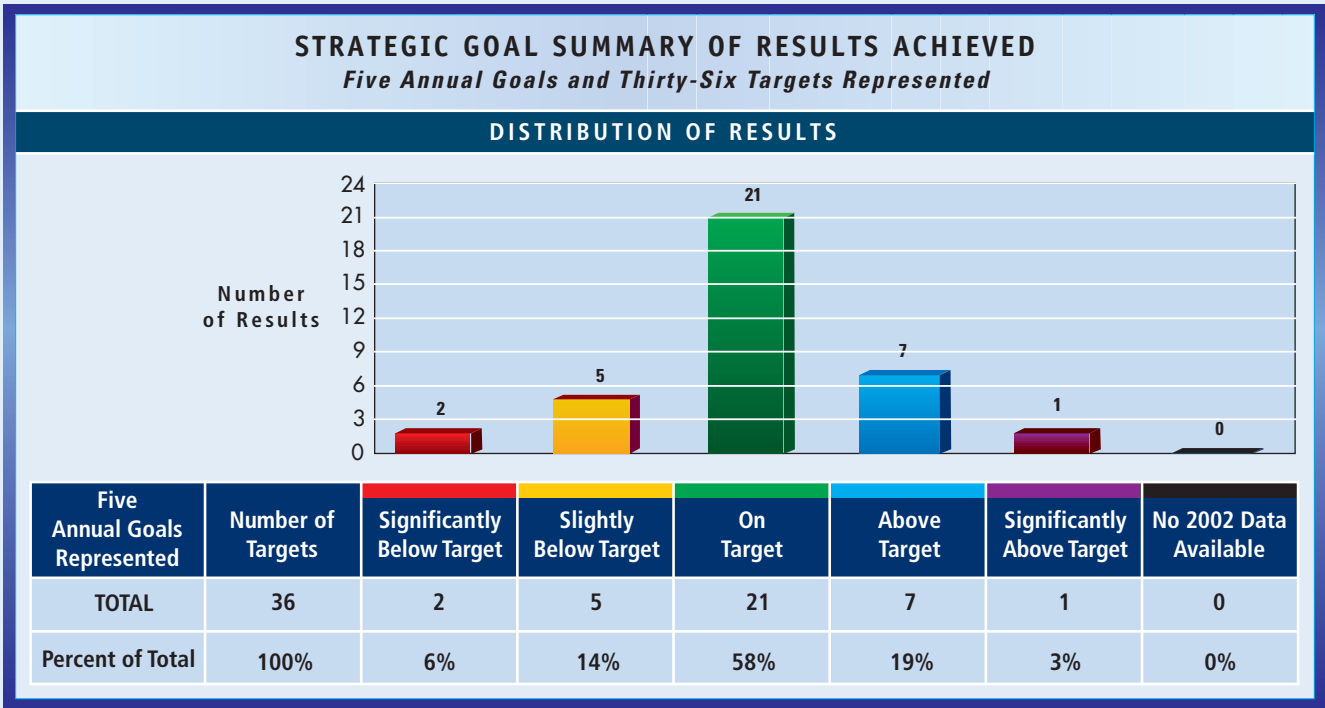
**NATIONAL INTEREST: NATIONAL SECURITY**

**STRATEGIC GOAL 2: WEAPONS OF MASS DESTRUCTION**

*Reduce the threat of weapons of mass destruction.*

**STRATEGIC GOAL OVERVIEW/PUBLIC BENEFIT**

The chief threat to the security of the United States is no longer a rival superpower. As demonstrated by the Aum Shinrikyo attacks in Tokyo in 1995 and events of 9/11, rogue states and terrorist groups are an immediate threat to America, especially if they seek to use nuclear, biological, or chemical weapons. Preventing the proliferation of these deadly weapons and their delivery systems, and reducing the number of those already in existence, are therefore top Department priorities. The Department is also working to strengthen agreements aimed at reducing or eliminating weapons of mass destruction (WMD) and seeking new approaches or technologies to reduce the threat of WMD and missiles. Finally, the Department is doing all this in ways that maximize verification and compliance with treaties, commitments, and agreements.



**ANNUAL PERFORMANCE GOAL 1**

*Weapons of mass destruction and their means of delivery are contained; proliferation to other countries and terrorists is prevented, contained, or reversed*

**SUMMARY OF KEY RESULTS AND IMPACT**

In May 2002, the Department negotiated a new Goods Review List (GRL) as part of the new Iraq export-control regime, and is working to ensure that Iraq is fully disarmed pursuant to UN Security Council Resolution 687. The Department led active

diplomatic efforts with permanent members of the UN Security Council to sustain a Security Council consensus that UN Monitoring, Verification and Inspection Commission (UNMOVIC) and International Atomic Energy Agency (IAEA) inspectors will have the unambiguous right to inspect anywhere, anytime in order to verify Iraq's disarmament.

As a supplier to Iran, Russia remains a principal concern. Moscow is deeply aware of U.S. concerns as the Department continues to raise these issues at senior levels. Despite public announcement in the summer of 2002 about the possibility of additional Russian reactor sales to Iran, momentum toward such a deal has stopped.

China appears to be following through on its 1997 commitments to limit the sale of nuclear equipment, but some interactions between Chinese and Iranian entities are of concern to the Administration. The Department continues to address those concerns with Chinese authorities. As part of a commitment made in November 2000, China promulgated missile-related export controls in August 2002 and CBW controls in October 2002. U.S. and Chinese technical experts met to discuss China's new export controls.

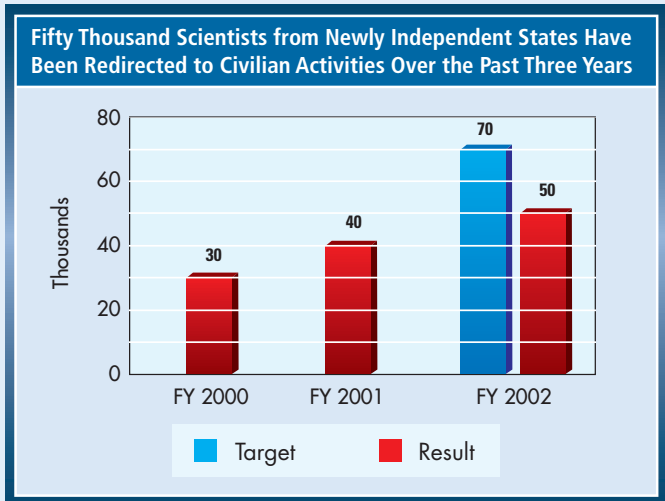
In response to European Union (EU) requirements for accession, several central European countries have passed export-control laws or amended current laws to strengthen export control mechanisms. U.S. training programs have worked so well that these countries will operate their own self-sustaining programs by FY 2004. Other countries, especially those of the former Soviet Union, are well on their way to adopting legislation and implementing regulations. Friends and allies concur with the United States on the threat of Iran's WMD. The EU concedes that nonproliferation must be addressed in its political dialogue with Iran. Italy, Germany, and Australia have also raised nonproliferation in dialogues with Iran.

To date, the Department has been unsuccessful in getting India and Pakistan to restrain their nuclear and missile programs and in encouraging Indo-Pakistani dialogue on CBMs and other subjects, despite extensive efforts by senior Department officials. As a result of a U.S.-initiated nonproliferation dialogue, Pakistan is considering a U.S. offer to assist in achieving export control goals. India has accepted a U.S. offer to collaborate on ways to strengthen its export controls.

Confirmation of the existence of a clandestine uranium enrichment program in North Korea sharply increased international concerns about that country's nuclear intentions. CY 2002 ended with a series of escalating steps by North Korea pointing toward breach of not only the US-North Korea Agreed Framework, but also of its safeguards agreement with the IAEA. The freeze under the Agreed Framework and Missile Flight Test Moratorium continued until conclusion of the FY 2002, and North Korea informed Japan that it will maintain its long-range missile flight test moratorium beyond 2003. However, North Korea's ballistic-missile exports contribute to arms races and instability in the Middle East.

In addition, negotiations with Russia were completed on implementing the agreement to cease plutonium production under the Plutonium Production Reactor Agreement (PPRA) through the shutdown of reactors rather than by core conversion. Negotiations continued on fissile material storage facility (FMSF) transparency arrangements. Bilateral meetings with Russia during FY 2002 led to decisions that specified the Russian program by January 2003. Discussions with G-8 allies and Sweden concerning plutonium disposition began in December 2002. There have been pledges of \$700 million so far and additional pledges are likely by the 2003 G-8 Summit at Evian. The target date for the multilateral agreement is during the fall of 2003.

As shown in the adjacent chart, progress has been made in the effort to redirect weapons scientists in the Newly Independent States (NIS) to civilian activities:



**KEY RESULTS BY INDICATOR AND TARGET**

IMPEDIMENTS TO ACCESS BY STATES OF CONCERN TO WMD, MISSILE EQUIPMENT AND TECHNOLOGY			
Initial Target	Revised Target <sup>2</sup>	Result	Rating
Russia stops sensitive nuclear assistance and reduces missile cooperation with Iran; makes no new nuclear contracts with India.	Russia stops nuclear cooperation with Iran.	Russia still exporting technology; increased attention to problem of Iran.	<b>Slightly Below Target</b> As a supplier to Iran, Russia remains our principal concern, but international consensus not to provide nuclear assistance to Iran has remained in place. Russia deeply aware of U.S. concerns; the Department continues to raise these issues at senior levels.
Further progress on China's full adherence to its 1997 nuclear nonproliferation commitments. China fully abides by its missile technology export policy and has made significant improvements to its export control system.	Progress on China's adherence to 1997 commitments; China abides by its export control policy and makes improvements.	Questions remain about China's implementation of its 1997 nuclear commitments. China has not fully implemented its November 2000 missile commitments.	<b>On Target</b> China appears to be following through on its 1997 nuclear commitments, but some interactions between Chinese and Iranian nuclear entities are of concern to the Administration. China promulgated missile-related export controls, as well as CBW controls.
North Korea does not export nuclear material or technology, and agrees to constrain missile exports.	North Korea does not export nuclear material or technology and agrees to constrain missile exports.	No North Korean export of nuclear material or technology.  North Korean exports of ballistic missile-related equipment continued.	<b>Slightly Below Target</b> North Korea has not contributed to nuclear programs in other countries, but ballistic missile exports destabilize already volatile regions of the Middle East, North Africa, and South Asia.
Significant progress by additional countries, particularly in the NIS, toward internationally recognized export control standards; significant progress by additional countries in meeting standards for having effective enforcement; additional blocked transfers or interdictions.	NIS and other countries move towards enforcement of export control standards.	Central European countries developing strengthened export controls; some NIS countries moving towards controls.	<b>Above Target</b> In response to EU requirements for accession, several Central European countries have passed export control laws or amended current laws to strengthen export control and enforcement.

<sup>2</sup> Target language modified slightly but is substantially consistent; reported "Result" corresponds to Revised Target as shown.



**STATES CONFORM TO INTERNATIONAL NON-PROLIFERATION NORMS OF BEHAVIOR**

<b>Initial Target</b>	<b>Revised Target</b>	<b>Result</b>	<b>Rating</b>
South Asia: Restraint on missile programs; continued nuclear testing moratoria. Progress on implementation by India and Pakistan of effective export controls on sensitive technologies approximating international standards.	Restraint on nuclear and missile programs in South Asia; continued nuclear testing moratoria.	No constraints on Indian and Pakistani missile programs. A nuclear testing moratorium continued, but nuclear weapons programs continue.	<p><b>Slightly Below Target</b></p> <p>South Asia: Unsuccessful to date in getting India and Pakistan to restrain their nuclear and missile programs, despite substantial efforts by senior officials. Pakistan considering U.S. offer for assistance on export controls. India accepted U.S. offer for assistance on export controls to be scheduled for spring 2003.</p>
Middle East: Reformed Oil for Food (OFF) program and targeted controls do not enjoy full international support; leakage occurs. Tehran continues WMD development using own technologies and help received.	Controls on Iraq receive international support. Iraq and Iran denied WMD and missile-related technologies. Stronger export controls throughout region.	<p>Wide international support for pressure on Iraq to comply with international obligations.</p> <p>Iraq denied some technologies necessary for WMD and missiles. While some shipments blocked and procurement impeded proliferative programs continue to acquire some needed items.</p> <p>Unanimous UN Security Council approval of Resolution 1441.</p>	<p><b>Above Target</b></p> <p>In May 2002, the UNSC unanimously adopted resolution 1409, implementing the new UN export control system based on the Goods Review List for Iraq. Growing international support for the unconditional return of UN inspectors to Iraq; culminated in unanimous passage of UNSCR 1441; UNMOVIC/IAEA pursuing inspections to uncover WMD and missile programs.</p> <p>Notable increase in consultations with friends and allies on the threat of Iran's WMD and missiles. Numerous shipments destined for proliferation successfully blocked; sanctions imposed on various proliferative entities.</p> <p>Successful interdiction of third-country suppliers of WMD and missile-related technologies and equipment to Iraq.</p>
North Korea	<p><b>Missile Policy</b> Progress on verifiable constraints on North Korea's missile program.</p> <p><b>Agreed Framework</b> Negotiations on improved implementation of Agreed Framework.</p>	<p>North Korean freeze under the Agreed Framework and missile flight moratorium continued.</p> <p>North Korea admitted to secret uranium enrichment program for nuclear weapons.</p>	<p><b>Significantly Below Target</b></p>

PROGRESS TOWARD IMPLEMENTING FISSILE MATERIAL PROJECTS			
Initial Target	Revised Target <sup>1</sup>	Result	Rating
Cooperation toward implementing fissile material projects.	Russian plutonium stockpile capped.	Progress made on implementation and transparency issues.	<p><b>On Target</b></p> <p>Negotiations completed on replacement implementing agreement to cease plutonium production under the Plutonium Production Reactor Agreement (PPRA) through shutdown of reactors rather than core conversion.</p> <p>Procedures completed for first-phase PPRA plutonium monitoring and first visit conducted. Negotiations continued on fissile material storage facility (FMSF) transparency arrangements.</p>
Cooperation underway under U.S.-Russian Plutonium Disposition Agreement. Multilateral agreement and financing structures for assistance to Russian program completed by end of FY 2002.	U.S.-Russian Plutonium Disposition underway.	Preparations for negotiations of plutonium-disposition multilateral framework are on track.	<p><b>On Target</b></p> <p>Meetings held bilaterally with Russia during FY 2002 are leading to decisions on specifics of the Russian program by January 2003. G-8 allies and Sweden began negotiations in December 2002 on plutonium-disposition multilateral framework and financing.</p>
RUSSIAN AND NEWLY INDEPENDENT STATES (NIS) WEAPONS SCIENTISTS REDIRECTED IN CIVILIAN ACTIVITIES; PROGRESS IN DEVELOPING CIVILIAN ALTERNATIVE EMPLOYMENT			
Target	Result	Rating	
Up to an estimated 70,000 Soviet WMD scientists engaged in civilian R&D; institute-industry partnerships expanded; more technologies taken to commercial and government markets.	<p>Engaged cumulative total of 50,000 scientists, of whom, about 26,000 were former WMD scientists.</p> <p>Eight new U.S. industry partners recruited.</p> <p>Three new technological applications brought to market, including Neurok TechSoft (linear differential equation solver), a laser-based flouorocarbon detector and the Animatek (computer animation) technology.</p>	<p><b>Above Target</b></p> <p>Industry funding for joint projects has increased to approximately 8% of total science center projects.</p> <p>New engagement of former CW R&amp;D institute in Russia; increased number of projects with newly engaged Uzbek biological institutes; continued antiviral and TB vaccine research in Russian biological institutes.</p> <p>Increased number of project audits from 40 to 50; new computer-based financial accounting/project monitoring systems developed.</p>	
<p><sup>1</sup> Target was modified; activities related to achieving both initial and revised targets were undertaken. "Result" reported for both sets of targets.</p>			

Given the real and increasing threat posed by rogue states and terrorists seeking WMD capabilities and the means for their delivery, the United States is developing and will deploy missile defenses for the protection of U.S. and NATO deployed military forces, territory, and population centers. Reducing the number of U.S. and Russian strategic weapons continues to be a key vehicle for reducing the threat of WMD. The United States has decided to decrease its number of nuclear warheads and desires that Russia do the same in a transparent and verifiable manner. The Department is also working to establish a strategic dialogue with China that supports U.S. approaches to reducing the threat of WMD.

## SUMMARY OF KEY RESULTS AND IMPACT

All parties completed the final START I Treaty reductions by the December 2001 deadline. Completion of the START reductions demonstrates the success of this unprecedented, five-country effort to reduce strategic offensive arms significantly, from over 10,000 warheads to fewer than 6,000. The treaty will serve as the foundation for future, deeper strategic arms reductions.

Further offensive reductions were codified in the Moscow Treaty of May 2002, which built on the success of the START Treaty by requiring deeper reductions in strategic offensive arms by the United States and Russia. Each country agreed to no more than 1,700-2,200 strategic offensive arms, demonstrating their commitments to reducing strategic offensive arms to the lowest possible level.



*President George W. Bush looks on as Russian President Vladimir Putin signs the "Treaty of Moscow", a 10-year treaty binding the nations to reduce their nuclear stockpiles by about two-thirds – to a range of 1,700 to 2,200. The ceremony took place on May 24, 2002, in St. Catherine's Room, the Kremlin in Moscow. AFP photo/Tim Sloan*

The United States and Russia have also started addressing the threat of rogue states developing WMD and their means of delivery. Due in large part to the Department's diplomatic and public diplomacy efforts, U.S. withdrawal from the ABM Treaty did not incur negative repercussions. Russia acquiesced, and its moderate reaction, in turn, muted the reactions of U.S. allies and China. The United States is now free to develop and deploy missile defenses. The Department will continue to work with U.S. allies, Russia, and others to address common threat perceptions and appropriate responses, as well as to establish joint cooperative missile defense development programs.



PERFORMANCE RESULTS BY INDICATOR AND TARGET

STRATEGIC ARMS REDUCTIONS			
Initial Target	Revised Target <sup>1</sup>	Result	Rating
START I final reductions completed early, resulting in 1600/6000 Russian strategic offensive arms.	START I final reductions completed early.	All parties completed the final START I reductions by required deadline of 12/05/01.	On Target
A process is agreed for further reductions in U.S. and Russian strategic nuclear arms.	Process agreed for further reductions.	Ratification of START II Treaty never completed; superseded by the Administration's New Strategic Framework with Russia, including strategic offensive reductions and missile defense. Further offensive reductions, codified in the Moscow Treaty (MT) of May 2002, will achieve deeper nuclear warhead reductions than START II would have and provide greater flexibility in making reductions.	Significantly Above Target
MISSILE DEFENSE			
Target	Result	Rating	
Undertake appropriate actions to implement USG decisions on missile defense.	Established the foundation for a "New Strategic Framework" for the U.S. security relationship with Russia that includes a new approach to deterrence that relies on both offensive and defensive means. The U.S. exercised its right to withdraw from the ABM Treaty, thus removing the principal legal obstacle to pursuing alternative approaches to developing an effective missile defense system. The Department also actively engaged U.S. allies and friends in consultations on cooperative missile defense development programs, and instituted a regular dialogue with Russia designed to increase transparency and openness in missile defense endeavors.	Above Target	
<sup>1</sup> Target was modified; activities related to achieving both initial and revised targets were undertaken. "Result" reported for both sets of targets.			

**ANNUAL PERFORMANCE GOAL 3**

*Foreign governments work with the United States to strengthen existing agreements and negotiate new multilateral nonproliferation and arms control commitments to reduce the weapons of mass destruction threat*

The Department pursues its WMD objectives by strengthening and promoting adherence to a wide variety of treaties, regimes, and agreements to which the United States is a party. The Nuclear Non-Proliferation Treaty (NPT), a key treaty, and the IAEA, its implementing organization, establish norms of behavior concerning nuclear weapons, materials and capabilities. Other agreements, such as the Chemical Weapons Convention (CWC), aim to eliminate an entire class of weapons of mass destruction. Strengthening these multilateral agreements is a key factor in the struggle to reduce the WMD threat to the United States and its allies.

## SUMMARY OF KEY RESULTS AND IMPACT

**Nuclear Non-Proliferation Treaty.** Cuba announced in September 2002 that it would accede to the NPT. It confirmed this decision during its plenary statement to the IAEA General Conference.

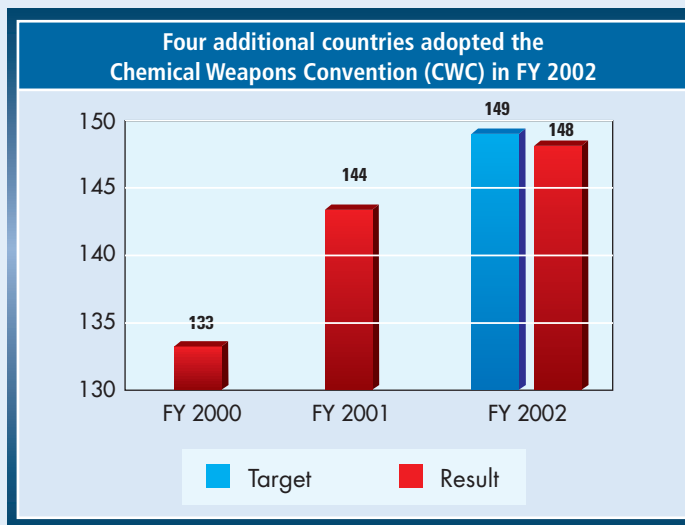
**The International Atomic Energy Agency.** Consultations began with a U.S. initiative in support of a phased increase of the IAEA safeguards budget for the 2004/05 biennium. Integrated safeguards adopted by the IAEA Board adequately reflected U.S. views, and should lead to effective implementation of the Additional Protocols.

**Chemical Weapons Convention.** Announcement by Libya and Thailand of their intent to join the CWC is very welcome. Monitoring the civilian chemical industry is a key element of the CWC. As shown in the adjacent below, through FY 2002, 148 nations have joined the CWC.

The Organization for the Prohibition of Chemical Weapons (OPCW), the implementing body of the CWC, has been in serious financial and administrative crisis. The United States succeeded in bringing about a change of leadership of the OPCW's Technical Secretariat that will help improve CWC operations, especially in conducting inspections of civilian chemical industries around the world. As the United States has the largest civilian chemical industry in the world, it will require extraordinary effort to ensure that the United States fully implements these obligations. Russia has the largest declared CW stockpile and needs financial assistance to build destruction facilities in order to meet its CWC

obligations. Resolving congressional conditions for U.S. financial assistance is a difficult and lengthy process; significantly, three such conditions have been resolved. Due to successful international fundraising, the Gorniy facility will be the first fixed operational CW destruction facility in Russia. Destruction operations were scheduled to begin in December 2002.

**International Monitoring System (IMS).** Detecting and identifying nuclear explosions is key to U.S. ability to monitor compliance with nuclear testing moratoria agreements, and illicit programs to develop nuclear capabilities. The IMS will supplement existing U.S. capabilities to monitor nuclear explosions. When its 321 stations are completed, they will provide global coverage for seismic, hydroacoustic, infrasound, and radionuclide monitoring. With these FY 2002 results, over 40 percent of the system has been installed.



**Fissile Material Cutoff Treaty (FMCT).** China continued to block the resumption of FMCT negotiations in the Conference on Disarmament (CD) by linking them to negotiations on outer space arms control, which the United States opposes, and has refused all attempts at reasonable compromise. The continuing deadlock is undermining the credibility of the CD as the principal forum of the international community to negotiate formal multilateral arms control agreements and issues. The fact that the UN General Assembly passed a consensus resolution calling for FMCT negotiations in the CD demonstrates continued international desire for these negotiations.

**PERFORMANCE RESULTS BY INDICATOR AND TARGET**

<b>NON-PROLIFERATION TREATY (NPT)</b>			
<b>Initial Target</b>	<b>Revised Target <sup>4</sup></b>	<b>Result</b>	<b>Rating</b>
<p>2005 NPT review process begins with strong international consensus to preserve and strengthen the NPT; no withdrawals threatened.</p>	<p>NPT review process leading to 2005 Conference begins smoothly. Five to ten more states take action on IAEA safeguards protocol. IAEA strengthens anti-nuclear terrorism programs.</p>	<p>The first preparatory conference (PREPCON) for the 2005 NPT Review Conference (REVCON) concluded smoothly.</p>	<p><b>Above Target</b> 2000 NPT REVCON outcome received general support from all PrepCom participants.</p> <p>Cuba announced on September 14 that it would accede to the NPT and confirmed this decision during its September 16 plenary statement to the IAEA General Conference.</p>
<p>IAEA implements specific measures to improve safeguards; more states sign or ratify the safeguards protocol; United States submits safeguards protocol to Senate for ratification.</p>		<p><b>IAEA Safeguards</b> IAEA took action on integrated safeguards and emphasized financial needs; 9 more states joined, bringing the total to 67; 28 have brought their protocols into force.</p>	<p><b>Above Target</b> Consultations have begun with major donor nations on U.S. initiative to support a phased increase of the IAEA safeguards budget for the 2004/05 biennium.</p>
<p>IAEA strengthens anti-nuclear terrorism programs.</p>		<p><b>IAEA Anti-Terrorism</b> IAEA Board approved multi-year program with a substantial increase in funding to \$11 million annually.</p>	<p><b>On Target</b> IAEA providing enhanced assistance to states on preventing, detecting, and responding to nuclear terrorism.</p> <p>Assistance includes developing guidance and providing training and advisory services.</p> <p>Program gaining widespread financial, in-kind, and political support.</p>

<sup>4</sup> Target modification incorporates clarifications and more specifics. Some additional substance was added. "Result" reflects both targets.



**CHEMICAL WEAPONS CONVENTION (CWC)**

Initial Target	Revised Target	Result	Rating
At least 5 additional states parties adopt CWC.		Four additional states parties join; two others voiced intent to join.	<b>On Target</b>
United States continues to implement industry and other obligations.	U.S. fully implements industry obligations.	U.S. fully implemented CWC industry obligations.	<b>On Target</b>
Progress is made toward Russian stockpile destruction.	Identifiable progress made toward Russian stockpile destruction.	Three of six congressional conditions for U.S. financial assistance resolved; limited progress on other three. Significant international assistance provided.	<b>On Target.</b> Unlike previous years, reportable progress was made regarding the Russian CW destruction program.
	U.S. makes timely payments to OPCW; OPCW gets out of financial crisis.	In summer 2002, the U.S. succeeded in bringing about a change in the leadership of the OPCW's Technical Secretariat and called for voluntary donations to get the OPCW out of immediate financial crisis. U.S. set example by making \$2-million voluntary contribution.	<b>Above Target.</b> Significant progress was made toward putting the OPCW on a sound financial footing; new management installed.

**INTERNATIONAL MONITORING SYSTEM (IMS) FOR COMPREHENSIVE TEST BAN TREATY (CTBT) AND FISSILE MATERIALS CUTOFF TREATY (FMCT)**

Initial Target	Result	Rating
Activation of the international monitoring regime.	<b>IMS</b> During FY 2002, the Provisional Technical Secretariat certified 20 additional IMS stations, bringing the total to 34. The number of completed installations (many of which will soon be ready for certification) is now about 140. Of the 50-station primary seismic network, the most important part of the IMS for detection of underground nuclear explosions, 28 have been completed and 13 have been certified.	<b>On Target</b> The plans for activation of the IMS are proceeding according to plan.
Ongoing FMCT negotiations.	<b>FMCT</b> The Conference on Disarmament (CD) failed to agree to resume FMCT negotiations in FY2002. The 57th UN General Assembly passed a consensus resolution calling for the CD to resume FMCT negotiations.	<b>Significantly Below Target</b> Progress blocked by China.

<sup>1</sup> Target was modified; activities related to achieving both initial and revised targets were undertaken. "Result" reported for both sets of targets.

## ANNUAL PERFORMANCE GOAL 4

*Effective verification practices are in place; compliance with arms control and nonproliferation treaties, agreements, and commitments is verified*

In an age when tyrants and terrorists seek to obtain weapons of mass destruction, there is an urgent need to ensure that arms control and nonproliferation agreements and commitments are tough, effective, and enforced. The Department must let the public know when states violate their commitment not to acquire or transfer the tools and materials necessary for making weapons of mass destruction and when they violate their arms control and nonproliferation commitments. As such, U.S. arms control and nonproliferation policies rest on strict compliance with agreements and commitments, such as the Nuclear Nonproliferation Treaty (NPT), the Chemical Weapons Convention (CWC), the Biological Weapons Convention (BWC), the START Treaty, nuclear testing obligations, and the Missile Technology Control Regime (MTCR). These commitments are only as good as the extent to which they are upheld.

### SUMMARY OF KEY RESULTS AND IMPACT

Verification and transparency measures have been identified to monitor North Korea's missile regime. While similar measures have also been identified to verify the dismantling of its nuclear weapons capability, recent steps by North Korea to breach its nuclear nonproliferation commitments have put into question the progress made in recent years on improving verification.

The Department prepared the Presidential Report to the Congress on Adherence to and Compliance with Arms Control and Nonproliferation Agreements and Commitments. The report for calendar year 2001 was submitted to the NSC in the spring of 2002, and is now in the process of being revised to address congressional requirements.

Countering the threat of biological weapons (BW) has become a priority. Effective measures to respond to the BW threat have obtained international support and are being adopted in various fora. The USG explored ways to enhance support for initiatives at the BWC Review Conference in November 2002. U.S. compliance concerns have been reiterated and additional concerns raised publicly. The United States has pursued compliance concerns regarding the BWC and the CWC on a bilateral basis with several countries.

The Department worked closely with the Department of Defense (DoD) and the intelligence community to initiate a program office and to advocate funding the replacement of the COBRA JUDY radar, critical for START verification and missile proliferation. The Department provided \$400,000 to support this effort and co-chaired the interagency Nonproliferation and Arms Control Technology Working Group (NPAC TWG), which acts as a central coordinator for verification technology and identifies shortfalls in funding for critical arms control and nonproliferation R&D projects.

PERFORMANCE RESULTS BY INDICATOR AND TARGET

EFFECTIVE VERIFICATION MEASURES FOR NEW TREATIES AND COMMITMENTS			
Initial Target	Revised Target <sup>1</sup>	Result	Rating
Negotiating mandate for FMCT agreed; support for key U.S. verification provisions in potential FMCT: effective measures to investigate compliance concerns related to the BWC and CWC: enhanced verification measures developed for U.S. Government strategic offense and missile defense policy.	<p>Effective measures to investigate compliance for all conventions established.</p> <p>Design and begin implementation of independent nuclear testing monitoring system.</p>	Other nations' noncompliance with proliferation commitments assessed.	On Target
COMPLIANCE WITH EXISTING TREATIES AND COMMITMENTS			
Target	Result	Rating	
Congressionally mandated reports submitted on time.	<p>Reinvigorated the process for preparing and vetting congressionally mandated arms control and nonproliferation reports.</p> <p>Process overhaul has resulted in some reports not being submitted on time; expect dramatic improvement in FY 2003.</p>		Slightly Below Target
Demarches that seek resolution of CWC compliance issues delivered.	Consultations conducted and demarches delivered to countries of concern.		On Target
Strengthen BWC and respond to BW threat.	Development of effective measures continued.		On Target
START, INF, and Moscow Treaty verification developed.	Implementation of START verification regime continued.		On Target
Timely development of improvements to nuclear test detection capability.	Interagency Verification and Monitoring Task Force (VMTF) develops U.S. verification policy related to nuclear testing. Designed and began implementation (beta version installed at State) of independent Nuclear Testing Verification Information System.		On Target
<p><sup>1</sup> Target was modified; activities related to achieving both initial and revised targets were undertaken. "Result" reported for both sets of targets.</p>			

AVAILABILITY OF NEEDED VERIFICATION AND MONITORING TECHNOLOGY			
Target	Result		Rating
Collection resources preserved; permanent funding line established for some assets.  V Fund used to preserve critical assets; TWG report issued April 2002; V Fund supports TWG-recommended projects.	While minimally funded, the V Fund, established by the Congress to preserve critical assets and to identify and develop new R&D verification projects, was used to support the COBRA JUDY radar and an additional key project.  Assessed impact on verifiability of agreements and commitments to changes in asset coverage.		Slightly Below Target

TIMELY TREATY-MANDATED COMMUNICATIONS			
Initial Target	Revised Target <sup>1</sup>	Result	Rating
Successful exchanges with Kazakhstan and Ukraine; START partners consider completed U.S. proposal for Government-to-Government Communications Links (GGCL) architecture; CWC network enables full U.S. Government support of treaty implementation.  <i>(Note: Indicator has been revised. More specific indicators now measure tangible progress toward the performance goal in accordance with the priorities of the current Administration.)</i>	Sign agreement with Kazakhstan; successful exchanges with Kazakhstan and Ukraine; chemical weapons network enables full support of treaty implementation.	START partners (former Soviet nuclear states) consider completed U.S. proposal for replacement of the current GGCL system.  Link Agreement with Ukraine signed in September 2001.  Link Agreement with Kazakhstan signed in December 2001.	On Target

<sup>1</sup> Target was modified; activities related to achieving both initial and revised targets were undertaken. "Result" reported for both sets of targets.

**ANNUAL PERFORMANCE GOAL 5**  
*International nuclear cooperation is promoted under stringent nonproliferation and safety standards*

The Department strives to promote the role of safe nuclear energy in sustainable development and ensure that the United States is seen as a reliable and valuable partner in international nuclear cooperation. By ensuring that the United States is viewed as a dependable and beneficial partner in this area, the Department intends to promote the adoption of high safety standards, prevent significant environmental damage (especially from operating unsafe Soviet-era reactors) and encourage the U.S. civilian nuclear industry in its endeavors.

**SUMMARY OF KEY RESULTS AND IMPACT**

Armenia is currently negotiating a date for closing a Soviet-era nuclear power plant. European Bank for Reconstruction and Development (EBRD) loans for K2R4 reactors in Ukraine are on hold until Ukraine accepts EBRD conditions. Ukraine is moving forward in power sector restructuring with experts from the G-8, EU, Ukrainian government, EBRD, and the World Bank working to make the power sector attractive to potential lenders and investors.

During the ninth session of the UN Commission on Sustainable Development (CSD), the Department convinced participants that nuclear power contributes to sustainable development. In the wake of the events of 9/11, the Department also reviewed and approved the Japanese transport plan for shipping mixed-oxide fuel to the United Kingdom, and promoted the Department of Energy's enhanced physical protection cooperation program.



PERFORMANCE RESULTS BY INDICATOR AND TARGET

REACTOR CLOSURES AND NUCLEAR WASTE IMPROVEMENTS			
Initial Target	Revised Target <sup>2</sup>	Result	Rating
Complete long-term closure of Chernobyl. Ignalina 1 closure. Bulgaria closes units 1& 2 of its Kozloduy Plant.	More plants closed.	Mixed results in Lithuania; Armenia and Ukraine positive; Bulgaria questioned its commitment to closure.	On Target
International community funds programs to deal with Russian nuclear waste problems.	International community funds programs to deal with Russian nuclear waste problems.	Liability agreement reached with Russia allowing U.S. participation in waste cleanup. Implementing agreements negotiated.	On Target Russia determined that it no longer wanted the 80-ton cask; focus will be on the 40-ton cask instead.
EXTENSION OF BENEFITS OF NUCLEAR COOPERATION TO U.S. PARTNERS AND IMPLEMENTATION OF EXISTING AGREEMENTS			
Initial Target		Result	Rating
Peaceful nuclear cooperation with China proceeds smoothly.		U.S.-China Agreement for Cooperation being implemented successfully.  U.S.-China discussions on retransfer consents concluded, but agreement not yet in force.	On Target
Generation IV International Forum (GIF) proceeds as a viable forum for reactor cooperation.		The GIF has developed a list of new technologies for international development, and continued as a leading forum for international cooperation in advanced reactor development for safety, sustainability, and proliferation resistance.	On Target
No security problems arise with U.S.-origin nuclear material.		No security problems arose with U.S.-origin nuclear material.	On Target
Other cooperation programs proceed normally.		U.S. continued as reliable partner in nuclear cooperation. Extended agreement with Morocco, but not Indonesia; other agreements remained in force.	On Target
<sup>2</sup> Target language modified slightly but is substantially consistent; reported "Result" corresponds to Revised Target as shown.			

PROGRAM EVALUATIONS AND MANAGEMENT CHALLENGES

Two Program Evaluations were completed in FY 2002 and one Management Challenge was identified that pertained to this Strategic Goal:

1. Nuclear Nonproliferation: U.S. Efforts to Help Other Countries Combat Nuclear Smuggling Need Strengthened Coordination and Planning, (GAO)
2. Chemical Weapons: Organization for the Prohibition of Chemical Weapons Needs Comprehensive Plan to Correct Budgeting Weaknesses, (GAO)

Detailed information on major findings, recommendations, and actions to be taken can be found in the FY 2002 Key Program Evaluations by Strategic Goal section of the Appendix.

**NATIONAL INTEREST: ECONOMIC PROSPERITY**

**STRATEGIC GOAL 3: OPEN MARKETS**

*Open world markets to increase trade and free the flow of goods, services, and capital.*

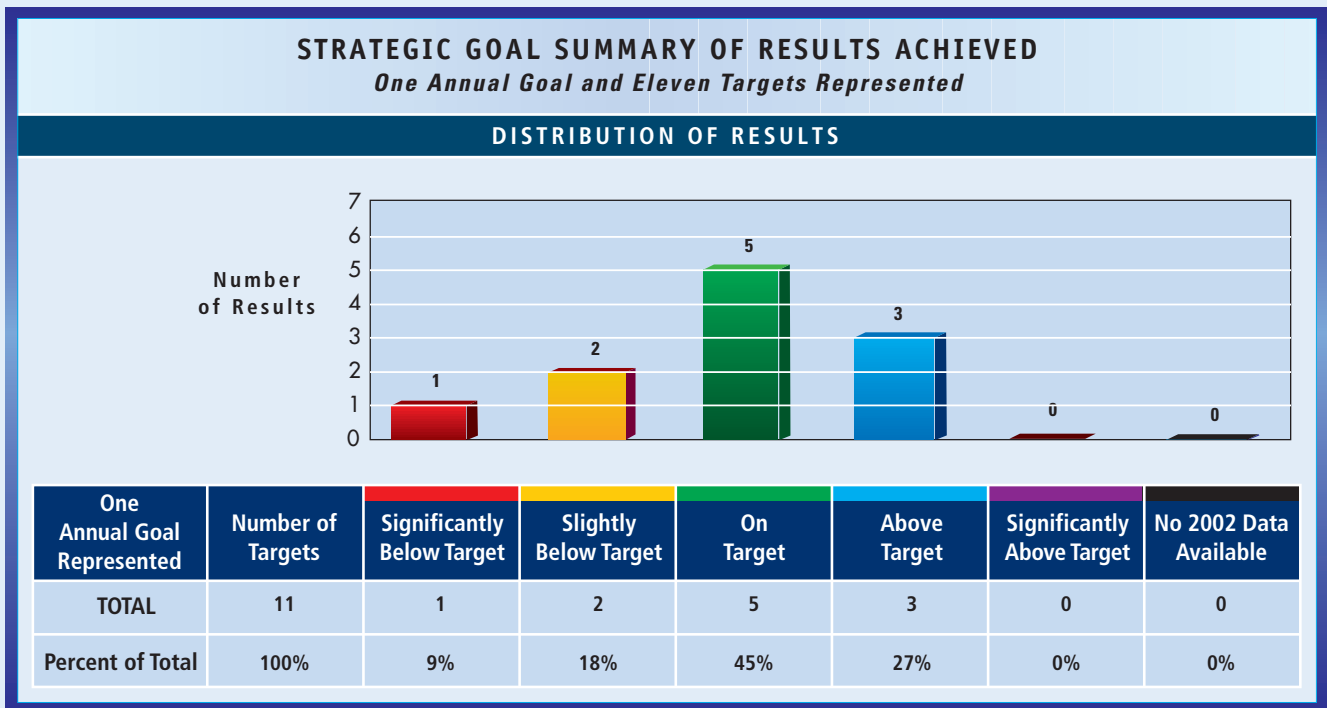
**STRATEGIC GOAL OVERVIEW/PUBLIC BENEFIT**

**A**s the world’s biggest importer and exporter, the United States benefits from open markets. A strong U.S. economy promotes economic and social development worldwide while helping foreign nations and societies to resist terrorism.

**Exports:** Over the past decade alone, growth in exports has accounted for one-quarter of U.S. economic growth. Twenty percent of U.S. manufacturing jobs depend on exports; exports generate 25 percent of gross cash sales for U.S. farmers and ranchers.

**Imports:** As the largest market for developing countries’ exports, the U.S. market is crucial to global stability and for these countries’ economic growth and development. Imports also boost the standard of living for Americans by making available lower cost inputs for U.S. industries and consumer goods.

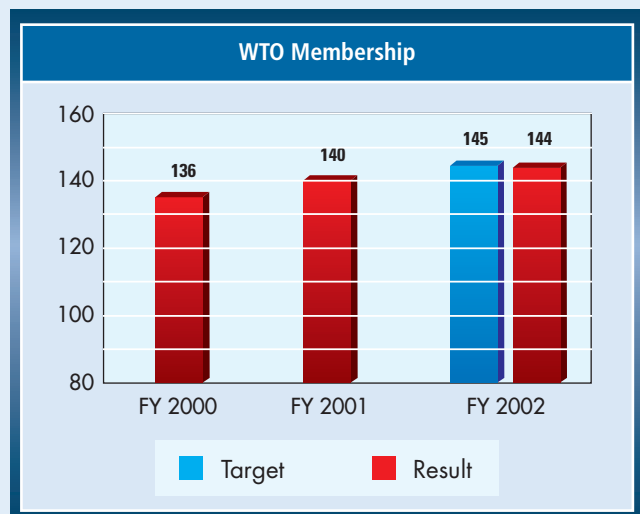
**Investment Flows:** Over the past decade, U.S. investment overseas grew three times faster than U.S. exports, generating \$230 billion in related exports in 1999, and accounting for one-third of total merchandise exports. U.S. investment abroad creates demand for U.S. products and jobs for U.S. workers.



## SUMMARY OF KEY RESULTS AND IMPACT

Work in support of this goal results in the creation of a predictable, rules-based international environment for trade and investment, making it easier to do business across borders. For example, adequate protection of intellectual property is an important item on the Department's agenda. Ensuring markets for products of modern biotechnology, particularly agriculture crops, is also a high-priority area of activity.

During FY 2002, China and Taiwan joined the World Trade Organization (WTO) and a new round of WTO talks was launched in Doha, Qatar. Progress is being made towards the accession of Macedonia, Armenia, and Russia to the WTO. The United States is also working with Saudi Arabia in its bid to join the WTO. In accordance with the Doha mandate, negotiations in Geneva are focusing on twelve substantive trade sectors. As shown in the adjacent chart, through September 30, 2002, 144 countries have joined the WTO.



China has started conforming to the WTO by taking steps to remove trade barriers and open its markets. China enacted or changed over 2,000 laws and regulations to comply with WTO rules, cut tariffs on over 5,000 product lines, and increased foreign access to its financial and tourism sectors. In its initial year in the WTO, China made significant progress in conforming to international trade rules and liberalizing its trade regime, but problems arose in some key areas including agriculture. The scope and complexity of China's implementation efforts will require close monitoring in 2003.

The conclusion of free trade agreements (FTAs) has been a major priority for several years. FTAs open markets for U.S. producers, promote economic growth and stability in important economic and political partners, and improve cooperation in other fora. The passage of Trade Promotion Authority allows the United States to pursue an ambitious reciprocal trade-liberalization strategy at global, regional, and bilateral levels through the WTO Doha Development Agenda, the Free Trade Area of the Americas (FTAA) negotiations, and a number of bilateral free trade initiatives. In FY 2002, Jordan's FTA with the United States entered into force, increasing interest in better trade ties with the United States throughout the Middle East. FTAA negotiations continued during FY 2002. Four new FTA candidates (Central America, Morocco, the Southern African Customs Union, and Australia) were formally identified and the intent to negotiate FTAs has been communicated to Congress. The United States agreed on core elements of an FTA with Singapore in November 2002, and concluded an FTA with Chile in December 2002 (FY 2003).



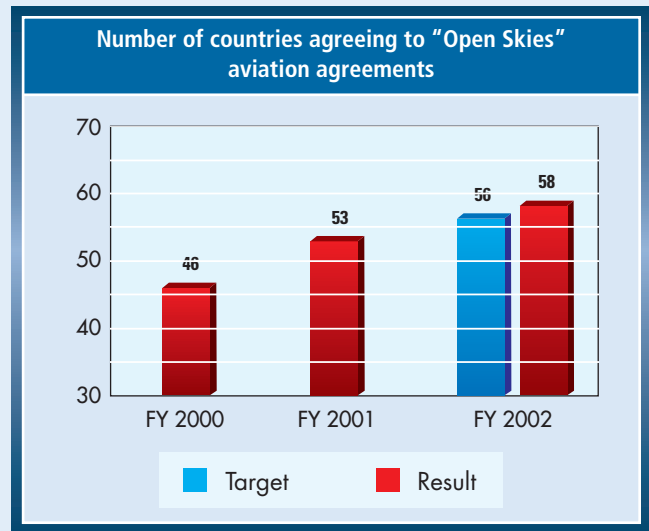
*Secretary of State Colin Powell addresses international business leaders during the CEO Summit of the Asia Pacific Economic Cooperation on October 24, 2002 in Los Cabos, Mexico.*

*AFP Photo/Omar Torres*

Working with the Asia Pacific Economic Cooperation (APEC) economies, the Department is reducing traditional barriers to trade and investment, and opening "new economy" opportunities in e-commerce and information technology. The Department has expended much effort to build broad support for a scientific and non-trade distorting regulation of agricultural biotechnology. Unilateral trade benefit programs, such as the Andean Trade Promotion and Drug Eradication Act (ATPDEA), the Caribbean Basin Trade Partnership Act (CBTPA), and the African Growth and Opportunity Act (AGOA) help expand trade, regional economic integration, good governance, prosperity, and stability.

Discussions continued with several other nations to increase the number of Bilateral Investment Treaty (BIT) signatories. While productive discussions were held with Peru, and the Department was working to re-engage with Russia on a BIT, political factors limited engagement with Colombia, South Korea, and Venezuela. The Department is currently updating the Model BIT text from which it negotiates agreements. This text will expedite the Department's ongoing BIT discussions and information exchanges with over a dozen countries.

In 2002, the Department negotiated five new "Open Skies" aviation agreements, creating major transport services expansion in new markets. These arrangements have created jobs, increased trade, and attracted investment. The United States now has "Open Skies" agreements with fifty-eight countries, and other liberalized agreements with three countries.



The complete privatization of INTELSAT has leveled the playing field in the international telecommunications satellite service market, providing a basis for other governments to adopt open, competitive regulatory regimes. Additional work will be required to complete the congressionally-mandated public offering of INTELSAT shares, as well as to address other remaining regulatory and diplomatic issues.

Finally, thirty-six countries have agreed to liberalize their telecommunications regimes by adopting Mutual Recognition Agreements (MRAs) for equipment certifications. This will avoid duplication of effort and cost by U.S. companies seeking certification of equipment overseas. The Department will continue multilateral and bilateral efforts to encourage additional nations to adopt MRAs.



PERFORMANCE RESULTS BY INDICATOR AND TARGET

STATUS OF MARKET OPENING NEGOTIATIONS IN THE WTO			
Initial Target	Revised Target <sup>1</sup>	Result	Rating
Negotiations continue.	Consensus reached to launch new trade negotiations.	WTO launched new round in Doha; China and Taiwan joined WTO.	<b>On Target</b> New Round launched, negotiations underway.
WTO MEMBERSHIP			
Target	Result	Rating	
Add five new members.	China and Taiwan entered WTO; Macedonian and Armenian accessions approved.  WTO membership was 144 at end of FY 2002.	<b>Slightly Below Target</b> Russian, Saudi Arabian and other accession processes were more difficult than expected; less progress than planned.	
CHINA'S WTO ACCESSION			
Target	Result	Rating	
China begins to conform to WTO obligations.	China took concrete steps to remove trade barriers and open its markets; some shortfalls remain in areas of interest.	<b>Slightly Below Target</b> China made significant progress in its initial year, but problems emerged in some key sectors.	
STATUS OF BILATERAL TRADE AND INVESTMENT POLICY DIALOGUES			
Initial Target	Revised Target <sup>1</sup>	Result	Rating
Measurable progress on improvement of trade and investment climates.	Implement Jordan FTA. Negotiations with Chile and Singapore ongoing. Identify candidates for FTA negotiations	Agreement on core elements with Singapore in November 2002, FTA with Chile concluded in December 2002; Jordan FTA entered into force;. FTAA negotiations continued; and Morocco, Central America, the South African Customs Union (SACU), and Australia identified as partners for FTAs.	<b>On Target</b>
STATUS OF INTEGRATED FRAMEWORK (IF) FOR TRADE-RELATED CAPACITY BUILDING ROUNDTABLES			
Target	Result	Rating	
Majority of needs met, as identified in IF roundtables.	Donors and recipients using country trade integration studies to determine needs and how to use liberalization to reduce poverty.	<b>On Target</b>	
STATUS OF BILATERAL INVESTMENT TREATY (BIT) NEGOTIATIONS			
Target	Result	Rating	
Increase total number of signed BITs by four (10%).	BIT discussions continued with Venezuela, Peru, Colombia, and Korea; discussions with Russian officials reinvigorated BIT discussions.	<b>Significantly Below Target</b> The Department expects to conclude a BIT with Peru in the near future. Despite repeated U.S. attempts to engage, Colombia, South Korea and Venezuela have not moved forward due to political events and uncertainty.	
<sup>1</sup> Target was modified; activities related to achieving both initial and revised targets were undertaken. "Result" reported for both sets of targets.			

STATUS OF MULTILATERAL POLICY DIALOGUES			
Initial Target	Revised Target <sup>1</sup>	Results	Rating
Substantial new progress on new OECD initiatives.	Continue investment policy dialogues and related OECD outreach events with China and Russia.	Announcement of U.S.-China Foreign Direct Investment (FDI) Conference; USG backing for OECD outreach to Russia and China culminated in financial contribution and Global Forum on International Investment in China (December 2002).	On Target
NUMBER OF COUNTRIES AGREEING TO "OPEN SKIES" AVIATION AGREEMENTS			
Target	Result		Rating
56	58 Open Skies agreements plus 3 other liberalized agreements (Russia, Ecuador, and Samoa).		<b>Above Target</b> In addition to the target, 2 more Open Skies agreements and 3 liberalizations were achieved.
STATUS OF INTELSAT PRIVATIZATION			
Target	Result		Rating
INTELSAT privatization established.	INTELSAT privatization established.		On Target
NUMBER OF COUNTRIES AGREEING TO LIBERALIZE TELECOM EQUIPMENT CERTIFICATION AND STANDARDS REGIMES			
Target	Result		Rating
34	36		<b>Above Target</b> Nations in APEC, EU and Inter-American Telecommunications Commission (CITEL) adopted Mutual Recognition Agreements (MRAs) for equipment certification.
NUMBER OF COUNTRIES AGREEING TO ESTABLISH INDEPENDENT TELECOM REGULATORY AGENCIES			
Target	Result		Rating
12	15		Above Target

<sup>1</sup> Target was modified; activities related to achieving both initial and revised targets were undertaken. "Result" reported for both sets of targets.

**NATIONAL INTEREST: ECONOMIC PROSPERITY**

**STRATEGIC GOAL 4: U.S. EXPORTS**

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

**STRATEGIC GOAL OVERVIEW / PUBLIC BENEFIT**

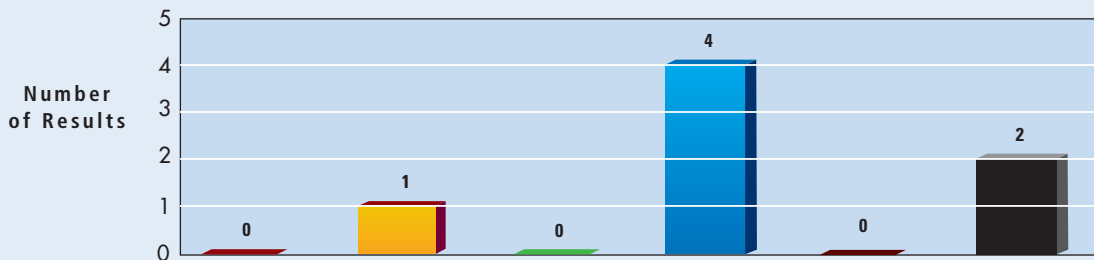
**D**uring the past decade, America’s prosperity has become increasingly dependent on the prosperity of the rest of the world. As the President has made clear, increased trade will help our workers, farmers, and consumers by creating more jobs, providing more choice in goods and services, and lowering costs. In statistical terms, the importance of exports is clear:

- Exports accounted for over one-quarter of U.S. economic growth in the 1990s.
- Exports now account for about 11 percent of GNP.
- Exports support twelve million American jobs.
- One in five manufacturing workers depend on exports for their jobs.
- U.S. agricultural exports were \$53 billion in FY 2002.
- One-third of U.S. farmland is planted for export.
- Exports generate 25 percent of gross cash sales for U.S. farmers and ranchers.
- U.S. investment abroad generated about \$200 billion in U.S. exports (growing twice as fast as overall U.S. exports).

The Department defends the rights of U.S. businesses operating overseas, leads efforts to strengthen the rule of law, fights corruption, promotes open and transparent trade and investment regimes, and encourages corporate responsibility. By coordinating private-sector dialogues in key markets, such as Turkey and Mexico, the Department is encouraging institutional development and reform in developing countries in order to increase their economic growth and expand U.S. exports.

**STRATEGIC GOAL SUMMARY OF RESULTS ACHIEVED**  
*One Annual Goal and Seven Targets Represented*

**DISTRIBUTION OF RESULTS**



One Annual Goal Represented	Number of Targets	Significantly Below Target	Slightly Below Target	On Target	Above Target	Significantly Above Target	No 2002 Data Available
TOTAL	7	0	1	0	4	0	2
Percent of Total	100%	0%	14%	0%	71%	0%	29%

## ANNUAL PERFORMANCE GOAL 1

*U.S. companies compete successfully for worldwide sales*

### SUMMARY OF KEY RESULTS AND IMPACT

Approximately 360 outreach meetings and business briefings were held with the following beneficial impact:

- Helped alleviate consumer boycotts of American products in Arab countries.
- Increased awareness of business-visa processing problems after the events of 9/11 through distribution of information to the business community .
- Increased USG and private-sector efforts to encourage countries to reduce corruption.
- Increased corporate social responsibility and public-private partnerships improved the climate for U.S. exports and business overseas.
- Increased awareness by U.S. companies of opportunities available in Africa and in Jordan as a result of organizing roundtables on both AGOA and the Qualifying Industrial Zones respectively.

Advocacy services were provided to approximately 120 companies. The following are some examples of the results:

- Sale of eight aircraft to Pakistan worth \$1.5 billion.
- Nortel Networks USA won a \$64-million judgment against TELECOM, a Colombian quasi-governmental corporation.
- GE collected \$6 million in arrears from the Kenyan Government for locomotive engines.
- Resolved American investors' problems (e.g., Coca-Cola, for \$800,000) with the Uzbekistan Government regarding privatization and currency convertibility.

Groundbreaking for the Caspian Main Export Pipeline (Baku-Tbilisi-Ceyhan) is underway. This event represents a major victory in the U.S effort to diversify world oil production. It also enhances the stability and sovereignty of Caspian states and provides major benefits for U.S and world energy security. U.S. firms will play an important role in this \$2.9 billion-pipeline project, which has extensive equipment export potential.

U.S. firms began construction on a major export pipeline in Ecuador, resulting in a 64 percent increase in U.S. oil and gas field equipment exports to Ecuador. U.S. gas field equipment exports to Brazil increased by 22 percent. U.S. investments in Venezuelan heavy oil came on line. Trinidad and Tobago's expansion of its vast liquid natural gas (LNG) capacity resulted in a 48 percent increase of U.S. exports to that nation. Saudi Arabia awarded \$20 billion in natural gas development contracts to U.S. and international oil companies; U.S. equipment sales to Saudi Arabia increased by 9 percent.

The Business Facilitation Incentive Fund (BFIF) program supports commercial advocacy training and business promotion at 105 of the Department's 243 posts not served by the Foreign Commercial Service of the Department of Commerce. These posts represent billions of dollars in export market and investment potential. Posts are actively reaching out to larger audiences and want to develop higher impact projects.



PERFORMANCE RESULTS BY INDICATOR AND TARGET

NUMBER OF OUTREACH MEETINGS AND BUSINESS BRIEFINGS HELD			
Target	Result		Rating
300	360		Above Target
NUMBER OF BUSINESS CONFERENCES ATTENDED			
Target	Result		Rating
75	100		Above Target
NUMBER OF COMPANIES FOR WHOM ADVOCACY SERVICES WERE PROVIDED			
Target	Result		Rating
100	120		Above Target
TELECOM AND IT EQUIPMENT SALES			
Target	Result		Rating
\$138 billion	Data not yet available.		N/A
MINUTES/MESSAGES OF OVERSEAS SERVICE PROVIDED BY U.S. TELECOM OPERATORS INCLUDING SATELLITE COMPANIES			
Target	Result		Rating
33.2 billion minutes 6.2 billion messages	Data not yet available.		N/A
OIL AND GAS SECTOR EXPORTS			
Target	Result		Rating
New energy investment in Middle East, Latin America, and the Caspian Region resulting in increased flows of energy equipment and service exports by U.S. firms.	New energy investments resulted in increased energy-related U.S. exports.		Above Target
AGRICULTURAL EXPORTS			
Initial Target	Revised Target <sup>1</sup>	Results	Rating
\$32.4 billion	\$54.5 billion	\$53 billion	Slightly Below Target
<sup>1</sup> Target was modified; activities related to achieving both initial and revised targets were undertaken. "Result" will be reported for both sets of targets.			

**NATIONAL INTEREST: ECONOMIC PROSPERITY**

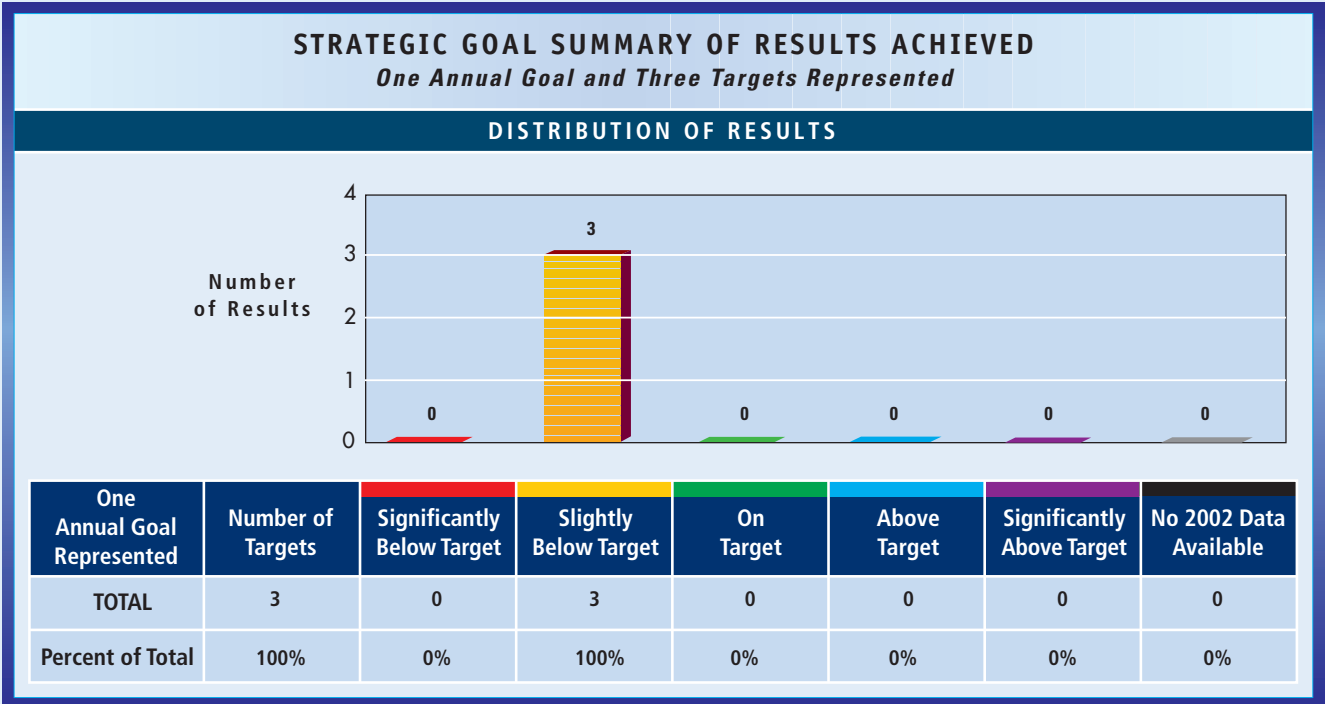
**STRATEGIC GOAL 5: GLOBAL ECONOMIC GROWTH**

*Increase global economic growth and stability.*

**STRATEGIC GOAL OVERVIEW/PUBLIC BENEFIT**

**G**lobal macroeconomic conditions have a significant impact on the ability of the United States to sustain stable economic growth. U.S. export, income, and employment levels benefit from faster growth and greater economic stability worldwide. To achieve this, Department officials in Washington and abroad work closely with the IMF, the World Bank, other regional and multilateral organizations, and foreign governments to support sound macroeconomic and structural policies that lay the groundwork for growth. The Department strongly supports more selective and effective conditioning of International Monetary Fund (IMF) and World Bank activity to implement economic reform programs.

In the decades ahead, making effective and appropriate use of science and technology will be key to ensuring strong, sustained economic growth. There is widespread recognition in the United States of the value generated by investments in information technology and biotechnology. The Department plays a major role in promoting the effective use of these technologies abroad to enhance growth and stability.



## ANNUAL PERFORMANCE GOAL 1

*Countries around the globe adopt and maintain growth-oriented economic policies;  
economic crises are less likely and less severe*

### SUMMARY OF KEY RESULTS AND IMPACT

By adopting and maintaining growth-oriented economic policies, countries directly contributed to global economic growth, avoided economic crises, reduced social turmoil, and promoted stability.

Indonesia, Brazil, Uruguay, Russia, Thailand, Ukraine, Pakistan, Turkey, and Yugoslavia implemented IMF reform programs during 2002, ameliorating economic crises and social misery, while protecting the global financial system and U.S. investments. Argentina abandoned its IMF program in December 2001, but continued U.S. support for other regional economies and renewed IMF-Argentine engagement helped contain the crisis and keep the door open for a new reform program.

In FY 2002, International Telecommunications Union (ITU) states adopted 25 new telecom "recommendations", making a total of 385 adopted "recommendations". The downturn in the telecom market led to a decline in participation; nevertheless, the ITU continued to expand its standardization work. U.S. industry continued its deep involvement in that work.

The Department has increased U.S. energy security by working within the International Energy Agency (IEA) to achieve an increase in IEA collective oil stocks from 111 days of net imports in 2000 to 114 days of net imports in 2002, despite increased imports. In addition, the Department's efforts have contributed to a decision by China, a significant non-IEA net importer, to set up strategic oil reserves.

### PERFORMANCE RESULTS BY INDICATOR AND TARGET

GLOBAL GDP GROWTH (IMF MEASURE)			
Initial Target	Revised Target <sup>1</sup>	Result	Rating
3.6% during CY 2002	4.0%	2.8%	<b>Slightly Below Target</b> Global economic growth slowed, in part due to consequences of the events of 9/11.
KEY COUNTRIES IMPLEMENTING IMF REFORM PROGRAMS			
Initial Target	Revised Target <sup>2</sup>	Result	Rating
Indonesia, Argentina, Brazil, Uruguay, S. Korea, Nigeria, Russia, Thailand, Ukraine, Pakistan, Turkey.	Indonesia, Argentina, Brazil, Uruguay, S. Korea, Nigeria, Russia, Thailand, Ukraine, Pakistan, Turkey, and Yugoslavia implement IMF reform programs.	Indonesia, Brazil, Uruguay, Russia, Thailand, Ukraine, Pakistan, Turkey, and Yugoslavia implemented IMF reform programs.	<b>Slightly Below Target</b> Political/social problems prevented Argentina and Nigeria from following IMF programs.
NUMBER OF INTERNATIONALLY APPROVED TELECOM "RECOMMENDATIONS" ADOPTED BY ITU MEMBER STATES			
Target	Result	Rating	
400	385	<b>Slightly Below Target</b> The downturn in the telecom market led to a downturn in participation. The ITU nevertheless continued to expand its standardization work.	
<sup>1</sup> Target was modified; activities related to achieving both initial and revised targets were undertaken. "Result" reported for both sets of targets.			

**NATIONAL INTEREST: ECONOMIC PROSPERITY**

**STRATEGIC GOAL 6: ECONOMIC DEVELOPMENT**

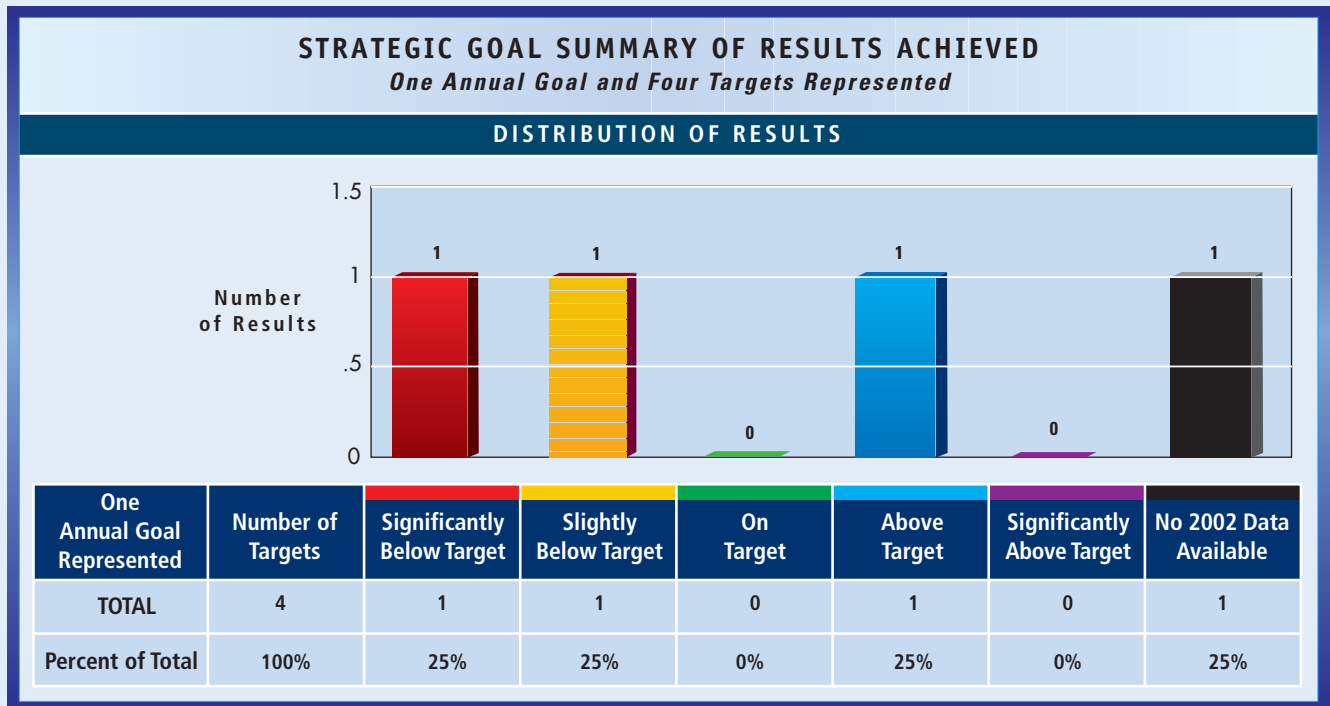
*Promote broad-based, sustainable growth in developing countries and transitional economies.*

**STRATEGIC GOAL OVERVIEW/PUBLIC BENEFIT**

**P**overty leads to despair, instability, and violence, and contributes substantially to problems that spill across America’s borders, including terrorism, narcotics, illegal immigration, and trafficking in persons. It is in the U.S. interest to help developing and transitional countries make the shift to democratic, market-based, competitive societies that can achieve sustainable development.

World Bank and other studies show that the best way for a country to reduce poverty and spur social development is by generating rapid economic growth. To the extent that such growth can be generated by private investment, developing and transitioning countries will become more competitive and better integrated into the world economy. Economic development will also facilitate the transition to and consolidation of democracy.

In many cases, difficulties in achieving development have stemmed from a reluctance or inability to adopt and implement basic good governance by implementing the rule of law, investing in people, and promoting economic freedom. To this end, the President has proposed the new Millennium Challenge Account, which earmarks up to \$5 billion per year to support efforts by developing countries to implement reforms.





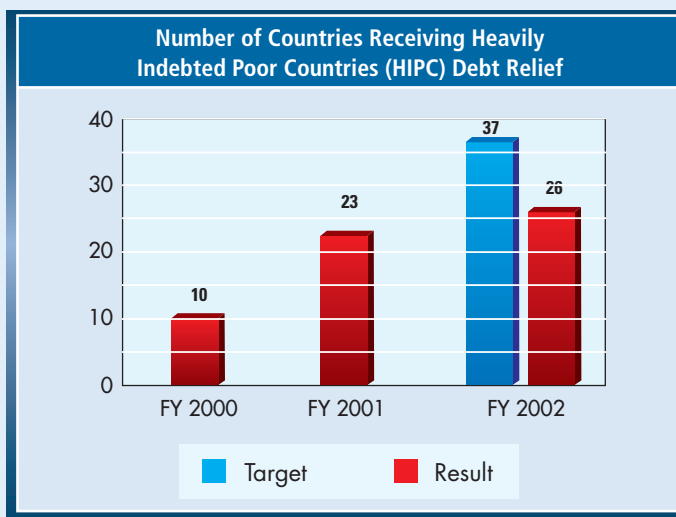
## SUMMARY OF KEY RESULTS AND IMPACT

By adopting and maintaining growth-oriented economic policies, countries directly contribute to global economic growth. Avoiding economic crises reduces social turmoil and promotes stability.

Estimated GDP growth in developing countries was 5.1 percent during 2002, slightly below the Department's revised target of 5.3 percent. The shortfall was largely due to global economic factors. Continued economic growth in developing countries remains a Department priority, as evidenced by continued U.S. participation in and leadership of the international development dialogue, especially the Doha Development Round, the G-8 Summit, the Monterrey Conference on Financing for Development (which produced the Monterrey Consensus), and the World Summit on Sustainable Development. These efforts strengthened international support for needed policy reforms at the national level. The Monterrey Consensus was a turning point in international development discussions because it emphasized the critical importance of domestic policies and measures for resource mobilization.

Estimated average GDP growth for "transitional" countries was 3.3 percent during 2002, slightly above the revised rate of 3.2 percent. Continuing U.S. efforts to motivate and support policy reforms in countries with transitional economies, including support for European Union (EU) enlargement and an open international trading system, helped spur economic growth.

More than two-thirds of the world's poor live in rural areas; farming is the main livelihood for three-fourths of these people. Food production must double in the next fifty years in sustainable ways, and raising agricultural productivity is the key to raising living standards and reducing hunger. The United States, therefore, showcased a new agricultural-productivity initiative at the spring World Food Summit, and again at the World Summit on Sustainable Development in late summer.



As an essential element in the war on terrorism in response to the events of 9/11, the United States provided over \$600 million in FY 2002 to stabilize and rebuild Afghanistan, in addition to more than \$5 billion in military expenditures. The United States has built an international coalition for the reconstruction of Afghanistan that has so far pledged more than \$5.2 billion. The assistance and reconstruction effort has supported the formation of an Afghan Government committed to democracy and policy reform, and has provided resources to support its development efforts. As part of the broader USG response, the Department has provided significant support and assistance to "front-line" states in the region, including Pakistan and the Central Asian Republics, to bolster growth and stability.

SUMMARY OF RESULTS BY INDICATOR AND TARGET

AVERAGE DEVELOPING COUNTRY GDP GROWTH RATE			
Initial Target	Revised Target <sup>1</sup>	Result	Rating
5.3% for CY 2002	5.3%	5.1%	<b>Slightly Below Target</b> The slight shortfall was due to global economic factors.
AVERAGE TRANSITION COUNTRY GDP GROWTH RATE			
Initial Target	Revised Target <sup>1</sup>	Result	Rating
4.1% for CY 2002	3.2%	3.3%	<b>Above Target</b>
REDUCTION OF WORLD POPULATION LIVING IN ABJECT POVERTY			
Initial Target	Revised Target	Result	Rating
2-3% for CY 2002	2-3%	Data not yet available.	N/A
NUMBER OF COUNTRIES RECEIVING HEAVILY INDEBTED POOR COUNTRIES (HIPC) DEBT RELIEF			
Initial Target	Result		Rating
All 37 countries	26		<b>Significantly Below Target</b> Other countries unable or unwilling to undertake reforms.
<sup>1</sup> Target was modified; activities related to achieving both initial and revised targets were undertaken. "Result" reported for both sets of targets.			

**NATIONAL INTEREST: AMERICAN CITIZENS AND U.S. BORDERS**

**STRATEGIC GOAL 7: AMERICAN CITIZENS**

*Protect the safety of American citizens who travel and live abroad.*

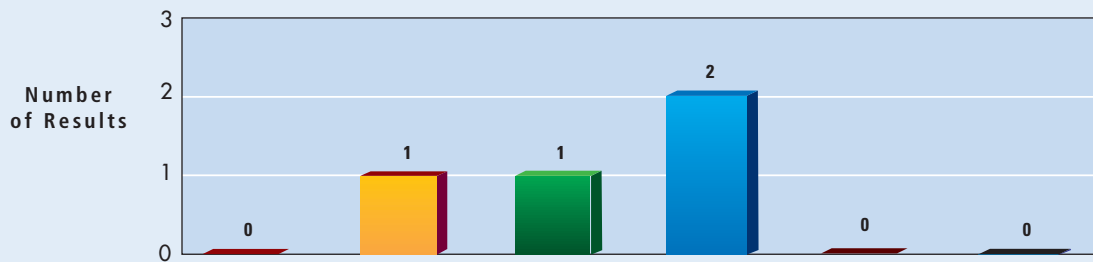
**STRATEGIC GOAL OVERVIEW/PUBLIC BENEFIT**

The Department has no responsibility more important than the protection of U.S. citizens. Approximately 3.2 million Americans reside abroad. Americans make about sixty million foreign trips each year. The Department’s passport, which gives Americans the freedom to travel internationally, is a symbol of the protection that the USG affords its citizens. U.S. citizens traveling, studying, or working abroad have always been on the front lines of America’s fight against terrorism and crime. The events of 9/11 and the worldwide campaign against terrorism have placed overseas Americans in the crossfire of a ruthless enemy; U.S. embassies and consulates are ready, willing, and able to help Americans when they encounter trouble.

**STRATEGIC GOAL SUMMARY OF RESULTS ACHIEVED**

*Two Annual Goals and Four Targets Represented*

**DISTRIBUTION OF RESULTS**



Two Annual Goals Represented	Number of Targets	Significantly Below Target	Slightly Below Target	On Target	Above Target	Significantly Above Target	No 2002 Data Available
TOTAL	4	0	1	1	2	0	0
Percent of Total	100%	0%	25%	25%	50%	0%	0%

## ANNUAL PERFORMANCE GOAL 1

*U.S. citizens have the information, services, and protection they need to reside or travel abroad*

To protect the safety of American citizens who travel and live abroad, the Department actively helps citizens avoid problems by issuing travel warnings and other information to promote safe travel. When Americans are caught up in political crises, natural disasters, and other situations that they cannot handle alone, the Department provides assistance and often engages foreign authorities to ensure that Americans get the help they need.

### SUMMARY OF KEY RESULTS AND IMPACT

To help maintain the safety of American citizens abroad, the Department issued fifty-six travel warnings, ninety-seven public announcements, and one hundred ninety-six consular information sheets on conditions in other countries. The consular website containing this information received an average of about 350,000 hits per day; 94 percent of respondents reported, via an on-line survey, that the website was helpful. The Department developed pilot software that will allow Americans to register overseas travel itineraries through a central Internet site.

During FY 2002, the Department added on-line functionality to five passport application forms. The ability to complete the forms on-line improves the application process and reduces the incidence of processing errors. Website visitors can also obtain travel safety information.

The Department's enhancement of automated case-tracking systems during FY 2002 has improved assistance to Americans, reporting to Congress, and enhanced U.S. border security by preventing the fraudulent use of lost or stolen passports. The Department also developed case-management software to track international parental child- abduction cases, which will be deployed worldwide in 2003.

The Department's update of the American Citizens Services (ACS) case management system, which stores data on U.S. citizens who receive consular services, enabled the collection of data on mistreatment of and consular access to U.S. citizens arrested abroad. Other modifications to ACS improved the Department's ability to publish information about overseas deaths of Americans from non-natural causes. A complete re-engineering of ACS will modernize its software and enhance information sharing among overseas posts starting in 2003.

The Department implemented an updated version of CRISIS, a case-tracking system used when Americans are involved in crises abroad. The Consular Lost and Stolen Passport System (CLASP) was deployed at all overseas posts and domestic passport agencies to track missing U.S. passports and prevent their abuse. The introduction of new software to manage international adoption cases has been delayed until 2004 so it can accommodate the Department's new responsibilities as Central Authority under the Hague Convention on Adoptions.

SUMMARY OF KEY RESULTS BY INDICATOR AND TARGET

ACCURACY AND AVAILABILITY OF CONSULAR INFORMATION			
Initial Target	Revised Target <sup>1</sup>	Result	Rating
<p>Consular Affairs web site accommodates 250,000 hits per day. Additional features and updates are added.</p>	<p>Create new section with fillable forms.</p>	<p>Five passport applications added to the web site for international travelers.</p> <p>The web site received 128 million hits (10M more than in FY 2001), averaging 347,254 hits per day. 94.3% of users participating in an on-line survey found the web site helpful, up from 90% in the past 3 years.</p> <p>Issued 56 travel warnings, 97 public announcements, and 196 consular information sheets (86% of countries updated).</p> <p>Pilot software was developed for an Internet-based system that will allow Americans to register overseas travel itineraries at a central website.</p> <p>A consular call center began operations in the aftermath of the 9/11 terrorist attacks to handle the large volume of calls about travel safety. It received over 60,000 calls in FY 2002.</p>	<p>Above Target</p>
AVAILABILITY OF AUTOMATED CASE-TRACKING			
Initial Target		Result	Rating
<p>System to track international parental child abduction cases is pilot tested and deployed.</p> <p>System to track international adoption cases is pilot tested and deployed.</p> <p>ACS system includes data on mistreatment of and access to arrestees and generates corresponding report.</p>		<p>Case-management software was developed for international parental child-abduction cases and is in use by the Office of Children's Issues.</p> <p>Software to manage international adoption cases was delayed to accommodate the Department's new responsibilities as Central Authority under the Hague Convention on Adoptions. The system is scheduled for completion in 2004.</p> <p>American Citizens Services (ACS) case management system now collects data and can report on mistreatment of and consular access to U.S. arrestees abroad. ACS system was updated to comply with a new requirement in PL 107-228 to publish information about overseas deaths of Americans from non-natural causes. Detailed system requirement analysis for the complete re-engineering of the ACS system was completed. It will replace current software with a state-of-the-art program that enables greater information sharing among posts.</p>	<p>On Target</p>
<p><sup>1</sup> Target was modified; activities related to achieving both initial and revised targets were initiated. "Result" reported for both sets of targets.</p>			



*timely and effective passport issuance, with document integrity assured*

U.S. passports identify travelers as U.S. nationals entitled to USG protection while abroad. The U.S. passport is a highly secure, machine-readable, internationally recognized, and respected document that provides a basis for safe international travel. Timely and effective passport issuance ensures that Americans can depart for scheduled travel on time.

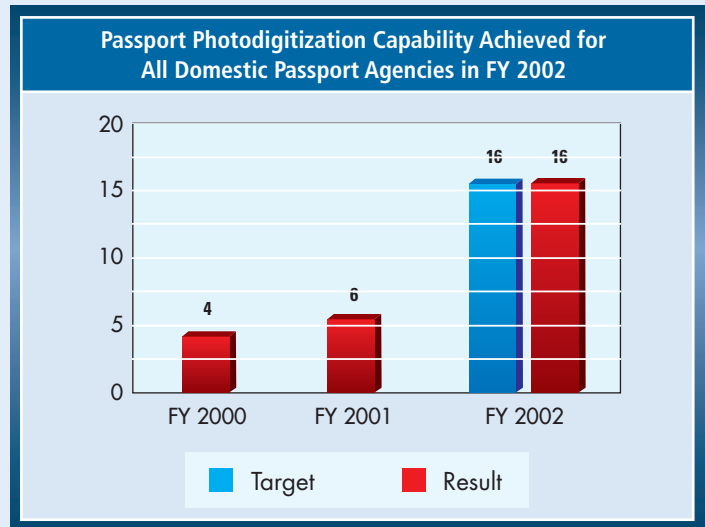
**SUMMARY OF KEY RESULTS AND IMPACT**

During FY 2002, the Department issued more than seven million passports. The worldwide demand for passports was less than originally projected due to the economic downturn and concern about terrorism. The demand amounted to somewhat less than the projected target and should not be seen as a performance failure on the Department’s part.

The centralized application process helped decrease average wait-times for in-person applications, which ranged from fifteen to thirty-two minutes, a significant improvement over the previous year’s twenty-five to forty-six minutes.

The photo-digitized passport issuance system (TDIS-PD) was installed at the passport agencies in Washington and Chicago, finalizing the conversion of all sixteen domestic facilities. All passport issuance, except for emergencies, was shifted from U.S. embassies and consulates to the United States to take advantage of photo-digitization. The digitized photograph and data page of the photo-digitized passport make it much less vulnerable to tampering.

The Department upgraded TDIS-PD to include CLASP software and a new Social Security matrix that assists with validating social security numbers and birth data provided by applicants. The Department also modified ACS and Passport Services systems to allow direct, electronic transmission of passport data and photographs from overseas posts to the National Passport Center.



SUMMARY OF KEY RESULTS BY INDICATOR AND TARGET

PASSPORT APPLICATIONS			
Target		Result	Rating
8.3 million passports issued		7.1 million passports issued	<b>Slightly Below Target</b> Due to lower demand for U.S. passports.
STATUS OF PASSPORT PHOTO-DIGITIZATION			
Initial Target	Revised Target <sup>1</sup>	Result	Rating
All of the Department's domestic facilities operate with the new system.	Installed at 2 more passport facilities (total of 16.)	Photo-digitized passport issuance system (TDIS-PD) installed in Washington and Chicago, finalizing the conversion of all 16 domestic facilities. All but emergency passport issuance shifted to U.S. to take advantage of photo-digitization technology.  TDIS-PD updated to include Consular Lost and Stolen Passport System (CLASP) software and Social Security matrix to assist in validating social security numbers and birth data provided by applicants. American Citizens Services (ACS) and Passport Services systems were modified to allow direct, electronic transmission of passport data and photographs from overseas posts to the National Passport Center in New Hampshire, which will greatly enhance speed and security for overseas passport applicants.	<b>Above Target</b>
<sup>1</sup> Target was modified; activities related to achieving both initial and revised targets were undertaken. "Result" reported for both sets of targets.			

PROGRAM EVALUATIONS AND MANAGEMENT CHALLENGES

Three Program Evaluations were conducted in FY 2002 that pertained to this Strategic Goal:

1. Office of American Citizen Services and Crisis Management (IS-I-02-07 2/02), (OIG)
2. Review of Domestic Passport Operations (ISP-CA-02-32 3/02), (OIG)
3. Information Management: Selected Agencies' Handling of Personal Information, (GAO)
4. Border Security (Visa and Consular Services Program), (OMB PART)

Detailed information on major findings, recommendations, and actions to be taken can be found in the FY 2002 Key Program Evaluations by Strategic Goal section of the Appendix.

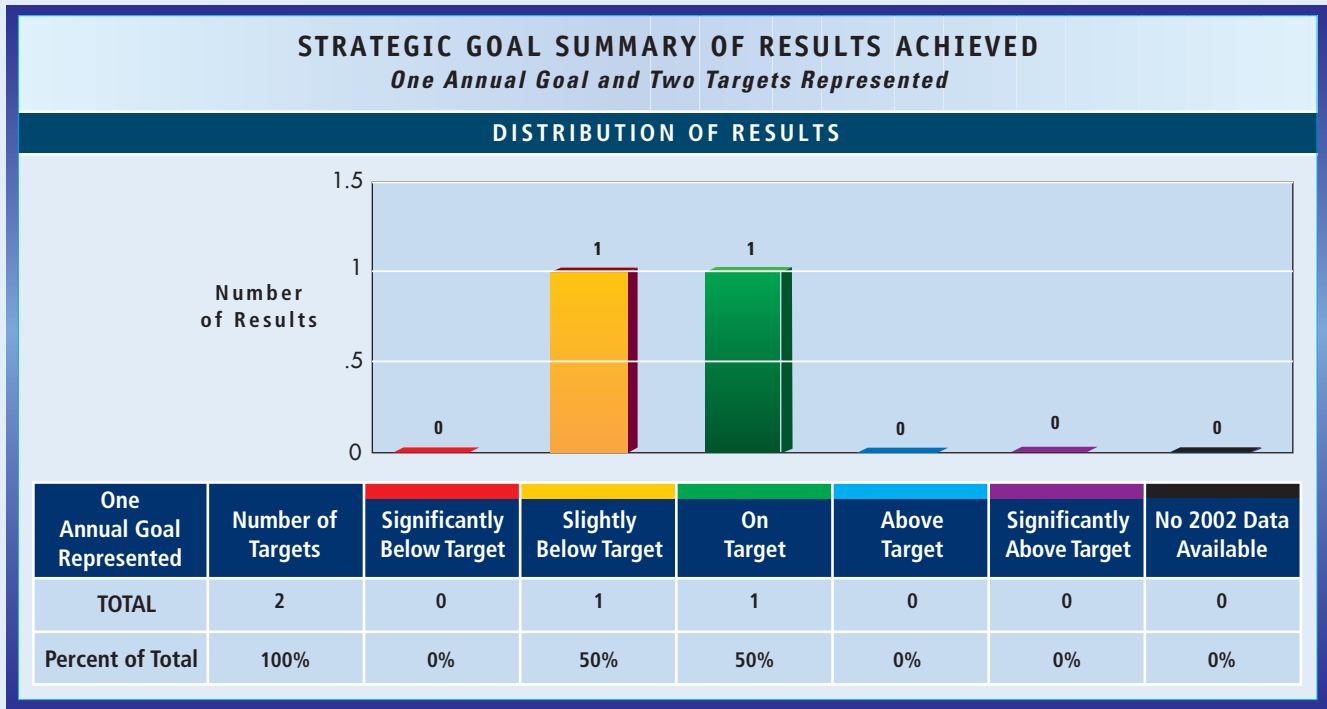
**NATIONAL INTEREST: AMERICAN CITIZENS AND U.S. BORDERS**

**STRATEGIC GOAL 8: TRAVEL & MIGRATION**

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

**STRATEGIC GOAL OVERVIEW/PUBLIC BENEFIT**

In accordance with U.S. law, the Department’s consular officers are responsible for determining whether foreign nationals are eligible to receive visas, thereby protecting the security of the United States and its citizens. Consular officials also facilitate admission to the United States of millions of legitimate travelers every year, including tourists, businesspeople, students, and refugees.



*timely and effective visa issuance; reduction of visa fraud*

Timely and effective visa issuance facilitates the travel of foreigners who seek to enter the United States for legitimate purposes, either temporarily or as immigrants. Screening all visa applicants using consular, intelligence, and law enforcement information helps identify fraudulent applications and impede the travel of terrorists, criminals, and other undesirables by flagging their applications for visa denial.

## SUMMARY OF KEY RESULTS AND IMPACT

During FY 2002, the Department's consular officials processed over 600,000 immigrant visa cases, reuniting families and bringing workers to U.S. employers. The Department expected that there would be demand for 715,000 immigrant visas (IVs). However, the actual goal in any year is to process in a timely manner all applications presented. Actual demand for IVs was somewhat less than the target; this is not a performance failure, but reflects a reduction in demand for visa services.

Officials processed more than eight million non-immigrant visa cases, enabling non-immigrants using valid visas to visit family and friends, study at U.S. colleges and universities, perform at cultural events, provide skills and services needed by U.S. employers, and benefit the U.S. economy. This work was done in conjunction with the Immigration and Naturalization Service (INS) and other USG agencies involved in homeland security.

According to U.S. Department of Commerce projections, spending on travel expenses by international visitors within the United States is expected to total over \$93.4 billion during 2002, \$12 billion more than U.S. travelers were projected to spend abroad. In addition, international visitor expenditures directly supported more than one million jobs in the United States, according to travel industry sources.

During FY 2002, the Department continued to design, deploy, and improve the systems that help identify terrorists and criminals among visa applicants. To improve homeland security, it issued a supplemental visa application form for all men aged sixteen to forty-five from all countries, and tightened visa interview requirements for applicants whose home countries are state sponsors of terrorism. In conjunction with other USG agencies, the Department required more security checks for groups of visa applicants from specific countries. The Department provided INS with access to data on issued visas, including applicants' photos from consular offices worldwide replicated in near real-time, which enables immigration inspectors to verify the link between a traveler and the travel document presented.

Records from the FBI's National Crime Information Center expanded the Consular Lookout and Support System (CLASS) by more than seven million records. The intelligence community provided a threefold increase in CLASS namecheck records through the INR's TIPOFF office. The Department introduced better training to help consular officers use the CLASS system, especially linguistically-based namecheck returns. It also expanded Intranet resources to assist officers with reading entry/exit cachets in Arabic or Persian script.

As part of a strengthened U.S. border security program, the Department also:

- ◆ Created a new Lincoln non-immigrant visa (NIV) to prevent alteration and duplication
- ◆ Heightened security for canceling machine-readable visas to deter "visa washing"
- ◆ Electronically verified the legitimate entry of foreign students and exchange visitors through the Interim Student and Exchange Authentication System
- ◆ Expanded the Foreign Lost and Stolen Passport Database
- ◆ Began cooperation with the Virginia DMV to share information on fraudulent foreign documents

- ◆ Improved document fraud training provided to Diplomatic Security agents and Social Security Administration investigators.
- ◆ Compiled a “Law Enforcement Package” that Diplomatic Security field offices, Passport Agency offices and other Department offices may provide to state and local law enforcement contacts and banks or other businesses that request general guidance on assessing U.S. visas and passports as identity documents.
- ◆ Began participation in the EU fraudulent documents working group, sharing information on smuggling trends, fraud patterns, and document fixers.
- ◆ Provided over one million photographs of visa applicants to the National Institute of Standards and Technology to use in their facial recognition evaluation tests and continued work on biometric identifier standards and electronic systems.
- ◆ Worked more closely with law enforcement and intelligence agencies to share information on a timely basis.

Finally, working with the INS, U.S. Customs, and the Department of Transportation, the Department approved an Entry-Exit Project Charter that sets the parameters for an automated system, which records visitor arrivals, departures, and activities while in the United States.

NUMBER OF IMMIGRANT VISA CASES PROCESSED			
Target	Result		Rating
715,000	608,133		Slightly Below Target
NUMBER OF NON-IMMIGRANT VISA CASES PROCESSED			
Initial Target	Revised Target	Result	Rating
10,300,000	7,600,000	8,367,861	On Target

PERFORMANCE RESULTS BY INDICATOR AND TARGET

PROGRAM EVALUATIONS AND MANAGEMENT CHALLENGE

Two Program Evaluations were conducted in FY 2002 that pertained to this Strategic Goal:

1. Consular Affairs Information Security Program (IT-A-02-04 9/02), (OIG)
2. Border Security (Visa and Consular Services Program) (OMB PART)

Detailed information on major findings, recommendations, and actions to be taken can be found in the FY 2002 Key Program Evaluations by Strategic Goal section of the Appendix.



**NATIONAL INTEREST: LAW ENFORCEMENT**

**STRATEGIC GOAL 9: COUNTERING TERRORISM**

*Reduce international terrorist attacks, especially on the United States and its citizens.*

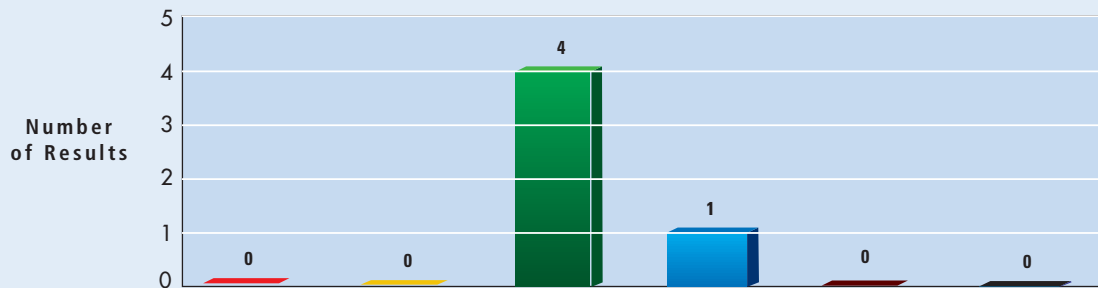
**STRATEGIC GOAL OVERVIEW/PUBLIC BENEFIT**

Since the events of 9/11, combating international terrorism has become the USG’s top priority. The Department is the lead federal agency working with other nations to counter terrorism and minimize the threat of terrorist violence at home and abroad to the United States, its interests, and its allies. It has made key contributions to the worldwide campaign against terrorism in its efforts to create international coalitions that are willing and able to accomplish U.S. counterterrorism objectives.

**STRATEGIC GOAL SUMMARY OF RESULTS ACHIEVED**

*One Annual Goal and Five Targets Represented*

**DISTRIBUTION OF RESULTS**



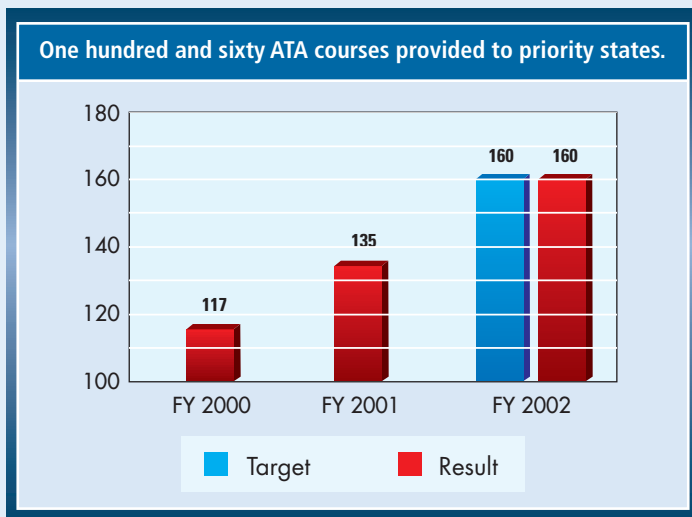
One Annual Goal Represented	Number of Targets	Significantly Below Target	Slightly Below Target	On Target	Above Target	Significantly Above Target	No 2002 Data Available
TOTAL	5	0	0	4	1	0	0
Percent of Total	100%	0%	0%	80%	20%	0%	0%

**SUMMARY OF KEY RESULTS AND IMPACT**

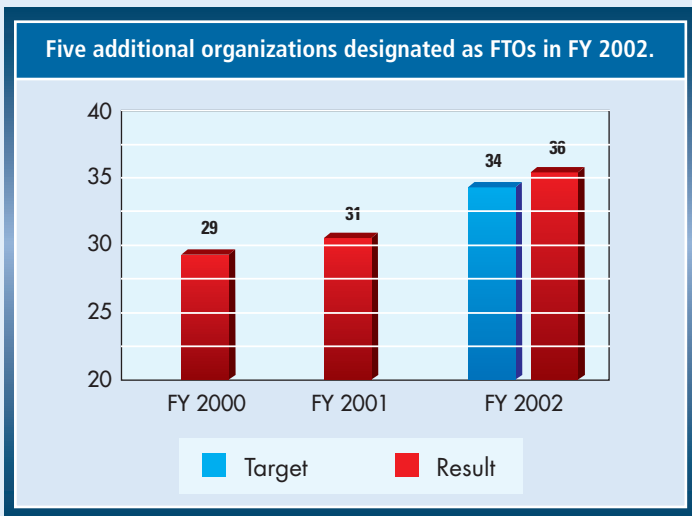
During 2002, the Department made significant progress in creating and sustaining the international political will necessary for states to take strong, decisive action against terrorism.

Bilateral and multilateral consultations resulted in unprecedented cooperation with foreign partners in all areas of the global war on terrorism. In this context, a Joint Working Group with Pakistan was established, China agreed to an FBI Legal Attaché Office in Beijing, and NATO invoked Article V for the first time in its history to assist the United States with countering terrorism.

In addition, 179 states have reported to the UN Security Council about their efforts to implement UN Security Council Resolution 1373 which sets the standard that terrorism is unacceptable, illegal, and is to be opposed. This is an important step towards taking practical legal and political measures to prevent and suppress terrorism. The United States provided leadership in the UN Security Council to monitor compliance with this resolution.



One hundred and sixty anti-terrorism assistance (ATA) training courses that the Department provided to forty-one priority states have improved counterterrorism capabilities. Officials who received U.S.-sponsored counterterrorism training included police officers who dismantled the November 17 terrorist organization in Greece, Turkish officials who successfully negotiated a hostage situation at an Istanbul luxury hotel, and Tanzanian police who apprehended the perpetrator of an armed attack against a Peace Corps volunteer in southwestern Tanzania.



During FY 2002, the Department designated five organizations as Foreign Terrorist Organizations (FTOs), over two hundred persons and entities associated with terrorist financing under Executive Order 13224, and forty-eight organizations under the Terrorist Exclusion List (TEL). This made it more difficult for terrorists to raise and move money, increased the amount of terrorist assets blocked, prevented designated persons from gaining entry to the United States, and heightened international attention to the need for aggressive action to combat terrorist financing. The United States also worked through the UN Security Council's Counter Terrorism Committee to designate terrorist entities and individuals for assets freezes.

The Department installed the Terrorist Interdiction Program at sites in Pakistan and Yemen, allowing security and border officials to check travelers against a list of individuals of concern. The Department also spearheaded work on the USG-initiated G-8 Cooperative Action on Transport Security, which will enhance security for people and cargo; aircraft, ships, trucks, and

containers; and airports and seaports. The Department also encouraged multilateral organizations such as the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO) to develop new global standards for aviation and maritime security.

The Department has also led USG efforts to develop a strong response by Asia Pacific Economic Cooperation (APEC) leaders to the President’s call for a worldwide coalition to defeat terrorism. The leaders issued statements that condemned terrorist attacks in the strongest terms, and committed the Asia-Pacific region to a series of concrete actions to enhance the security of international trade, information, and financial systems to prevent their use by terrorists.

**PERFORMANCE RESULTS BY INDICATOR AND TARGET<sup>5</sup>**

<b>NUMBER OF BILATERAL AND MULTILATERAL CT CONSULTATIONS COMPLETED</b>		
<b>Target</b>	<b>Result</b>	<b>Rating</b>
13	13	On Target
<b>NUMBER OF STATES THAT HAVE REPORTED TO THE UN SECURITY COUNCIL ON THEIR EFFORTS TO IMPLEMENT UNSCR 1373</b>		
<b>Target</b>	<b>Result</b>	<b>Rating</b>
157	179	Above Target
<b>ANTI-TERRORISM TRAINING ASSISTANCE (ATA) COURSES AND PROGRAM REVIEWS PROVIDED TO PRIORITY STATES</b>		
<b>Target</b>	<b>Result</b>	<b>Rating</b>
Provide 160 courses to 41 states; 160 reviews.	Provided 160 courses to 41 states;160 reviews.	On Target
<b>DEGREE OF SUPPORT FOR COMBATANT COMMANDERS’ CT EXERCISE PROGRAMS</b>		
<b>Target</b>	<b>Result</b>	<b>Rating</b>
No exercises scheduled because of Operation Enduring Freedom.	No exercises scheduled because of Operation Enduring Freedom.	On Target
Co-chair the CSG Exercise Sub-Group and develop the next 18-month, national and international-level exercise schedule.	Co-chaired the CSG Exercise Sub-Group and developed the next 18-month, national and international-level exercise schedule.	
Finalize Exercise Sub-Group’s Operating Charter.	Finalized Exercise Sub-Group’s Operating Charter.	
<b>TIMELINESS OF THE REVIEW OF GROUPS DESIGNATED AS FOREIGN TERRORIST ORGANIZATIONS (FTOs) PURSUANT TO U.S. LAW</b>		
<b>Target</b>	<b>Result</b>	<b>Rating</b>
Three additional organizations designated as FTOs. One additional group due for periodic review awaiting other agency action. Two additional groups in the process for first-time designation and awaiting other agency action. Seven groups under review for possible designation.	Five additional organizations designated as FTOs. One additional group was redesignated. Five groups were under review for possible FTO designation.	On Target

<sup>5</sup> The indicators specified in the FY2001/2002 Performance Plan are not shown in this report. The original indicators were dropped from this goal because the events of 9/11 caused the Department to reformulate completely its counterterrorism policies and priorities in order to respond to a radically new situation in which substantial new responsibilities were added to the Department’s counterterrorism programs. The new indicators in this report accurately reflect the Department’s current counterterrorism policy and programs, and better measure the Department’s progress in the post-9/11 environment.

**NATIONAL INTEREST: LAW ENFORCEMENT**

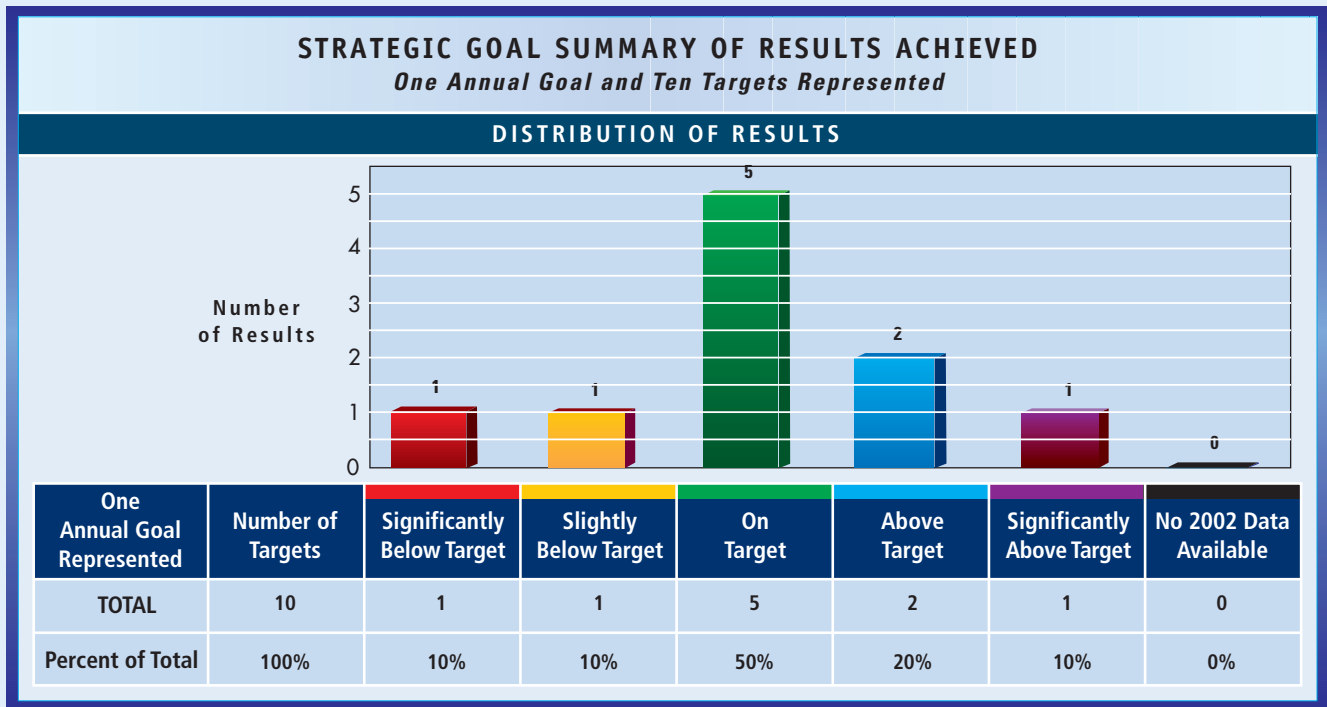
**STRATEGIC GOAL 10: INTERNATIONAL CRIME**

*Minimize the impact of international crime on the United States and its Citizens.*

**STRATEGIC GOAL OVERVIEW/PUBLIC BENEFIT**

Like terrorism and drug trafficking, international crime simultaneously targets domestic and external U.S. interests, affecting a wide range of U.S. citizens daily. Trafficking in women and children, migrant smuggling, contraband smuggling, money laundering, credit card fraud, cybercrime, theft of intellectual property rights (IPR), vehicle theft, public corruption, environmental crimes, and trafficking in illegal firearms cost U.S. taxpayers and businesses billions of dollars each year. International crime groups threaten the rule of law and stability.

Following the events of 9/11, the Department refocused its anti-crime efforts to emphasize counterterrorism. To that end, the Department obtained supplemental funds to initiate or expand border security, identified and engaged countries whose financial sectors were most closely involved with the financing of terrorist groups, and revamped the curricula of International Law Enforcement Academies (ILEAs) and other training courses.





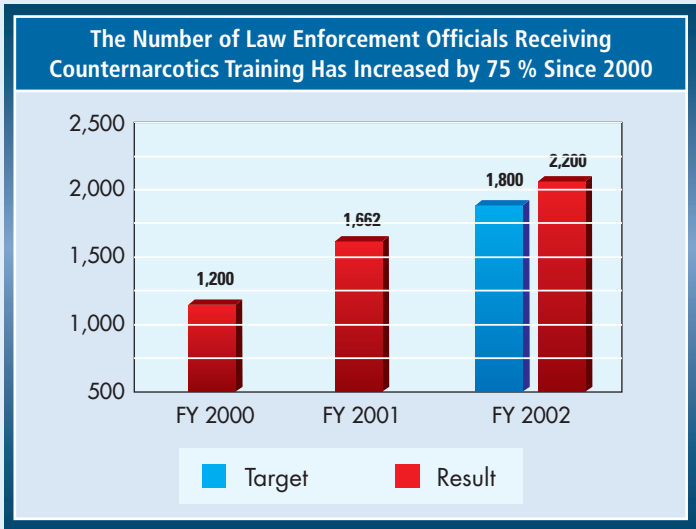
Transnational crime groups often operate from or through countries with weak criminal justice and banking systems that lack the resources, ability, and often the political will to confront organized crime. Department programs in targeted countries help strengthen criminal-justice and law-enforcement institutions, which are necessary for detecting, investigating, arresting, and convicting transnational crime figures and breaking up their operations. This not only improves foreign governments' abilities to act directly against crime groups but also enables these countries to cooperate with the United States and the international community. Department training programs also improve enforcement of regulatory regimes in such areas as international property protection.

**SUMMARY OF KEY RESULTS AND IMPACT**

The Department signed an agreement with Costa Rica to establish a regional ILEA there, the fifth such academy to be established worldwide. During FY 2002, the ILEA program trained 2,200 students; other programs trained an additional 9,500 students, thereby upgrading the skills and professionalism of justice sector and law enforcement officials. ILEA training focuses specifically on regional issues and problems. U.S.-trained officials are more likely to apply U.S. standards and methods in their daily operations and training curricula, and are more willing and able to cooperate with the United States. During FY 2002, the number of students trained through bilateral programs dropped drastically as U.S. training agencies redirected training resources to counterterrorism operations and programs, but by the end of the year, those numbers began to rebound.



*The International Law Enforcement Academy in Gaborone, Botswana*





PERFORMANCE RESULTS BY INDICATOR AND TARGET

NUMBER OF ILEAS ESTABLISHED			
Target	Result		Rating
5	4		Slightly Below Target
NUMBERS OF ILEA AND OTHER PROGRAMS' STUDENTS TRAINED			
Initial Target	Revised Target <sup>1</sup>	Result	Rating
ILEA: 4,100 Other: 4,400	ILEA: 1,800 Other: 15,000	ILEA: 2,200 (estimated) Other: 9,500 (estimated)	Significantly Above Target Significantly Below Target
ASSESSMENTS FOR AFRICAN ANTI-CRIME PROGRAM REQUIREMENTS			
Target	Result		Rating
6	6		On Target
NUMBER OF MIGRANT SMUGGLING AND TRAFFICKING IN PERSONS COORDINATION CENTER (MSTCC) ANTI-SMUGGLING/TRAFFICKING OPERATIONS			
Initial Target	Revised Target <sup>6</sup>	Result	Rating
4	0	The MSTCC has begun monitoring international smuggling and trafficking operations but has not yet provided support for any disruption operations.	On Target
<sup>1</sup> Target was modified; activities related to achieving both initial and revised targets were undertaken. "Result" reported for both sets of targets. <sup>6</sup> Target was revised because of a delay in opening the MSTCC.			

*ransnational cooperation and action to counter crime*

Regional and international cooperation among governments is essential for combating transnational crime. Working together, members of the international community set standards and agree on collective actions, thereby paving the way for operational cooperation and allowing the United States to share the financial and political burden of fighting international crime.

SUMMARY OF KEY RESULTS AND IMPACT

The UN Convention on Transnational Organized Crime, which defines standards for combating transnational organized crime, has now been signed by 143 countries and ratified by two dozen states. This progress represents a major step toward forging an international response to the growing threat of transnational crime. The treaty will enter into force when forty states have ratified it; meanwhile, all signatories are obliged not to take steps contrary to the Convention.

PERFORMANCE RESULTS BY INDICATOR AND TARGET

STATUS OF CONVENTION AGAINST TRANSNATIONAL ORGANIZED CRIME (TOCC) AND SUPPLEMENTAL PROTOCOLS			
Initial Target	Revised Target <sup>1</sup>	Result	Rating
A strategy and an action plan developed for implementation of TOCC & Protocols.	20 states ratify the main convention; implementation plan developed.	143 states had signed and 24 states had ratified. 107 had signed trafficking in persons protocol; 14 had ratified. 103 states had signed migrant smuggling protocol; 13 had ratified. 35 states had signed the firearms protocol; 2 had ratified.	Above Target
STATUS OF CONVENTION AGAINST CORRUPTION			
Target		Result	Rating
Negotiations to establish an international corruption instrument begin.		Three rounds of negotiations completed.	On Target
OVERALL LEVEL AND SOURCES OF FUNDING OF UN CENTER FOR INTERNATIONAL CRIME PREVENTION (CICP)			
Target		Result	Rating
Voluntary contributions to CICP continue to increase.		2002 contribution target will likely be reached; final data not yet available.	On Target
Two countries which have not previously contributed make voluntary contributions.		Two additional countries became donors.	On Target
LEVEL OF U.S. FUNDING TO UN CENTER FOR INTERNATIONAL CRIME PREVENTION (CICP)			
Target		Result	Rating
\$1.5 million		U.S. contributed \$1.7 million to CICP.	Above Target
<sup>1</sup> Target was modified; activities related to achieving both initial and revised targets were undertaken. "Results" reported for both sets of targets.			

**NATIONAL INTEREST: LAW ENFORCEMENT**

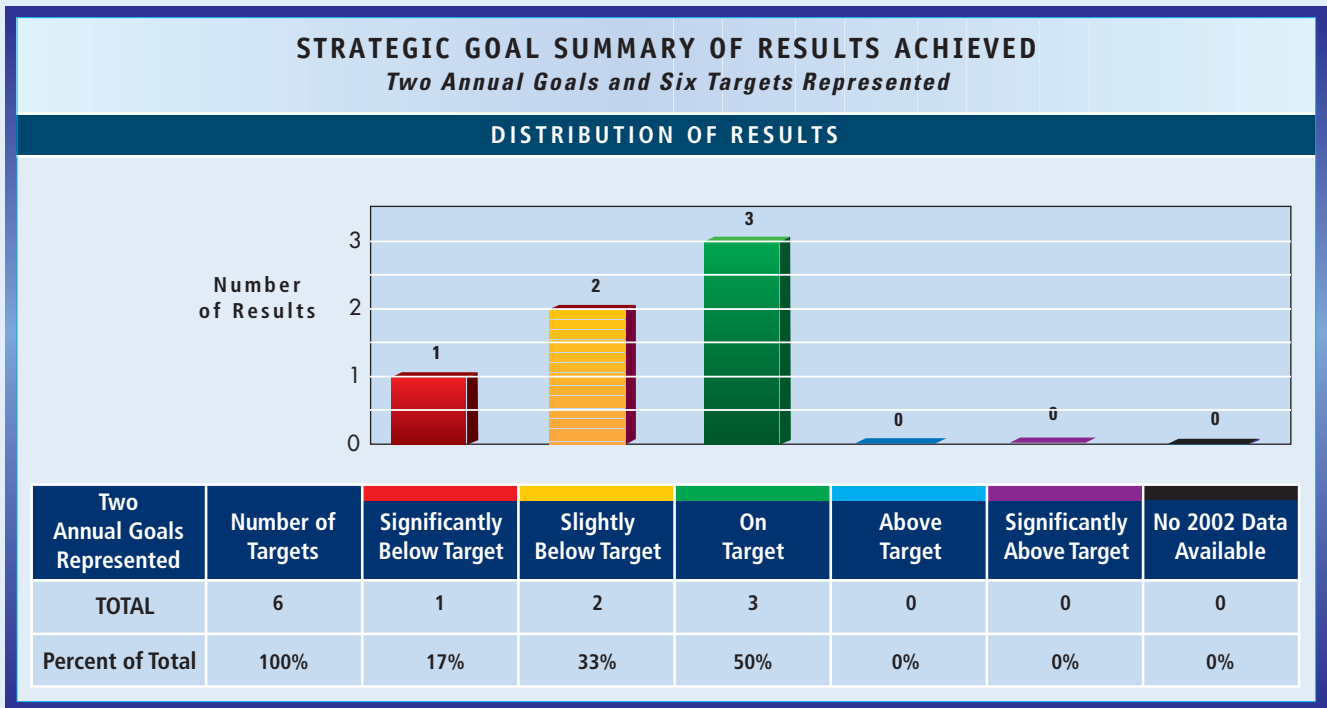
**STRATEGIC GOAL 11: COUNTERING ILLEGAL DRUGS**

*Reduce the entry of illegal drugs into the United States.*

**STRATEGIC GOAL OVERVIEW/PUBLIC BENEFIT**

Illegal drugs, most of which originate abroad, impose a staggering toll on the American people, killing thousands of Americans annually and costing more than \$160 billion in terms of law enforcement, health care, and lost productivity. In the President’s words, “Illegal drug use threatens everything that is good about our country.” Drug traffickers, many with links to terrorists groups, threaten the rule of law, political and economic stability, and even the sovereignty of many countries, including some key allies and friends. No country is immune.

The primary focus of the Department’s counternarcotics efforts during FY 2002 was a multifaceted program aimed at destroying the coca crop and breaking up trafficking organizations in Colombia, the source of 90 percent of the cocaine entering the United States, and preventing spillover of trafficking activities into Colombia’s neighbors. The Department also worked with the United Kingdom and other key allies to combat the resurgence in opium poppy trafficking in post-Taliban Afghanistan and elsewhere in Central Asia destined for Russia and Europe. The fight against drug trafficking and the traffickers themselves is also an attack on the terrorist groups that feed off drug trafficking; in some cases, they are the same groups.



## ANNUAL PERFORMANCE GOAL 1

*Reduced foreign cultivation of opium poppies, coca and marijuana*

### SUMMARY OF KEY RESULTS AND IMPACT

Targeting coca, opium poppies, and marijuana during cultivation is the single most effective means of reducing the quantity of such drugs entering the international market and the United States. In recent years, aggressive eradication programs in Pakistan (opium poppy), Bolivia (coca), and Peru (coca) reduced illicit cultivation in those countries by more than 90 percent.

Although the number of hectares of coca under cultivation in Colombia apparently increased to about 210,000, actual production of cocaine likely decreased because 122,000 hectares were sprayed.

The Department worked with the United Kingdom and others to coordinate an eradication/alternative development assistance program that reduced opium production in Afghanistan by up to 25 percent. The United States and its partners are looking for ways to increase the effectiveness and speed the implementation of this initiative.

Under pressure from the United States and other countries, the new government of Afghanistan officially banned poppy cultivation and trafficking in January 2002, and declared counternarcotics a national priority. Nevertheless, post-war cultivation surged as the new government struggled to extend its authority and control throughout the country.

Mexico, the primary source of foreign marijuana entering the United States, continues to reduce the number of hectares under cultivation through its sustained long-term eradication program.

### PERFORMANCE RESULTS BY INDICATOR AND TARGET

NUMBER OF HECTARES OF ILLICIT COCA UNDER CULTIVATION		
Target	Result	Rating
167,760	210,000 (estimated)	<b>Slightly Below Target</b> Production destroyed was at or above target level, despite the increased area of cultivation.
NUMBER OF HECTARES OF ILLICIT OPIUM UNDER CULTIVATION		
Target	Result	Rating
131,495	161,000 (estimated)	<b>Significantly Below Target</b> Post-war Afghan crop was unexpected.
NUMBER OF HECTARES OF MARIJUANA UNDER CULTIVATION		
Target	Result	Rating
6,500	6,500 (estimated)	<b>On Target</b>
NUMBER OF REGIONAL AND INTERNATIONAL PREVENTION SUMMITS		
Target	Result	Rating
2	0	<b>Significantly Below Target</b> Shift of attention to terrorism decreased ability/priority to organize such conferences at the summit level.

**SUMMARY OF RESULTS AND IMPACTS**

The United States depends on the cooperation and assistance of foreign governments to combat international drug trafficking and traffickers. Most source-and transit-zone states are developing countries with weak criminal justice systems. Thus, in coordination with other USG agencies, the United Nations and other international organizations, the Department assists these countries with equipment, training, institutional development, and operational cooperation essential for mounting effective counternarcotics programs and operations.

During FY 2002, the number of parties to the 1988 UN Drug Convention rose to 165, further increasing the number of states legally committed to undertake various counternarcotics programs and activities.

The Department provided counternarcotics training to 1,800 law enforcement officials, thereby upgrading specific skills and general professionalization among foreign counterdrug forces. These officials are better able to cooperate with the United States at an operational level, and employ U.S. standards and methods in their work and local training.

**PERFORMANCE RESULTS BY INDICATOR AND TARGET**

PARTIES TO THE 1988 UN DRUG CONVENTION			
Initial Target	Revised Target <sup>1</sup>	Result	Rating
157	165	165	On Target
NUMBER OF LAW ENFORCEMENT OFFICIALS RECEIVING COUNTERNARCOTICS TRAINING			
Target	Result		Rating
1,800	1,800		On Target

<sup>1</sup> Target was modified; activities related to achieving both initial and revised targets were undertaken. "Results" reported for both sets of targets.

**PROGRAM EVALUATIONS AND MANAGEMENT CHALLENGES**

Two Program Evaluations were conducted in FY 2002 that pertained to this Strategic Goal:

1. Evaluation of Model Programs for Drug Abusing High Risk Youth in Brazil and Peru, (Outside contractors)
2. Drug Abuse Treatment Training in Peru (Outside contractors)

Detailed information on these evaluations' major findings, recommendations, and actions to be taken can be found in the the FY 2002 Key Program Evaluations by Strategic Goal section of the Appendix.



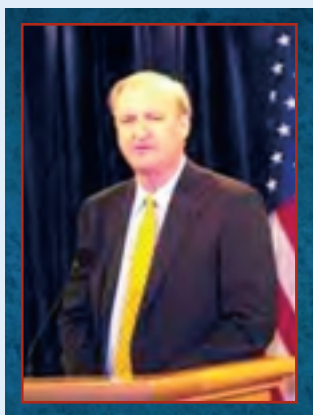
**NATIONAL INTEREST: DEMOCRACY**

**STRATEGIC GOAL 12: DEMOCRACY AND HUMAN RIGHTS**

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

**STRATEGIC GOAL OVERVIEW/PUBLIC BENEFIT**

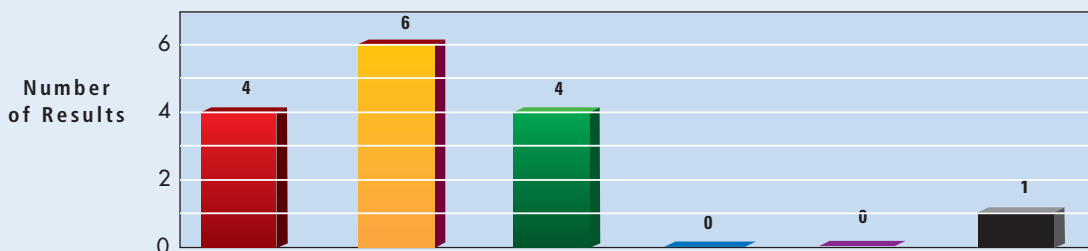
**D**emocracy and human rights, central components of U.S. foreign policy, continue to enjoy wide support among Americans. Beyond idealistic appeal, the U.S. commitment to freedom tangibly advances America’s interests. Stable, consolidated democracies that respect the human rights of their citizens are more likely to be prosperous, enjoy peaceful relations with their neighbors and with the United States, and be free from terrorism. The Department provides support for countries in transition, defends democracies under attack, and strengthens the network of established democracies. Departmental efforts to promote democracy and human rights contribute to a safer world in which Americans can live and prosper.



*Lorne W. Craner, Assistant Secretary for Democracy, Human Rights, and Labor, briefs the press corps on March 4, 2002, upon the release of the Country Reports on Human Rights Practices. State Department photo by Mike Gross*

**STRATEGIC GOAL SUMMARY OF RESULTS ACHIEVED**  
*Four Annual Goals and Fifteen Targets Represented*

**DISTRIBUTION OF RESULTS**



Four Annual Goals Represented	Number of Targets	Significantly Below Target	Slightly Below Target	On Target	Above Target	Significantly Above Target	No 2002 Data Available
<b>TOTAL</b>	15	4	6	4	0	0	1
<b>Percent of Total</b>	100%	27%	40%	27%	0%	0%	6%

The Department strives to encourage foreign countries to move beyond formal elections by instituting authentic and fundamental respect for democracy and human rights.

**SUMMARY OF KEY RESULTS AND IMPACT**

The Human Rights and Democracy Fund (HRDF) has committed \$11.4 million for fifty-nine active projects. Although the goal was \$30 million, the HRDF nevertheless enabled the Department to support projects that strengthen the rule of law, promote free and fair elections, and build religious tolerance. The Department crafted new approaches to democracy in the Middle East, Central Asia, and China, with HRDF projects carefully integrated into larger initiatives.

**PERFORMANCE RESULTS BY INDICATOR AND TARGET**

SIZE OF HUMAN RIGHTS AND DEMOCRACY FUND			
Target	Result		Rating
\$30 million	\$11.4 million; projects prioritized with a focus on independent media in Central Asia and civil society in Muslim-majority countries.		Slightly Below Target
TRAINING FOR STATE DEPARTMENT AND USAID OFFICERS WORKING ON DEMOCRACY			
Initial Target	Result		Rating
Presentations in Ambassador and DCM courses.	Undersecretary for Global Affairs spoke at the Ambassadors' Seminars; democracy and human rights was part of the presentation.		On Target
UNITED NATIONS RESOLUTIONS ON THE RIGHT TO DEMOCRACY			
Initial Target	Revised Target <sup>2</sup>	Result	Rating
United Nations begins negotiations on draft declaration.	UNCHR begins negotiations on draft declaration and UN General Assembly passes resolution.	No progress; U.S. was not a member of the UNCHR in 2002 but was re-elected as member for 2003.	Significantly Below Target
COMMUNITY OF DEMOCRACIES (CD)			
Initial Target	Result		Rating
Follow-up CD ministerial takes place in Seoul.	Follow-up CD ministerial took place in Seoul.		On Target
<sup>2</sup> Target language modified slightly but is substantially consistent; reported "Result" corresponds to Revised Target as shown.			



Authentic and fundamental respect for democracy and human rights includes the full spectrum of political and civil rights; a free economic sector; protection for minorities, women, workers, and other groups; an independent media; rule of law; and freedom of conscience.

**SUMMARY OF KEY RESULTS AND IMPACT**



The Department developed improved Leahy Amendment implementation guidance for all posts. More stringent compliance with this amendment prevents gross human rights violators from receiving U.S.-sponsored training or funding.

Measures to advance respect for human rights are not limited to sanctions and restrictions. Proactive advocacy, including bilateral dialogues, particularly with China, results in political and legal reform. In Central Asia, steps were taken towards expanding room for political opposition groups, human rights monitors, and independent media.

The Department conducted five presentations on combating trafficking in persons (TIP) at Ambassador and Deputy Chief of Mission courses, increasing understanding of TIP as one of the Department’s priorities.

*An activist from the Center for Women and Children Study, a non-government organization (NGO), holds an anti-trafficking poster as demonstrators form a human chain to observe International Human Rights Day in Dhaka, Bangladesh on December 10, 2001. AFP Photo/Jewel Samad*

**PERFORMANCE RESULTS BY INDICATOR AND TARGET**

ENHANCED TRAINING FOR U.S. GOVERNMENT OFFICIALS ON COMBATING TRAFFICKING <sup>2</sup>		
Target	Result	Rating
Presentations in Ambassador and DCM courses.	Conducted five presentations at these courses, explaining USG efforts on Trafficking in Persons (TIP).	On Target
ANTI-TRAFFICKING PROTOCOL TO THE CRIME CONVENTION		
Target	Result	Rating
U.S. ratifies anti-trafficking protocol.	Protocol has not been submitted to Congress for ratification.	Slightly Below Target
INSTITUTIONALIZATION OF REPORTING ON TRAFFICKING		
Target	Result	Rating
Congress concludes that no additional global report necessary because issues have been solved.	No conclusion has been reached.	Slightly Below Target

LEAHY AMENDMENT LIMITS ON SECURITY ASSISTANCE			
Initial Target	Revised Target <sup>2</sup>	Result	Rating
100% compliance with Leahy.	Department working with 100% of posts to implement procedures.	While implementation was not uniform, 100% of posts are working to comply; worldwide quantitative analysis not currently possible.	On Target

COUNTRY-SPECIFIC RESOLUTIONS AT THE UNITED NATIONS COMMISSION ON HUMAN RIGHTS (UNCHR)		
Target	Result	Rating
Commission stops using no-action motion.	No data available.  U.S. was not a member of the UNCHR in 2002, but was re-elected as member for 2003.	No Data Available

<sup>2</sup> Target language modified slightly but is substantially consistent; reported "Result" corresponds to Revised Target as shown.



**SUMMARY OF KEY RESULTS AND IMPACT**

The USG Anti-Sweatshop Initiative received \$4 million in funding in 2002. Although short of the targeted \$7 million, the initiative has made notable progress working with NGOs, governments, and private enterprise to eliminate sweatshop conditions in thirty countries.

WORK OF SECRETARY'S ADVISORY COMMITTEE ON LABOR DIPLOMACY (ACLD)			
Target	Result	Rating	
New recommendations issued and implemented.	Nine recommendations issued, of which, three implemented, one approved and five still under consideration.	Slightly Below Target	

FUNDING OF U.S. GOVERNMENT ANTI-SWEATSHOP INITIATIVE		
Target	Result	Rating
\$7 million	\$4 million	Slightly Below Target

U.S. GOVERNMENT SUPPORT FOR INTERNATIONAL PROGRAM ON THE ELIMINATION OF CHILD LABOR (IPEC) INITIAL TARGET			
Initial Target	Revised Target	Result	Rating
USG provides: <ul style="list-style-type: none"> <li>• \$45 million to support IPEC;</li> <li>• \$55 million to support USAID education programs.</li> </ul>	Labor code changes in Russia; China promotes autonomous trade unions and advances worker rights. World Bank effectively implements U.S.-sponsored provisions of fund replenishments to incorporate respect for worker rights in its country assistance strategies.	No progress made. Other priorities prevented further progress.	Significantly Below Target

*orldwide acceptance of freedom of religion and conscience*

**SUMMARY OF KEY RESULTS AND IMPACT**

The projected benefits from conferences, increasing knowledge of religious freedom concerns in various countries, and of the role of religious freedom concerns in U.S. foreign policy, were not obtained. This performance shortfall occurred because the new Ambassador-at-Large for International Religious Freedom was appointed later than expected.

Programs in Indonesia and Lebanon were intended to promote religious acceptance. Although Druze-Christian reconciliation was facilitated in three Lebanese villages, lack of funding prevented the establishment of a similar intercommunal program in Indonesia, where sectarian violence has continued.

**PERFORMANCE RESULTS BY INDICATOR AND TARGET**

STATE DEPARTMENT-WIDE AWARENESS OF U.S. RELIGIOUS FREEDOM POLICY			
Target	Result		Rating
Three conferences convened.	No conferences held.		Significantly Below Target
FOREIGN ASSISTANCE PROGRAMMING			
Initial Target	Revised Target <sup>1</sup>	Result	Rating
USAID begins funding IRF-related programming	Reconciliation program in Lebanon brings results; additional program begins in Indonesia.	Druze-Christian reconciliation was facilitated in three villages in Lebanon. Funding shortages prevented the establishment of reconciliation programs in Indonesia.	Slightly Below Target
OUTREACH TO FAITH-BASED COMMUNITIES			
Target	Result		Rating
New outreach programs established	No programs established.  This performance shortfall occurred because the new Ambassador-at-Large for International Religious Freedom was appointed later than expected.		Significantly Below Target
<sup>1</sup> Target was modified; activities related to achieving both initial and revised targets were undertaken. "Result" reported for both sets of targets.			



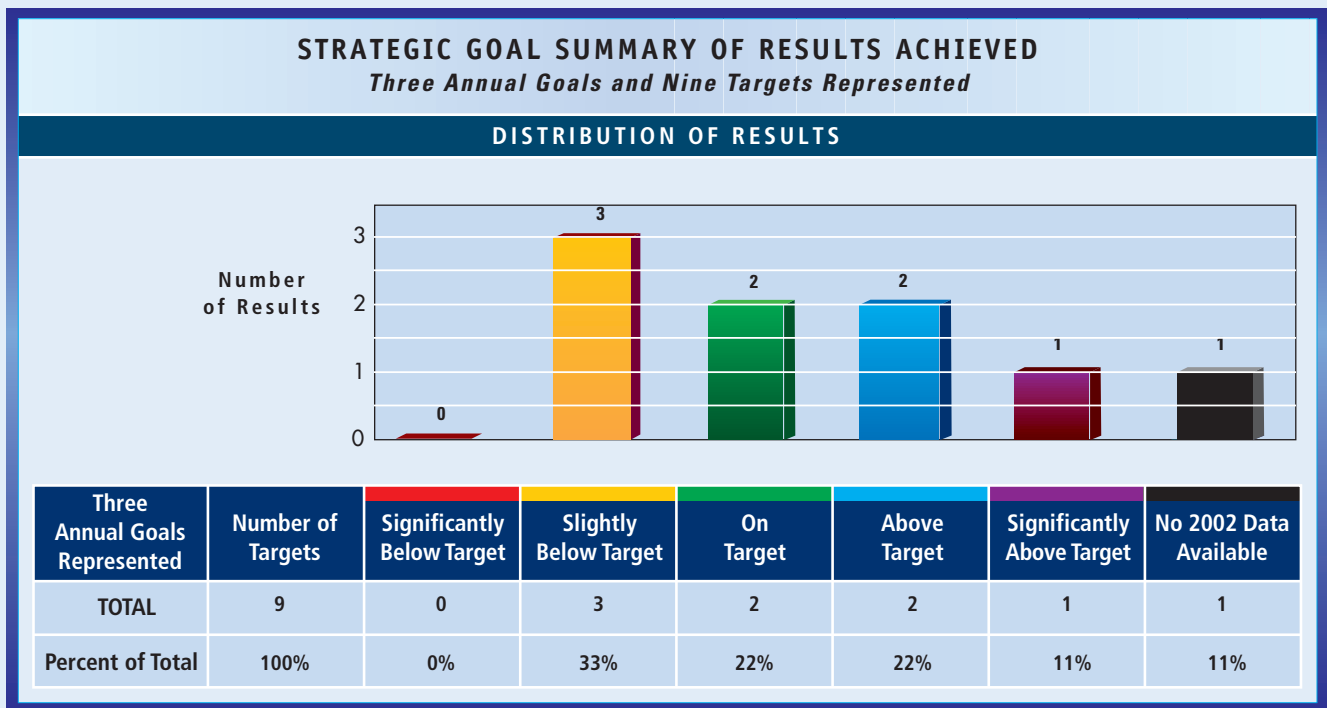
**NATIONAL INTEREST: HUMANITARIAN RESPONSE**

**STRATEGIC GOAL 13: HUMANITARIAN ASSISTANCE**

*Prevent or minimize the human costs of conflicts and natural disasters.*

**STRATEGIC GOAL OVERVIEW/PUBLIC BENEFIT**

In the wake of the events of 9/11, the importance of effective response to the humanitarian problems created by failed states and long-lasting armed conflicts has been magnified. Simply put, assistance to limit the suffering of the displaced and victims of conflict and natural disaster is good foreign policy. In FY 2002, following the United States-led ouster of the Taliban, the Department supported the largest refugee repatriation operation in recent history. The Department also responded to the continued substantial needs of refugees and internally displaced persons (IDPs) in places such as Tanzania, Sudan, Kenya, the Middle East, Kosovo, the Caucasus, and Colombia. Through assistance to relevant multilateral organizations, the Department helped minimize the level of human suffering experienced by these populations while fostering long-term solutions to the root causes of that suffering. In FY 2002, the Department also participated actively in USG efforts to provide food aid to drought-stricken Southern Africa to avert starvation and massive population movements.





**SUMMARY OF KEY RESULTS AND IMPACT**

Refugees and displaced persons suffer disproportionately from conflict and other humanitarian problems. By ensuring equal access to protection, effective and coordinated assistance, and the promotion of durable solutions for refugees and displaced victims of conflict, the United States helps meet the needs of these most vulnerable persons, thereby lessening the human cost of conflict.

During 2002, the crude mortality rate (CMR) in crisis zones did not exceed the target of 1/10,000 persons where data were available. Enhanced tracking procedures and Department-funded assistance programs prevented deaths and lowered risk in emergency refugee settings for extended periods. In a related effort, the Department and USAID developed tools to measure and track more accurately CMR and the nutritional status of children under five years of age.

**PERFORMANCE RESULTS BY INDICATOR AND TARGET**

<b>CRUDE MORTALITY RATES (CMR)</b>		
<b>Target</b>	<b>Result</b>	<b>Rating</b>
Crises do not exceed a crude mortality rate of 1 per 10,000 people/day for an extended period. If necessary, take other measures to address any problems of excess mortality.	Where data were available, refugee crises did not exceed a CMR of 1/10,000 people/day. State/PRM and USAID developed tools to better measure and track CMR and the nutritional status of children under the age of 5; training workshop for practitioners was held in July.	<b>On Target</b>
<b>NUMBER OF UNHCR REPATRIATION PROGRAMS ENDED 2 YEARS AFTER A MAJORITY OF REFUGEES RETURN OR FIND OTHER DURABLE SOLUTIONS</b>		
<b>Target</b>	<b>Result</b>	<b>Rating</b>
Conclusion of one-half of the repatriation programs where the majority of refugees have been home for 2 years or more.	Indicator was not tracked.	<b>No Data Available</b> Indicator has been discontinued and will therefore not appear in subsequent plans. It was deemed an inappropriate measure of performance progress and was never effectively tracked or utilized.

**SUMMARY OF RESULTS AND KEY IMPACTS**

The crux of this goal was the establishment of the Global Disaster Information Network (GDIN), which finds new ways to compile and disseminate operationally-valuable disaster information. To the extent that this goal is met, GDIN will reduce the loss of life and property prevalent in disasters.

Although the goal of establishing a GDIN operations center was not met in FY 2002, substantial progress was made by virtue of agreement among GDIN members to set up five specific GDIN services: conferences and workshops, infectious disease analysis, early warning and response, portal service, and pilot projects. After 2004, GDIN should be able to receive adequate private and governmental funding, to become fully operational.

**PERFORMANCE RESULTS BY INDICATOR AND TARGET**

<b>GLOBAL DISASTER INFORMATION NETWORK (GDIN) MEMBERSHIP</b>			
<b>Initial Target</b>	<b>Revised Target <sup>1</sup></b>	<b>Result</b>	<b>Rating</b>
An international agreement is reached on GDIN physical infrastructure.	An operations center is established and the number of data-sharing partners is increased. GDIN members determine status of the entity.	GDIN community agreed on a new approach to set up five specific services in the 2002-2004 time frame.	<b>Slightly Below Target</b>
GDIN members would determine status of the entity.	N/A	GDIN membership agreed to incorporate the funding mechanism as a 501(c)(3) and to retain the rest of the project as an unincorporated partnership until 2004.	<b>On Target</b>

<sup>1</sup> Target was modified; activities related to achieving both initial and revised targets were undertaken. "Result" reported for both sets of targets.

### ANNUAL PERFORMANCE GOAL 3

*Elimination of deployed landmines and reduction of civilian casualties in mine-affected countries*

#### SUMMARY OF KEY RESULTS AND IMPACT

The elimination of deployed landmines saves lives and prevents civilian injuries. Mine-risk education also reduces civilian casualties, preventing death and debilitating injury in conflict-affected areas.

Thirty-two countries received funding through U.S. Nonproliferation, Anti-terrorism, Demining and Related appropriations (NADR). Although slightly below the target level, these programs contributed to a decrease in the number of civilian landmine casualties and aided the return of agricultural land and infrastructure to productive use. The target was not met because countries that had shown interest in obtaining U.S. assistance did not make a formal request.

In countries where Humanitarian Mine Action programs exist, there was a fourteen-percent reduction of reported civilian casualties, which surpassed the goal of ten percent. In addition to saving lives and preventing injuries, the programs promote economic development by raising the overall health of the workforce.

In 2002, 100,000 landmines and unexploded ordnance were cleared, far surpassing the goal of 35,000. This resulted in more civilians in affected areas being able to use the cleared land safely, thus promoting food security and economic development.

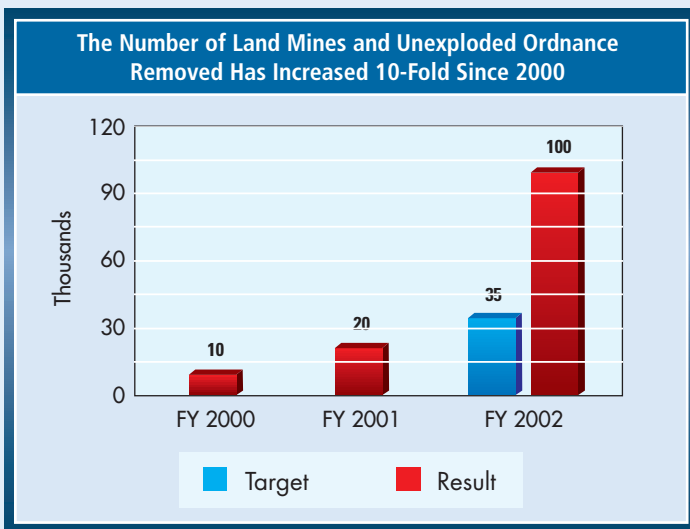


*Rear side view of Locust 750 mini-flail mine clearing system*



*Deputy Secretary of State Richard Armitage being shown demining equipment as he visits the embattled village of Sarasalai in the northern peninsula of Jaffna, Sri Lanka, on August 22, 2002. A U.S.-funded demining team unearthed 772 anti-personnel mines in a 50,000 square meter area from the period May to August 2002.*

*AFP Photo/Sena Vidanagama*



PERFORMANCE RESULTS BY INDICATOR AND TARGET

NUMBER OF COUNTRY PROGRAMS FUNDED BY U.S. NADR APPROPRIATIONS			
Target	Result		Rating
40	32		Slightly Below Target
NUMBER OF U.S. FUNDED HOST NATION PROGRAMS ACHIEVING MINE-SAFE STATUS			
Target	Result		Rating
2	1		Slightly Below Target
REDUCTION OF CIVILIAN CASUALTIES IN COUNTRIES WHERE HUMANITARIAN DEMINING PROGRAMS EXIST			
Target	Result		Rating
10%	14%		Above Target
HECTARES/SQUARE KILOMETERS OF LAND RETURNED TO PRODUCTIVE USE			
Target	Revised Target <sup>2</sup>	Result	Rating
3,500 sq. km	8,000 sq. km	8,897 sq. km	Above Target
NUMBER OF LANDMINES AND AMOUNT OF UNEXPLODED ORDNANCE REMOVED			
Target	Result		Rating
35,000	100,000		Significantly Above Target

<sup>1</sup> Target was modified; activities related to achieving both initial and revised targets were undertaken. "Result" reported for both sets of targets.

PROGRAM EVALUATIONS AND MANAGEMENT CHALLENGES

Five Program Evaluations were conducted in FY 2002 that pertained to this Strategic Goal:

1. Humanitarian Response Efforts for Women and Conflict Victims (OIG)
2. UNHCR Policy on Refugee Women and Guidelines on Their Protection: An Assessment of Ten Years of Implementation (Women’s Commission on Refugee Women and Children)
3. Independent Evaluation of the Kosovo Women’s Initiative (UNHCR Evaluation and Policy Analysis Unit)
4. Refugee Admissions to the U.S. (OMB PART)
5. Refugees to Israel (OMB PART)

Detailed information on major findings, recommendations, and actions to be taken can be found in the FY 2002 Key Program Evaluations by Strategic Goal section of the Appendix.



**NATIONAL INTEREST: GLOBAL ISSUES: ENVIRONMENT, POPULATION, HEALTH**

**STRATEGIC GOAL 14: ENVIRONMENT**

*Secure a sustainable environment to protect U.S. citizens and interests from the effects of international degradation.*

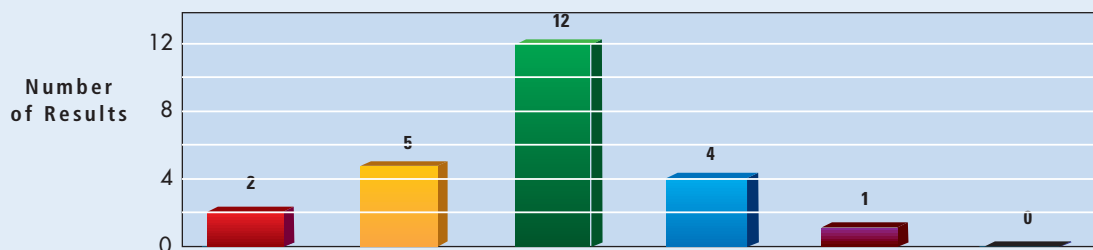
**STRATEGIC GOAL OVERVIEW/PUBLIC BENEFIT**

**E**nvironmental issues are a major component of U.S. foreign policy, as is evidenced by daily headlines that range from climate change to whales to bio-engineered foods to management of global water resources. Less visible, though no less significant, are the Department’s efforts to advance U.S. interests in ongoing international negotiations concerning the oceans, fisheries, forests, coral reefs, endangered species, chemical/waste management, outer space, and the broader frontiers of scientific research. The Department helps key countries and regions combat piracy and other illegal activities involving forest products, wildlife, hazardous wastes, ozone-depleting substances, fisheries, and maritime issues. The Department also advances the Administration’s policy on science and technology through the thirty-five bilateral and multilateral science and technology agreements it manages.

**STRATEGIC GOAL SUMMARY OF RESULTS ACHIEVED**

*Four Annual Goals and Twenty-Four Targets Represented*

**DISTRIBUTION OF RESULTS**



Four Annual Goals Represented	Number of Targets	Significantly Below Target	Slightly Below Target	On Target	Above Target	Significantly Above Target	No 2002 Data Available
TOTAL	24	2	5	12	4	1	0
Percent of Total	100%	8%	21%	50%	17%	4%	0%

## ANNUAL PERFORMANCE GOAL 1

*Donor countries and international financial institutions support U.S. positions and efforts to make trade and environment policies mutually supportive*

### SUMMARY OF KEY RESULTS AND IMPACT

The overall U.S. trade negotiating objective as set forth in the Trade Act of 2002 is to ensure that trade and environmental concerns are appropriately addressed in bilateral and multilateral free trade negotiations.



*Argentine Foreign Minister Carlos Ruckauf (R) speaks to the press with US Trade Representative Robert Zoellick (C) and Brazilian Foreign Minister Celso Lafer (L) on the Free Trade Agreement of the Americas (FTAA) October 31, 2002 in Quito, Ecuador.*

*AFP Photo/Roberto Garagiola/Cancilleria*

The United States agreed to bilateral free trade agreements (FTAs) with Singapore and Chile in 2002 which established a process that will ensure specific environmental commitments. Environmental concerns were incorporated into the ministerial declaration of the November 2002 Summit in Quito but not yet incorporated into the draft Free Trade Agreement of the Americas (FTAA) text. Progress in bilateral FTA and FTAA talks strengthened the U.S. position on trade and environmental policies at the World Summit on Sustainable Development, the WTO, and at meetings of international financial institutions. The U.S.-Jordan FTA was the first bilateral trade agreement to include a commitment to effective enforcement of environmental laws. While Jordan has not yet established a Ministry of the Environment, the United States has been working actively with Jordanian authorities to promote environmental institutional capacity.

The Department has also been active in promoting strong common guidelines for export-credit agencies (ECAs) in the Organization for Economic Cooperation and Development (OECD). Although the United States declined to sign on to an OECD agreement on ECAs because the agreement failed to provide strong, mandatory guidelines and ensure transparency. Many ECAs already evaluate project proposals using strong World Bank environmental guidelines. The U.S. stance in the OECD negotiations enabled the Department to set the terms of the debate and positioned the United States to bring other countries into an acceptable agreement to apply strong, common environmental guidelines.

Results have been mixed, but generally positive, in the application of environmental guidelines to projects supported by international financial institutions. For example, an independent assessment cited enhanced World Bank efforts to monitor the environmental impact of the Chad-Cameroon Pipeline Project, ensure transparency, and respond to community concerns. While transparency issues and slow overall progress have made it difficult to assess whether China will apply adequate environmental safeguards to the South-North Water Transfer Project, indications are that most aspects of the project are undergoing significant environmental impact assessments.

KEY RESULTS BY INDICATOR AND TARGET

CONTENT AND STATUS OF THE FREE TRADE AGREEMENT FOR THE AMERICAS (FTAA)		
Target	Result	Rating
FTAA negotiators agree on mechanism for incorporation of environmental concerns.	<p>Free Trade Agreement for the Americas (FTAA) negotiations are ongoing, as are negotiations for 3-4 bilateral free trade agreements (FTAs).</p> <p>Negotiations continued in FY 2002; a ministerial meeting held in November 2002. FTAA negotiators agreed to incorporate in the Quito Ministerial Declaration language that included protecting the environment as an FTAA goal.</p>	<p><b>Slightly Below Target</b> While environmental concerns were incorporated into the declaration of the November 2002 Ministerial Summit, they are not yet incorporated into the draft FTAA text.</p>
STATUS AND IMPACT OF JORDAN'S ENVIRONMENTAL INSTITUTIONAL CAPACITY, LAWS, AND REGULATIONS		
Target	Result	Rating
<p>Jordan's Environment Ministry consolidates its responsibilities.</p> <p>U.S. supports 1-2 capacity building activities.</p>	<p>The Government of Jordan has not yet established a Ministry of the Environment; it is unclear when it might do so. The Jordanian Government's General Corporation for Environmental Protection (GCEP) continued to operate and developed by-laws during 2002. USAID funded an environmental-management capacity assessment. Regional Environment Office supported a workshop for environmental NGOs and GCEP on proposal/grant preparation.</p>	<p><b>Significantly Below Target</b> Until Jordan's anticipated new Ministry of the Environment is in place, impact of USG activities will be limited.</p>
COMPLIANCE WITH WORLD BANK CHAD-CAMEROON PIPELINE SOCIAL/ENVIRONMENTAL PROGRAM		
Target	Result	Rating
<p>Significant improvement in infrastructure in communities affected by project.</p> <p>Successful management of initial population influxes without excessive environmental impact.</p>	<p>Independent Inspection Panel conducted assessment in spring 2002 at request of Chadian citizens and Government.</p> <p>Results:</p> <p>Some progress in improving infrastructure due to lack of capacity and political will.</p> <p>Successful management of population influxes without excessive environmental impact; no problems found.</p> <p>After successful surface/groundwater contaminant mitigation in Chad, a consortium developed plan illustrating impact of potential pollution sources and how to prevent future similar problems.</p> <p>Oil likely to flow into pipeline in June 2003.</p>	<p><b>On Target</b></p> <p><b>Slightly Below Target</b> Slow progress in improving infrastructure.</p> <p><b>On Target</b> Inspection showed compliance with social compliance indicators.</p> <p><b>On Target</b> Contamination effectively controlled.</p> <p><b>Above Target</b> Progressing one year ahead of schedule.</p>

**INTERNATIONAL PRIVATE CAPITAL FLOWS FOR THE SOUTH-NORTH WATER PROJECT IN CHINA INCORPORATE ENVIRONMENTAL PROTECTION**

Target	Result	Rating
South-North Project proceeds with environmental protection safeguards in place.	FY 2002 progress was limited by slow development of the project by Chinese planners and delays in releasing information to the public about specific aspects of the plan. Indications are that most aspects of the project are undergoing significant EIA reviews.	<b>Slightly Below Target</b>

**NUMBER OF COUNTRIES' EXPORT CREDIT AGENCIES THAT AGREE TO COMMON ENVIRONMENTAL GUIDELINES**

Target	Result	Rating
All OECD member states sign onto common quantitative and qualitative environmental guidelines.	OECD countries disagree with USG concepts for strong, common environmental guidelines. USG chooses not to join OECD agreement, viewing it as insufficiently transparent and lacking common standards.	<p><b>Slightly Below Target</b></p> <p>Although the Department was unable to secure OECD agreement for strong, mandatory environmental guidelines, it succeeded in setting the terms of debate, and maintaining negotiating leverage. The Department is positioned to reach an agreement with other countries covering what they are already now do in practice – evaluating project proposals against strong World Bank environmental guidelines.</p>

## SUMMARY OF KEY RESULTS AND IMPACT

International endorsement of the U.S. emphasis on private capital, trade, and domestic good governance as key to sustainable development was secured at the World Summit on Sustainable Development in September 2002. The Summit also emphasized public-private partnerships as a key mechanism to implement sustainable development goals. More than two hundred such partnerships were launched, including four U.S. signature partnerships in water, energy, forests, and hunger. The Johannesburg Plan of Implementation (JPOI) provided a workable blueprint for advancing the broad range of sustainable development issues.

In fulfillment of the President's commitment to address climate change, the Department worked internationally, especially with developing nations, to demonstrate that future prosperity can be built along a cleaner and better path. Ten regional and bilateral partnerships on global climate change were initiated or advanced in FY 2002.



*An employee arranges flags during preparations for an opening welcoming ceremony in conjunction with the World Summit on Sustainable Development in Johannesburg, South Africa, August 2002. AFP Photo/Pedro Ugarte*

Progress has been made toward ratifying the Rotterdam and Stockholm Conventions, which promote sound management of chemicals. Among other things, these important agreements will lead to a virtual phase-out in the use of persistent organic pollutants, which continue to pose a global environmental threat despite being banned or severely restricted in the United States and most developed countries decades ago. The two Conventions were submitted to the Senate for advice and consent. Implementing legislation introduced in Congress in 2002 was not acted upon.

The United Nations Fish Stocks Agreement entered into force in FY 2002. This legally-binding agreement will help achieve sustainable fisheries and regional-level management, dispute settlement, and data exchange.



Some progress was made towards achieving sustainable marine fisheries, rebuilding depleted fish stocks, preserving the marine ecosystem, and minimizing the impact of fishing on associated and dependent species such as sharks, sea turtles, and seabirds. In 2003, the Department will seek stronger fishing capacity caps in regional fisheries management organizations and work to increase the acceptance and national implementation of the International Plans of Action of the UN Food and Agriculture Organization (FAO) and two binding UN global fisheries treaties.

The Department played an instrumental role in the use by member-states of the UN Convention to Combat Desertification's (UNCCD's) Famine Early Warning Systems Network (FEWSNET), which uses technology to provide decision makers with critical information on weather patterns, projected food scarcity, and changes in land-use patterns.

**KEY RESULTS BY INDICATOR AND TARGET**

<b>RESPONSE OF THE INTERNATIONAL COMMUNITY TO THE ADMINISTRATION'S NEW APPROACH TO CLIMATE CHANGE</b>		
<b>Target</b>	<b>Result</b>	<b>Rating</b>
To address climate change, consider new international negotiation that takes a longer term view and includes commitments for development.	<p>New partnerships announced or initiated with Australia, Canada, the EU, India, Korea, and China.</p> <p>Implementation of partnerships with Japan, (more than 30 projects in science, technology, and policy cooperation identified), Central American countries, Italy (more than 20 projects relating to climate science and technology), and Australia (19 projects initiated).</p> <p>Key working groups established, specific projects and project-related activities agreed upon and begun.</p>	<b>On Target</b>

**EFFECT OF PRIOR INFORMED CONSENT CONVENTION**

Target	Result	Rating
Implementation of the convention.	Congress considering steps to allow U.S. ratification to proceed, but process was not completed in 2002.	<p><b>Slightly Below Target</b></p> <p>Made progress with Congress toward ratification of the Rotterdam Convention.</p>

**CONVENTION TO COMBAT DESERTIFICATION MITIGATES THE EFFECTS OF DROUGHT ON ARID, SEMI-ARID, AND DRY SUB-HUMID LANDS**

Target	Result	Rating
Expand opportunities for research centers and universities to share technical expertise.	<p>Department promoted U.S. scientists to the UN Convention to Combat Desertification's (UNCCD) Roster of Experts.</p> <p>Results: 7 U.S. scientists on UNCCD's Roster of Experts, 1 U.S. scientist on UNCCD's Committee for Science and Technology, and language in the National Action Programs that support education and information sharing.</p>	<p><b>On Target</b></p> <p>Department promoted U.S. scientific input in the UNCCD, provided models for investigating causes of and remedies for desertification; and emphasized the importance of a) education and information sharing for implementing National Action Programs, b) applied research, c) synthesis work, and d) concrete implementation issues for the UNCCD committees. .</p>

**STATUS OF RATIFICATION OF STOCKHOLM CONVENTION ON PERSISTENT ORGANIC POLLUTANTS (POPS) CONVENTION**

Target	Result	Rating
U.S. ratification complete.	Congress considered necessary steps to allow U.S. ratification to proceed, but this process was not completed in 2002.	<p><b>Slightly Below Target</b></p> <p>Department made progress with Congress regarding ratification of the Stockholm Convention. The process on track for the Senate to give advice and consent, and for Congress to pass implementing legislation in 2003.</p>

**STATUS OF UN FISH STOCKS AGREEMENT AND FAO COMPLIANCE AGREEMENT**

Target	Result	Rating
UN Fish Stocks Agreement enters into force following ratification by 30 states.	Since entry into force, the Department has begun consultations with other States Parties to promote implementation, particularly provisions that pertain to cooperation with developing states. The UN General Assembly and States Parties to the Agreement agreed in principle to establish a voluntary trust fund for implementing the Agreement.	<p><b>On Target</b></p> <p>The Department began consultations with other States Parties to the UN Fish Stocks Agreement to promote its implementation.</p>

EFFECT OF AN INTEGRATED USG POSITION ON THE WORLD SUMMIT ON SUSTAINABLE DEVELOPMENT		
Target	Result	Rating
USG position is refined as needed to secure international support.	USG successfully secured international support for its position through unanimous adoption of the Johannesburg Plan of Implementation and the Johannesburg Declaration on Sustainable Development at the World Summit on Sustainable Development (WSSD) in Johannesburg, South Africa, September 2002.	<b>Significantly Above Target</b> USG success in securing international support for its position at the WSSD went beyond merely achieving an integrated USG position. It was the direct result of the outstanding level of coordination and cooperation of the more than 20 USG agencies involved.
TRADE DECISIONS ASSISTED BY BIOSAFETY PROTOCOL IMPLEMENTATION		
Target	Result	Rating
Biosafety Protocol implementation assists countries in making environmentally informed trade decisions.	The Biosafety Protocol did not enter into force in 2002. Nevertheless, the USG developed a biotechnology regulatory web page to share relevant information on environmentally-informed trade decisions. USG also supported the development of the Protocol's Biosafety Clearinghouse which will become operational when the protocol enters into force. The Department's work created the mechanism for information sharing and established a model for other countries to follow that is in place ahead of schedule.	<b>Above Target</b> Although the Protocol did not enter into force, U.S. efforts have established the foundation for countries to make environmentally-informed trade decisions.
EFFECT OF FAO INTERNATIONAL PLANS OF ACTION FOR SEABIRD BY CATCH AVOIDANCE, FOR SHARK CONSERVATION AND MANAGEMENT, AND FOR FISHING VESSEL CAPACITY REDUCTION BY FAO MEMBERS		
Target	Result	Rating
Proportion of stressed stocks declining.	Recovery of North Atlantic swordfish stocks through the work of a regional fisheries management organization; development of a shark management plan to implement the shark international plan of action of the Asia Pacific Economic Cooperation Forum (APEC), and resolutions in other regional bodies that minimize the by-catch of sharks, adoption by the Inter-American Tropical Tuna Commission of its first limitations on fishing capacity, entry into force of the Southern Ocean Albatross and Petrel Agreement; and progress toward establishment of a regime to conserve and manage highly migratory fish stocks in the central and western Pacific.	<b>On Target</b>

### ANNUAL PERFORMANCE GOAL 3

*International financial and multilateral institutions and donor countries provide greater development assistance dealing with key environmental issues*

#### SUMMARY OF KEY RESULTS AND IMPACT

The United States led the international community in securing replenishment of the Global Environment Facility (GEF) and increasing its overall funding. The United States also made a commitment to pay its arrears. The GEF will focus on implementing concrete measures in the areas of biodiversity, climate change, persistent organic pollutants, combating desertification, and protecting international waters and the ozone layer.

At the World Summit on Sustainable Development (WSSD), the U.S. launched the Congo Basin Forest Partnership with thirty governments and private partners to conserve and manage Central African forests in a sustainable manner.

During FY 2002, Russia met its targets under the Montreal Protocol for phasing out its use of chemicals that deplete the earth's stratospheric ozone layer. It also disposed of its remaining unused ozone depleting products in an environmentally sound manner.

Discussions about shared waters have helped strengthen relationships among countries in several key conflict-prone regions including the Balkans and the Okovango and the Nile Basins. Discussions about water have been successful in promoting cooperation, building trust, and developing mechanisms and skills useful for resolving disputes. At the WSSD, the United States launched a \$970-million, three-year initiative to improve access to safe drinking water. The United States also formed a partnership with Japan to identify areas where the two countries can work together to address critical water issues.



*Congo Brazzaville President Denis Sassou Nguesso and Secretary of State Colin Powell give a press conference on September 4, 2002 after a meeting on the Congo Basin Forest Partnership, at the World Summit on Sustainable Development in Johannesburg, South Africa. AFP Photo/Pedro Ugarte*

Balkan countries worked together to develop a legal framework for navigation on the Sava and on several joint development projects. Participants intend to establish a regional institution for managing the Sava and host a donor conference in 2003 to raise financial support. Countries in the Okovango Basin participated in joint technical sessions and dispute resolution training – reinvigorating a moribund regional process. The Nile Basin Initiative has become an international organization that has already funded several joint projects. Countries meet regularly to discuss development of the Nile, perhaps the single most contentious issue in the region.

Multilateral water projects had significant positive impact in Jordan, the West Bank, and Gaza. Cooperation between the parties helped alleviate the region’s third year of drought, despite the difficult political situation. New wells and pipelines in the West Bank produced additional water resources during the summer to meet basic needs for the Palestinian population. The water curriculum provided to schools, which encourages recognition of water as a collective regional issue and stresses individual responsibility, should improve awareness among youth about the region’s serious water conditions.

The Government of Indonesia failed to prosecute a single haze-pollution violation. Millions of people in Indonesia, Malaysia, Singapore, and Bruenei continue to suffer ill health from these annual but preventable hazes, most of which are caused by intentionally-lit forest fires.

ACTIVITY OF CFC-PRODUCING ENTERPRISES		
Target	Result	Rating
CFC-producers in Russia have properly disposed of all ozone-depleting products.	CFC-producers in Russia have properly disposed of all ozone-depleting products.	<b>On Target</b> Russia has achieved its target of phasing out ozone depleting products and disposing of unused product in an environmentally sound manner.
REGIONAL ENVIRONMENTAL CENTERS (RECS)		
Target	Result	Rating
All RECs function as organizations actively participating as environmental/civil society organizations. Additional donors add funding support.	All RECs have been established and are functional.  EU provides additional donor support to all RECs.  Other donor support exists at or significantly above target for RECs in Georgia, Hungary and Almaty, and is being explored for RECs in Moldova, Russia, and Ukraine.  RECs promoted progress regionally on Agenda 21 implementation and water management, helped organize regional participation in international conferences, with participation by governments, NGOs and the private sector.	<b>Above Target</b> All RECs are functioning. The Central Asia REC hosted a broad range of activities, coordinated regional positions, promoted sustainable development, and recognized regional needs, particularly in the Environment for Europe process.



**PROGRESS BY USG, DONORS AND RIPARIANS IN ADDRESSING TRANSBOUNDARY WATER ISSUES IN KEY REGIONS**

Target	Result	Rating
<p>Riparians meet regularly. Significant increase in number of joint activities. Donors meet, efforts are well coordinated.</p>	<p>Nile riparian countries continue to work on a legal framework and have raised more than \$140 million in donor support for joint development projects.</p> <p>Riparian countries negotiated a framework agreement for navigation on the Sava and started joint development activities. Angola, Namibia, and Botswana have participated in joint training on conflict resolution and joint watershed management. Joint projects among NGOs within the Araks and Kura watersheds are underway. Regular regional discussion on joint management of the Amu and Syr Darya Rivers of Central Asia are taking place under the auspices of the International Fund to Save the Aral Sea (IFAS) and related organizations.</p>	<p><b>Above Target</b></p> <p>Results were within or exceeded expectations given the political and technical complexities inherent in this target.</p>

**MANAGEMENT OF WATER IN WEST BANK AND GAZA**

Target	Result	Rating
<p>Additional West Bank wells come online.</p> <p>West Bank village water systems come online.</p> <p>Construction on Amman wastewater and system rehabilitation continues.</p> <p>Construction of Gaza carrier begins.</p>	<p>Two new functioning West Bank wells . Designs were developed, to supply water to 100,000 additional people in West Bank villages. Parties signed an agreement for the Amman As Samra wastewater project. Construction is continuing on the Amman water supply system rehabilitation project.</p> <p>Bidding process for the Gaza carrier continued; contract award anticipated in FY2003. Water projects also completed to supply the Ein Sultan refugee camp near Jericho and villages near Jenin.</p>	<p><b>On Target</b></p>

**EFFECT OF WATER RESOURCES AND ENVIRONMENT WORKING GROUPS**

Target	Result	Rating
<p>Initiation of additional 1-2 new water and environment activities; water curriculum placed in Arab and Israeli schools; expansion of electronic water network.</p>	<p>During FY 2002, Middle East experts and officials (Mostly Jordanians, Israelis, and Palestinians; Egyptians and Tunisians also involved in one project) continued to work together on multilateral water and environment projects. In the regional water databanks project, one new activity on hydro-geologic databases began; and several more are in the planning stages. The rainfall-intensity activity was completed, and regional participants agreed on a follow-up activity for FY 2003. A new combined water environment activity in the field of wastewater treatment and re-use was under preparation. The USG-funded participants in the Dryland Management Initiative to attend a workshop on sustainable agro-ecosystems. The water curriculum for high school students was published in Arabic and Hebrew; its placement in schools began. Progress on the Waternet electronic network slowed because software replacement needed.</p>	<p><b>On Target</b></p>

**INTERNATIONAL CONSORTIUM FOR COOPERATION ON THE NILE (ICCON) ACTIVITIES**

Target	Result	Rating
<p>Initiation of 1 or 2 supported activities of the International Consortium for Cooperation on the Nile (ICCON).</p>	<p>Nile riparian countries established an international organization to facilitate joint management of the watershed. These countries continue to work on a legal framework and have raised more than \$140 million from donors for joint development projects.</p>	<p><b>Above Target</b></p>

**UNEP ASSISTANCE AND CAPACITY BUILDING**

Target	Result	Rating
<p>UNEP, including the Trade Unit, places greater importance on technical assistance that deals with trade-related environmental issues and allocates a larger proportion of the budget to those activities.</p>	<p>UNEP expanded its work in the field of trade-related activities in 2002 to participate more fully in work on environmental aspects of the WTO Doha Ministerial Conference.</p>	<p><b>On Target</b> UNEP held an intergovernmental experts meeting in 2002 to consider trade related issues, with an emphasis on technical assistance to help developing countries take these issues into consideration.</p>

**STATUS OF U.S.–JAPAN GLOBAL ISSUES COOPERATION AND ENVIRONMENTAL POLICY DIALOG**

Target	Result	Rating
<p>Status of U.S. – Japan Global Issues Cooperation and Environmental Policy Dialog Indicator has been discontinued in subsequent plans because it was deemed too specific for purpose of tracking general Department progress.</p> <p>Array for Real-time Geostrophic Oceanography (ARGO) and integrated ocean drilling (IODP) fully deployed; launch U.S.-Japan global issues cooperation on Mekong Water Assessment project.</p>	<p>U.S. and Japan currently drafting a memorandum of understanding to deploy the Integrated Ocean Drilling Program (IODP) in 2003.</p> <p>579 Argo floats deployed and operational by December 2002, of which, 197 are U.S. and 90 are Japanese.</p> <p>FY 2002 milestones since FY 1999 funding include 1,624 floats funded globally, with the U.S. funding 737 and the Japanese 202. Many purchased floats are not yet operational. For FY 2003 - FY 2005, funding has been proposed for 2,517 floats, of which the U.S. will contribute 1,313 and Japan 300.</p> <p>Mekong Water Assessment project not yet launched. Fund site scheduled to be established in Manila before the end of 2002. Pre-award audit completed and passed.</p>	<p><b>On Target</b></p> <p>U.S. and Japan are cooperating across the board with regular meetings on all three projects listed above.</p>

**STATUS OF EU FISHERIES**

Target	Revised Target <sup>1</sup>	Result	Rating
<p>EU adds value in international fora as an advocate for fisheries conservation.</p>	<p>Conservation included as an important element in EU Common Fisheries Policy.</p>	<p>Department raised U.S. concerns about EU fisheries policies at a high level and in other multilateral fora; continues to work with EU counterparts as the Common Fisheries Policy (CFP) is finalized.</p>	<p><b>On Target</b></p>

**HAZE POLLUTION SITUATION IN INDONESIA**

Target	Result	Rating
<p>Government prosecution of violators reaches 75%.</p>	<p>No prosecutions. The Government of Indonesia has shown no clear interest in pursuing violators.</p>	<p><b>Significantly Below Target</b></p>

**STATUS OF GRID SIOUX FALLS**

Target	Result	Rating
<p>Donors begin to commit funds.</p>	<p>U.S., Canadian, and Mexican scientific institutions contributed funding and in-kind resources to GRID Sioux Falls research programs.</p>	<p><b>On Target</b></p> <p>GRID Sioux Falls now encompasses research input from the entire North American region, improving its capabilities to forecast future environmental trends.</p>

<sup>1</sup> Target was modified; activities related to achieving both initial and revised targets were undertaken. "Result" reported for both sets of targets.

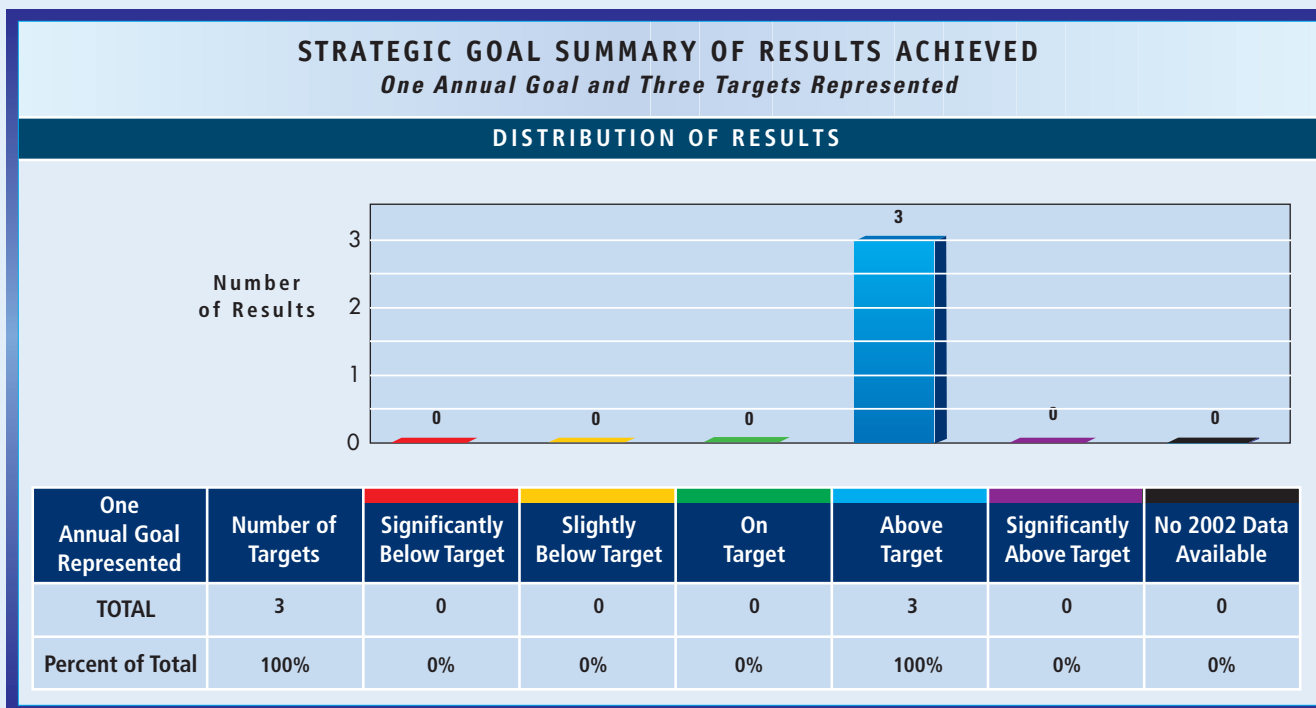
**NATIONAL INTEREST: GLOBAL ISSUES: ENVIRONMENT, POPULATION, HEALTH**

**STRATEGIC GOAL 15: POPULATION**

*Achieve a healthy and educated world population.*

**STRATEGIC GOAL OVERVIEW/PUBLIC BENEFIT**

The Department aims to help people worldwide achieve healthy families of the size they desire, through the use of voluntary, non-coercive means that respect human rights and do not involve abortion.<sup>7</sup> Women should be able to make voluntary and informed choices about when, whether, and how many times to become pregnant, and couples should be able to support and raise healthy children. To do so, couples need health education and care, as well as nutrition, sanitation, shelter, and education. The Department works to promote good governance, economic opportunity, and other methods of making these goods available, and also works to decrease the incidence of abortion, mortality, and morbidity (whether caused by disease or violence). The Department also works to help governments react appropriately to new demographic challenges, including declining fertility rates, gender imbalances, aging populations, and abnormal demography caused by diseases such as HIV/AIDS. These efforts promote American security, growth, and values by helping create a healthy and educated world population that can participate in and promote global democratic governance, economic opportunity, and protection of environmental and human rights.



<sup>7</sup> In conformity with the Mexico City policy as reinstated by President Bush, USAID assistance to foreign NGOs is provided only to those that do not perform or promote abortion. In addition, in accordance with law, U.S. aid does not go to organizations that support or participate in the management of a program of coercive abortion or forced sterilization.

## ANNUAL PERFORMANCE GOAL 1

*Improved reproductive health, reduced incidence of maternal mortality and other problems that particularly threaten women, universal access to primary and secondary education, and appropriate governmental reaction to world demographic changes*

### SUMMARY OF KEY RESULTS AND IMPACT

The United States promoted the goals described in the overview at meetings of the UN Commission on Population and Development, the UN General Assembly Special Session on Children, the World Health Assembly, the World Summit on Sustainable Development, and other multilateral conferences. In addition, as a member of the Executive Board of the UN Population Fund (UNFPA) and the UN Development Program, the United States took steps to improve the activities of these organizations. In 2002, the United States withheld funding from UNFPA because the Secretary of State determined that UNFPA provided funds and other support to the Chinese governmental entities charged with enforcing China's birth limitation program, which relies on coercive laws and practices that can lead to coercive abortion. The United States is working to encourage UNFPA to make reforms, and cease its involvement with coercion, so that future U.S. funding of UNFPA will be legally possible.

In 2002, the proportion of births assisted by a skilled attendant increased in the following fourteen countries with high maternal mortality rates: Burundi, Cambodia, Cameroon, Chad, Guinea-Bissau, Haiti, Laos, Lesotho, Malawi, Nepal, Nigeria, Rwanda, Senegal, and Tanzania. Assistance from skilled birth attendants reduces risks of maternal and infant mortality and morbidity.

Thirty countries where girls' enrollment in secondary school was less than 50 percent in 2001 increased girls' enrollment by 2 percent or more in 2002. Providing more girls with access to education has been shown to improve their access to health care and economic opportunity.



*East Timorese children play near a sea shore in Dili, July 1, 2002. The newest country in the world has a 60% illiteracy rate, a per capita gross national product of \$340, and life expectancy of only 48 years. The infant mortality rate is 135 per 1000 live births and the maternal mortality rate is twice that of other countries in Southeast and the Western Pacific. AFP Photo/Antonio Dasiparu*



PERFORMANCE RESULTS BY INDICATOR AND TARGET

MATERNAL MORTALITY AT THE NATIONAL LEVEL		
Target	Result	Rating
Where maternal mortality rate (MMR) is very high, 10 additional countries increase births assisted by a skilled attendant by 2%.	The proportion of births assisted by a skilled attendant increased by 2% or more in 14 countries where the maternal mortality rate is very high.	Above Target

Note: The three indicators shown below have been discontinued. Revised indicators that are better measures of success are being used for FY 2003 and beyond.

AVAILABILITY OF MODERN FAMILY PLANNING AND OTHER REPRODUCTIVE HEALTH CARE FOR INDIVIDUALS REQUESTING SUCH SERVICES		
Target	Result	Rating
Ten countries increase Contraceptive Prevalence Rates (CPR) (modern methods) by 2%.	More than 20 countries increased CPR (i.e., modern methods) by 2% or more in 2002, of which 10 countries increased CPR by at least 10 percentage points: Cambodia, Costa Rica, Czech Republic, Laos, Lesotho, Mongolia, Malawi, Turkmenistan, Uganda, Uzbekistan, and Yugoslavia.	Above Target

SECONDARY SCHOOL ENROLLMENT RATES AMONG GIRLS		
Target	Result	Rating
Ten countries under 50% increase girls' enrollment by 2% or more.	Thirty countries where girls' enrollment in secondary school was less than 50% in 2001 increased by 2% or more in 2002.	Above Target

**NATIONAL INTEREST: GLOBAL ISSUES: ENVIRONMENT, POPULATION, HEALTH**

**STRATEGIC GOAL 16: HEALTH**

*Improved global health for a more secure world.*

**STRATEGIC GOAL OVERVIEW/PUBLIC BENEFIT**

International health issues, particularly epidemics, pandemics, and bio-terrorism pose a serious threat to American citizens and the international community. The burden of HIV/AIDS, tuberculosis, malaria, and other diseases weighs heavily upon developing nations by disrupting economic and social growth, contrary to the U.S. foreign-policy objective to promote stable societies and economies. HIV/AIDS particularly devastates entire countries and regions in Africa and the Caribbean, and has extended its reach into the next tier of large, vulnerable nations such as Russia, India, and China. In conjunction with other USG agencies, the Department engages senior government leaders and international organizations to raise awareness, mobilize resources, inspire public-private partnerships, and spur action.



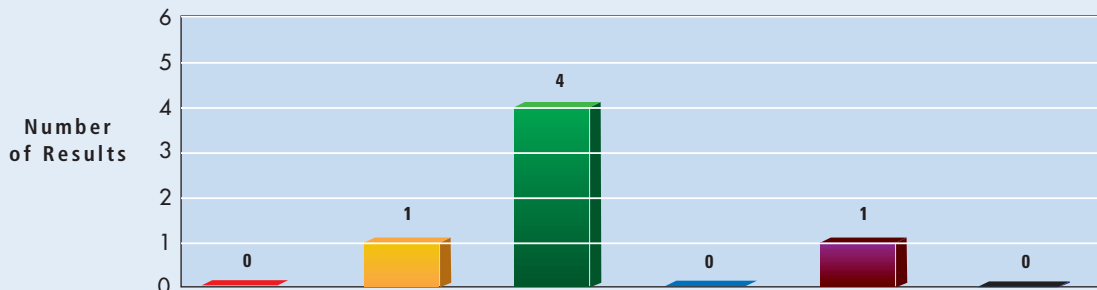
*President George W. Bush announces a new International Mother and Child HIV Prevention Initiative as Secretary of Health and Human Services Tommy Thompson and Secretary of State Colin Powell look on at a White House ceremony on June 19, 2002.*

*AFP Photo/Paul J. Richards*

**STRATEGIC GOAL SUMMARY OF RESULTS ACHIEVED**

*One Annual Goal and Six Targets Represented*

**DISTRIBUTION OF RESULTS**



One Annual Goal Represented	Number of Targets	Significantly Below Target	Slightly Below Target	On Target	Above Target	Significantly Above Target	No 2002 Data Available
TOTAL	6	0	1	4	0	1	0
Percent of Total	100%	0%	16%	67%	0%	17%	0%

**SUMMARY OF KEY RESULTS AND IMPACT**

In 2002, the Global Fund to Fight AIDS, Tuberculosis and Malaria became operational and significantly expanded thanks to pledges that now total \$2.1 billion. The Global Fund will be a major force in addressing epidemic and pandemic diseases. The Department is actively engaged in an interagency effort in the WTO to improve access for the world's poorest countries to medicines against infectious epidemics, without violating intellectual property protection.

The number of sub-Saharan African countries that have developed national strategies to fight HIV/AIDS has almost tripled since the year 2000. The increased commitment by countries in sub-Saharan Africa, the region most heavily affected by the HIV/AIDS pandemic, will prevent new infections and result in better treatment and care for people who are HIV-positive.

**PERFORMANCE RESULTS BY INDICATOR AND TARGET**

<b>NATIONS IN TARGETED REGIONS AND DONOR PARTNERS APPOINT EXECUTIVE-LEVEL AIDS ENVOYS TO ENGAGE ON HIV/AIDS ISSUES AT THE HEAD-OF-STATE LEVEL</b>			
<b>Initial Target</b>	<b>Revised Target <sup>1</sup></b>	<b>Result</b>	<b>Rating</b>
Twenty additional appointed; fifteen representing targeted countries.	Increase in high-level support for combating HIV/AIDS.	Combating HIV/AIDS is a higher priority for U.S. ambassadors, and officials of the Department, other USG agencies, and foreign governments. The April 2001 chief-of-mission conference in Haiti resulted in an action plan to combat the HIV/AIDS.	<b>On Target</b>
<b>LONG-TERM TREND IN NATIONAL HEALTH EXPENDITURES/RESPONSIVENESS (E.G., WHO INDEX ON SYSTEM RESPONSIVENESS, PERCENT OF GDP SPENT ON HEALTH) OF COUNTRIES IN TARGETED REGIONS</b>			
<b>Target</b>	<b>Result</b>		<b>Rating</b>
A continued net increase in number of countries with higher responsiveness.	Thirty-two countries and a multilateral institution pledged over \$2 billion to the Global Fund. Forty sub-Saharan African countries have developed national strategies to fight HIV/AIDS, almost three times as many as in 2000. Nineteen sub-Saharan African countries now have national AIDS councils, a six-fold increase since 2000.		<b>On Target</b>
<sup>1</sup> Target was modified; activities related to achieving both initial and revised targets were undertaken. "Result" reported for both sets of targets.			

**LEVEL OF INTERNATIONAL COLLABORATION AND PARTNERSHIPS TO SUPPORT HEALTH GLOBAL FUND IS MANIFESTATION OF COLLABORATION AND PARTNERSHIP, BECOMES FULLY OPERATIONAL**

<b>Initial Target</b>	<b>Revised Target<sup>2</sup></b>	<b>Result</b>	<b>Rating</b>
Further increase international support for, and expand, global surveillance and response efforts, TB and malaria research and control efforts.	Further increase international support and expansion for global surveillance, response efforts, and research and control for AIDS, malaria, and TB.	Global Fund begins work; negotiations continue to establish mechanisms that guarantee program and financial accountability, set rules for procurement, etc.  Global Fund has multi-year pledges totaling \$2.1 billion with approximately \$750 million available for the year; one large contribution from the private sector.	<b>Significantly Above Target</b>

**DISEASE INCIDENCE RATES HIV/AIDS**

<b>Target</b>	<b>Result</b>	<b>Rating</b>
Decline in the number of new infections.	The number of new HIV/AIDS infections is estimated to have declined from 5.3 million in 2000 to 5 million in 2001, and remained at 5 million in 2002.	<b>Slightly Below Target</b>

**DISEASE INCIDENCE RATES FOR POLIO**

<b>Target</b>	<b>Result</b>	<b>Rating</b>
Continued drop in incidence; eradication.	The number of polio cases is estimated to have decreased from 2,979 in 2000 to 537 in 2001. Estimate for 2002 is not yet available.	<b>On Target</b>

**NUMBER OF HEAVILY INDEBTED POOR COUNTRIES (HIPC) COUNTRIES COMMITTING TO INCREASE SOCIAL AND HEALTH SPENDING AND TO INCREASE VACCINATION RATES FROM DEBT SAVINGS**

<b>Target</b>	<b>Result</b>	<b>Rating</b>
Remaining HIPC eligible countries qualify for and receive debt relief; those that began the process sooner receive debt stock reduction.	As of September 2002, 26 of 38 highly indebted poor countries (HIPC) had qualified for and received interim or final debt relief under the enhanced HIPC initiative.	<b>On Target</b>

<sup>2</sup> Target language modified slightly but is substantially consistent; reported "Result" corresponds to Revised Target as shown.

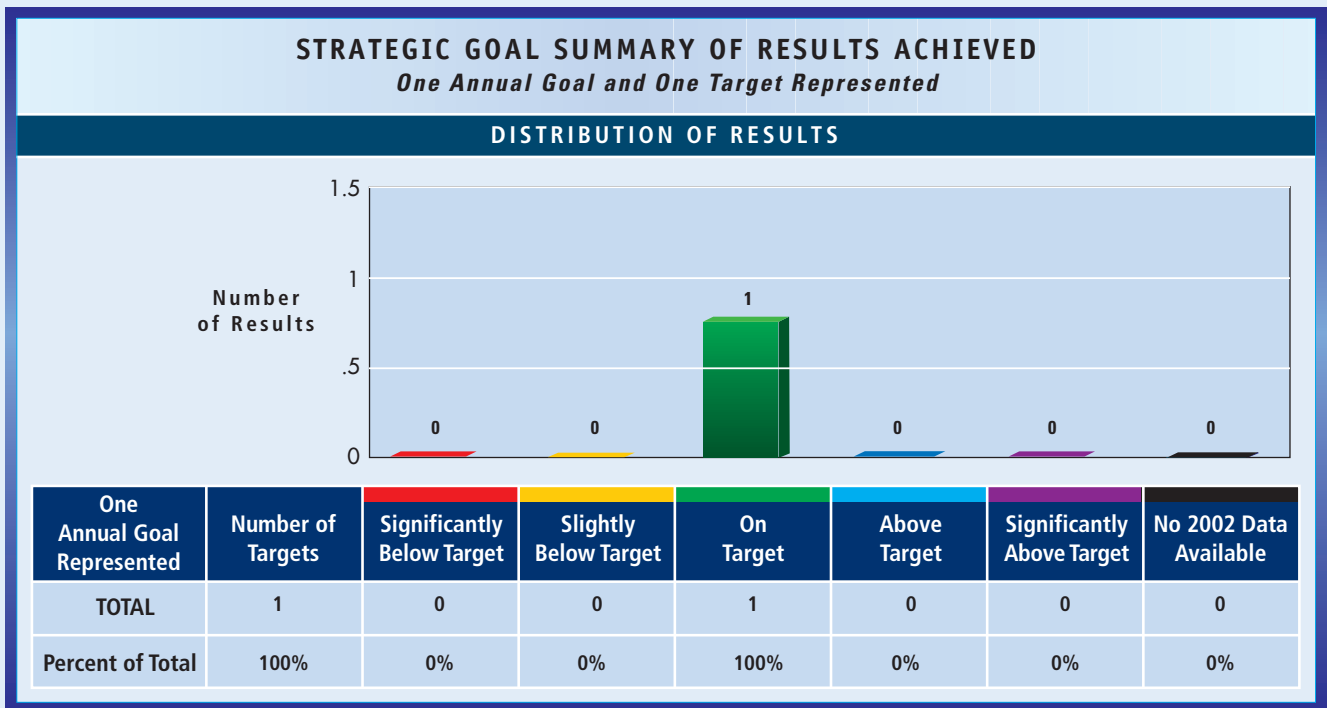
**NATIONAL INTEREST: DIPLOMATIC ACTIVITIES**

**STRATEGIC GOAL 17: 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.*

**STRATEGIC GOAL OVERVIEW/PUBLIC BENEFIT**

According to the President and Secretary of State, the events of 9/11 underscored the need to communicate America’s values more effectively to the rest of the world. In response to the events of 9/11, the Department increased the share of “Mutual Understanding” in the Department’s exchanges budget for the Near East and South Asia regions from 16 to 20 percent. In the war against terrorism, the battle for values also requires gaining ground the old-fashioned way, with patient, relentless work to influence individuals, cultures, and climates of opinion.



The Department utilizes public diplomacy to understand, inform, engage, and influence foreign audiences. It reaches beyond government-to-government relations to establish a foundation of trust upon which specific policy and societal issues can be addressed by foreign audiences in a context of informed understanding and mutual respect.

The Department manages various programs to achieve these aims. Exchange programs provide key foreign audiences with participatory involvement in a range of activities that build on U.S. perspectives and enhancement of skills and knowledge related to areas relevant to specific strategic goals. Exchange programs also promote greater understanding of foreign peoples and cultures by U.S. audiences. The Department groups and customizes its exchanges around specific sub-groups such as secondary school and undergraduate students (the successor generation); undergraduate and graduate students,



researchers and junior faculty, and junior professionals (the emerging generation); mid-level professionals, academics, and officials (the mid-level generation), and senior professionals, academics, and officials (the senior generation).

Following the events of 9/11, the Department launched several "Quick start" counterterrorism activities aimed at providing balanced information about the United States and creating dialogue with foreign audiences about common values. For example, the Joel Meyerowitz photo exhibit on Ground Zero has been shown in 150 cities worldwide. Reaction to the exhibit has been extremely positive. Information about the exhibit can be found at <http://www.911exhibit.state.gov/>.

In another initiative, the Department brought to the United States approximately 100 journalists, senior and mid-level officials, and religious and youth leaders from countries with large Muslim populations. They have attended programs focusing on issues of responsibility of the media, civic life, democracy building, ethnic and religious conflict resolution, diversity in America, and U.S. foreign policy-making. Participants noted that they increased their understanding of these topics and the United States (ranging from 3.79 to 4.41 on a 5-point scale). Ninety-seven percent of the participants stated they will share information gained in the United States with colleagues, friends, and family.

In collaboration with the U.S.-Afghan Women's Council, the Department brought fourteen Afghan women representing five ministries and the Kabul Public Security Court to the United States for leadership training. The project was designed to provide an opportunity to prepare to re-enter the social, political, and economic life of a reconstructed Afghanistan. The project includes follow-up training in Afghanistan and laptop computers for each participant donated by the private sector. The participants will train others in their respective ministries.

In addition to its rapid response to the events of 9/11, the Department continued to administer highly effective exchange programs. In a feature story in the May 29, 2002 *Jakarta Post*, the chairman of Indonesia's second largest Islamic organization (the Muhammadiyah, with 30-40 million members) credited his Fulbright experience in the United States with a drastic change in his views. He stated that he abandoned his idea of establishing an Islamic state in Indonesia after he obtained his Ph.D. in Islamic Studies from the University of Chicago.

The president of Afghanistan, the highest-ranking woman in the Afghan government, and the Afghan minister of education are all alumni of the International Visitor Program. Numerous alumni of the Department's educational and cultural programs gained prominent political positions in 2002, including the prime minister of Turkey and the Director-General of Islamic Institutions Development in the Indonesian Ministry of Religious Affairs.

For 2002, the annual performance goal and the strategic goal were the same. The Department views the promotion of mutual understanding as a critical element in to foster long-term stability and prosperity. Educational and cultural exchanges are the essential foundation of the Department's efforts to conduct foreign policy and resolve crises around the world. The rationale behind exchange programs is that if people experience democratic ideas, concepts, values, or information, they are more likely to change their behavior or take action to change the behavior of their organizations or nations. This behavioral change will make U.S. relations with other countries more peaceful, friendly, and sympathetic.

**SUMMARY OF KEY RESULTS AND IMPACT**

The 94-percent rating represents the percentage of exchange participants who viewed their experience as valuable, and demonstrates progress toward the strategic goal. This result implies that foreign participants in exchange programs have gained a greater understanding of the United States. Independent evaluations find that 90 percent of participants gain a better understanding or a more positive view of the United States. This understanding translates into changed attitudes and behavior for the participant, which should reduce the participant’s hostility toward the United States, increase linkages between Americans and people from other countries, and contribute to more peaceful, sympathetic and friendly relations.

While it is satisfying to know that participants perceive their experiences as being valuable, the indicator is not the best measure for demonstrating the actual change of understanding, attitude, or behavior. Therefore, there will be changes to indicators and upward adjustments to targets.

**KEY RESULT BY INDICATOR AND TARGET**

<b>INDEPENDENT POLLING AND ANALYSIS OF SUCCESS AND POSITIVE PROFESSIONAL PROGRAM EVALUATIONS</b>		
<b>Target</b>	<b>Result</b>	<b>Rating</b>
70% of ratings “highly successful.”	94% of ratings “highly successful or valuable.”	<b>On Target</b>

**PROGRAM EVALUATIONS AND MANAGEMENT CHALLENGES**

Seven Program Evaluations were conducted in FY 2002 that pertained to this Strategic Goal:

1. Outcome Assessment of the U.S. Fulbright Scholar Program (State/Internal)
2. Outcome Assessment of the American Council on Young Political Leaders (ACYPL) Program (External)
3. Evaluation of the International Visitor Program Special Initiative Projects (State/Internal)
4. Muskie/FSA Graduate Program Evaluation (External)
5. Georgian Institute of Public Administration (External)
6. Assessment of Selected Educational Exchange Programs in Turkey (External)
7. Educational and Cultural Exchange Programs in Near East Asia and South Asia (OMB PART)

Detailed information on these evaluations’ major findings, recommendations, and actions to be taken can be found in the FY 2002 Key Program Evaluations by Strategic Goal section of the Appendix.

**NATIONAL INTEREST: DIPLOMATIC ACTIVITIES**

**STRATEGIC GOAL 18: HUMAN RESOURCES**

*An optimum number, distribution, and configuration of the Department’s workforce both domestic and overseas under the highest quality leadership employed in response to the foreign policy priorities identified in the strategic plan.*

**STRATEGIC GOAL OVERVIEW/PUBLIC BENEFIT**

To maintain the U.S. role as a world leader in the twenty-first century, the Department must have sufficient resources to attract, train, promote, and retain its employees, America’s foreign policy representatives.

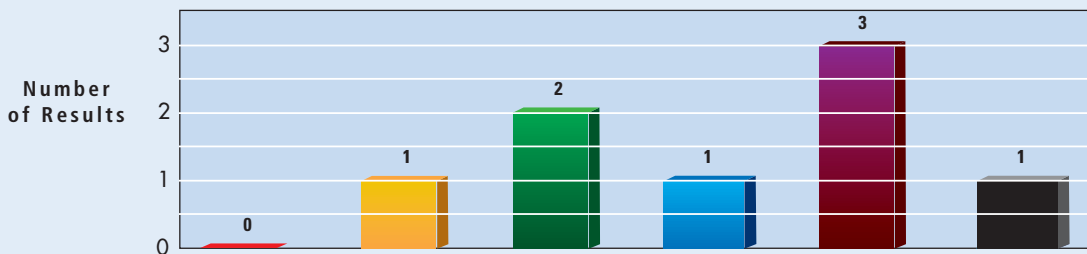
In FY 2002, the Department increased its hiring to close skill and numerical gaps that opened in the 1990s. The hiring of 360 people beyond attrition has started to close mission-critical gaps at overseas posts. This increased hiring allows the Department to address emerging issues such as the war on terrorism and its increasing homeland security responsibilities. In addition, recruitment and outreach efforts have begun to yield results. FY 2002 witnessed the greatest annual number of applicants who have ever taken the Foreign Service exam, including the highest numbers and percentages of minorities.

The Department also established mandatory training requirements that ensure that all senior-level, mid-level, and junior-level employees are trained in leadership and management. Overall, the Department has provided over 2.6 million hours of training to about 38,000 enrollees to ensure an ongoing level of professional development that supports the Department’s hiring and assignments plan, including the expanded Diplomatic Readiness Hiring Plan.

**STRATEGIC GOAL SUMMARY OF RESULTS ACHIEVED**

*Three Annual Goals and Eight Targets Represented*

**DISTRIBUTION OF RESULTS**



Three Annual Goals Represented	Number of Targets	Significantly Below Target	Slightly Below Target	On Target	Above Target	Significantly Above Target	No 2002 Data Available
TOTAL	8	0	1	2	1	3	1
Percent of Total	100%	0%	13%	25%	13%	37%	13%

**SUMMARY OF KEY RESULTS AND IMPACT**

The Department’s most critical resource is its people. Committed, career employees and locally-engaged staff carry out foreign policy overseas and in Washington, D.C. Sixty percent of the Department’s operating budget is devoted to its employees. To respond to the challenges of the global environment and ensure that the Department can bring America’s message to the world, the Department must have a workforce capacity that is able to meet ongoing challenges, respond to crises, and allows employees to be released for training.

During FY 2002, about 59,000 individuals registered to take the Foreign Service Exam, which is the highest ever for a given twelve-month period. This level of supply provides the Department with a wider pool of talent from which to choose future foreign service officers, without lowering hiring standards. Moreover, this points to the Department’s growing image as an employer of choice that offers competitive opportunities. Finally, this pool provides a qualified group from which to fill vacancies in key skill areas.

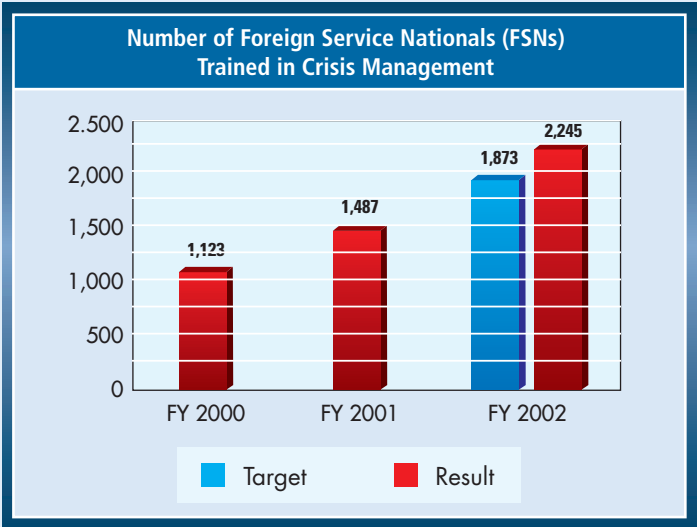
**KEY RESULTS BY INDICATOR AND TARGET**

NUMBER OF REGISTRANTS FOR THE FOREIGN SERVICE WRITTEN EXAM, THE ALTERNATE EXAM PROGRAM AND STUDENT AND SPECIALIST PROGRAMS <sup>8</sup>				
Target		Result		Rating
FSWE:	20,000	FSWE:	59,000	Significantly Above Target
AEP:	650	AEP:	677	
Student:	1,510	Student:	4,000	
Specialist:	3,200	Specialist:	2,000	
HIRING LEVELS <i>(to meet expanding priorities and mandates and to provide an adequate personnel complement)</i>				
Initial Target	Revised Target <sup>1</sup>	Result	Rating	
Hire 400 above normal intake to adequately meet the expanding priorities and mandates of the Department, plus, 1250 to provide training float and an additional 60 support positions.	Hire 400 above normal intake; hiring of additional specialists in security, consular affairs, and IT programs as needed.	Hired 470 Junior FSOs, more than 700 FS specialists, and more than 600 CS employees, including more than 300 security personnel and 150 IT professionals.	On Target	
<sup>8</sup> In FY 2002, 27,000 people actually took the FSWE as compared to 13,000 in FY 2001 and 8,000 in FY 2000.				
<sup>1</sup> Target was modified; activities related to achieving both initial and revised target were undertaken. "Result" reported for both sets of targets.				



**SUMMARY OF KEY RESULTS AND IMPACT**

In FY 2002, the Department made leadership and management training mandatory for key personnel. This training is the linchpin of the employee-training program. With increased staffing from new hires, more mid-level and senior employees will be able to take needed training. Training curricula were also established to serve both Civil Service and Foreign Service employees, and to assist managers in their role of guiding employee development. As shown in the adjacent chart, over two thousand Foreign Service Nationals (FSNs) were trained in crisis management during FY 2002.



The Department continues to support the Leadership Competencies Development Initiative (LCDI) but has focused more on empowering line managers to use it as a tool in employee development. During FY 2002, the performance indicator for the LCDI was changed from individual participation to the number of bureau briefings delivered. The change reflected need to transfer ownership of the process to the bureaus and resulted in broadened organizational learning. Through active marketing, a total of twenty-one bureaus received instructional briefings and were provided with resource materials.

The Foreign Service Institute (FSI) continued to broaden opportunities beyond the traditional classroom through technology-based training, including upgrading digital capacity, expanding Internet-Intranet-based distance learning, and developing new multimedia programs and tools for foreign-language learning and crisis-management training. The upgrade of multimedia labs from analog to digital allowed increased technology-based learning and the development of new tools and products to further efforts that create and foster "training anytime, anywhere."

KEY RESULTS BY INDICATOR AND TARGET

NUMBER OF CIVIL SERVICE EMPLOYEES IN CAREER DEVELOPMENT PROGRAM			
Target	Result		Rating
5% increase	Program was decentralized to bureaus; no data available.		N/A
PERCENTAGE OF LANGUAGE STUDENTS ASSIGNED FOR AT LEAST THE RECOMMENDED AMOUNT OF TIME AND WHO MEET THEIR TRAINING GOAL			
Initial Target	Revised Target <sup>2</sup>	Results	Rating
Maintain/improve current rate (FY 2000 Baseline: 66%).	Maintain and/or improve current rate.	75%	On Target
NUMBER OF FOREIGN SERVICE NATIONALS (FSNS) TRAINED			
Target	Result		Rating
1,873	2,245 total (1,984 Department, 261 other USG agencies).		Significantly Above Target
STATUS OF UPGRADE OF ANALOG MULTIMEDIA LABORATORIES (INSTALLED IN 1993) TO DIGITAL			
Target	Result		Rating
Acquire and install second digital lab.	Second lab installed in FY 2001; third lab installed in FY 2002.		Significantly Above Target Lab upgrade one year ahead due to available funding.
FORMAL CAPACITY REVIEW			
Target	Result		Rating
Recommendations made and reviewed. Indicator has been discontinued in subsequent plans because it was determined to be an inappropriate measure of performance progress.	Funding identified; initial needs assessed to prepare a Statement of Work for a formal capacity study.		Slightly Below Target Funding to allow formal capacity study in FY 2001 did not materialize until late FY 2002, pushing plan back at least a year.
<sup>2</sup> Target language modified slightly but is substantially consistent; reported "2002 Results" correspond to Revised Target as shown.			





Quality of life and retention are crucial to a strong Department workforce. Life in the Foreign Service involves families as well as employees; the impact of that lifestyle is key to retention. Consequently, the Department is obliged to monitor the quality of life of its employees, particularly overseas. With few options for financial incentives in the federal workplace, workplace environment can be a key factor for retaining talented employees.

**SUMMARY OF KEY RESULTS AND IMPACT**

The Department has determined that measurement of attrition rates is not an appropriate quality-of-life indicator. Historically, the Department’s attrition levels have been very low compared to that of other USG agencies. Therefore, measures relating to the baseline FY2002 employee survey and the success of spousal employment programs will be utilized. Spousal employment is the key factor in Foreign Service retention.

FOREIGN SERVICE AND CIVIL SERVICE RESIGNATION RATES <sup>9</sup>				
Initial Target		Result		Rating
Foreign Service generalists	1.1%	Foreign Service generalists	0.5%	Above Target
Foreign Service specialists	1.2%	Foreign Service specialist s	0.8%	
Civil Service full time	1.8%	Civil Service	1.2%	

<sup>9</sup> Indicator has been discontinued in subsequent plans because attrition and resignations are historically low in the Foreign Service and Civil Service; attrition will be caused mostly by retirements.

**PROGRAM EVALUATIONS AND MANAGEMENT CHALLENGES**

Five Program Evaluations were conducted in FY 2002 that pertained to this Strategic Goal:

1. Hardship Staffing Review, (GAO)
2. Language Review (GAO)
3. Bureau of Human Resources – Compliance Follow up Review (OIG)
4. Employee Satisfaction and Commitment Survey (State/Internal)
5. Foreign Service Promotion System (OIG)

Detailed information on major findings, recommendations, and actions to be taken can be found in the FY 2002 Key Program Evaluations by Strategic Goal section of the Appendix.

## RELATED HUMAN RESOURCE ISSUE BEING MONITORED BY THE DEPARTMENT

**Employment of Americans by the United Nations**

The Department remains concerned about the continued under-representation of Americans throughout the UN system. In many UN agencies, increased hiring of Americans is needed to achieve equitable representation. The Department's recruitment strategy includes establishing and coordinating USG-wide efforts; promoting the detail and transfer of federal employees; enhancing employment information and offering applicant support; monitoring UN staffing and hiring efforts; and working with UN agencies to encourage their hiring of more Americans.

Below are FY 2002 targets and staffing results for U.S. citizens in UN-agency posts subject to geographic distribution.

	FY 2002 Targets Number or Percent	Results Number or Percent	Progress on Goals
UN Secretariat	330 / 13.8%	308 / 12.5%	Not Achieved
ILO	86 / 13.7%	94 / 14.4%	Achieved
ITU	19 / 6.8%	16 / 5.5%	Not Achieved
ICAO	20 / 9.0%	11 / 5.2%	Not Achieved
FAO	140 / 14.4%	125 / 12.7%	Not Achieved
UNHCR	N/A / 12.0%	116 / 9.5%	Not Achieved
WHO	155 / 14.3%	156 / 13.2%	Achieved

Results data is as of 12/31/2001.

The lack of progress in many UN agencies paralleled the apparent decline in the number of American applicants for UN positions. This decline could be attributed to a number of factors such as Americans finding more attractive private sector employment opportunities and the scarcity of attractive employment opportunities overseas for spouses. Limited foreign language skills also made some American applicants less competitive and in some UN agencies where Americans were under-represented, the agencies did not take good faith steps to hire American applicants.

The Department will continue to monitor progress and make efforts to increase U.S. representation in UN agencies.

**NATIONAL INTEREST: DIPLOMATIC ACTIVITIES**

**STRATEGIC GOAL 19: INFORMATION RESOURCES**

*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.*

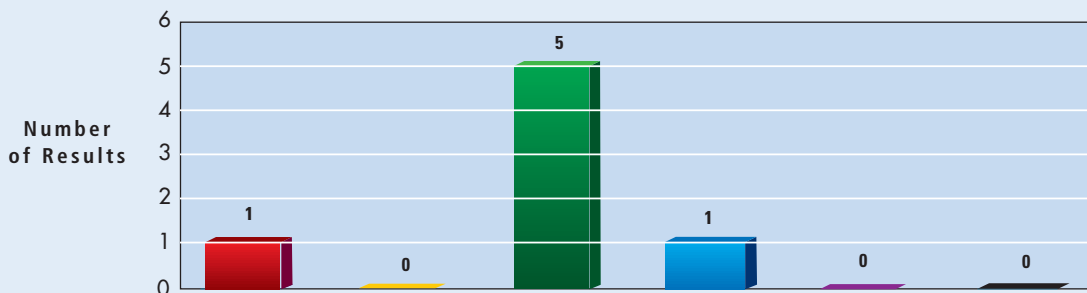
**STRATEGIC GOAL OVERVIEW/PUBLIC BENEFIT**

High-quality information technology (IT) systems are required to ensure that the Department and its employees are informed quickly and accurately about world events and have the IT tools necessary to achieve the Department’s foreign policy goals. To accomplish this, the Department is pursuing a disciplined, multi-year IT strategic plan aimed at deploying top-quality IT systems. Using virtual teaming, the IT plan enables members of the international affairs community to collaborate internally and with other governmental and private organizations on a secure network, fulfilling the goals of the President’s e-Government vision. Utilizing the concept of user empowerment, the IT plan will also streamline many administrative and substantive tasks, which in the past have required the involvement of administrative staff. For instance, employees will be able to access and update portions of their personnel files, thus reducing paperwork and increasing efficiency.

**STRATEGIC GOAL SUMMARY OF RESULTS ACHIEVED**

*One Annual Goal and Seven Targets Represented*

**DISTRIBUTION OF RESULTS**



One Annual Goal Represented	Number of Targets	Significantly Below Target	Slightly Below Target	On Target	Above Target	Significantly Above Target	No 2002 Data Available
TOTAL	7	1	0	5	1	0	0
Percent of Total	100%	14%	0%	72%	14%	0%	0%

**SUMMARY OF KEY RESULTS AND IMPACT**

Substantial progress was made in expanding overseas Internet access through the Open Net Plus program. Open Net Plus now offers high-speed, convenient access to the Internet, via the Department’s Intranet, at 105 posts with a total of 21,000 users. The number of users of the outdated Rich Internet Access (RIAnet), which will be phased out, system was reduced; communication with the public, private businesses, other government agencies, and NGOs was enhanced; and users were able to perform their jobs more efficiently.

In anticipation of a program surge in FY 2003, fifty-four additional Classified Connectivity Program (CCP) installations were completed in FY 2002. This program provides speedy and convenient access to classified communications.

**PERFORMANCE RESULTS BY INDICATOR AND TARGET**

PERCENTAGE OF COMMERCIAL NETWORKING FACILITIES AVAILABLE FOR UNCLASSIFIED AND CLASSIFIED PROCESSING COMPLETED			
Initial Target	Revised Target <sup>1</sup>	Result	Rating
OpenNet+ pilot period is completed and lessons learned documented. Deployment to domestic and overseas begins.	OpenNet+ pilot period is completed and lessons learned documented.	OpenNet+ (Internet) pilot period completed and lessons learned documented.	On Target
	Deployment to domestic and overseas posts begins.	Substantial progress made on deployment to domestic and overseas posts.	On Target
	Fifty Virtual Private Networks installed.	Fifty-four Virtual Private Networks installed.	Above Target
	Enterprise Network Management improves network availability to 97%.	Enterprise Network Management improved network availability to 97%.	On Target
PERCENTAGE OF CLASSIFIED AND UNCLASSIFIED DESKTOP COMPUTERS OLDER THAN 4 YEARS			
Initial Target	Result		Rating
Classified Connectivity Program (CCP) is significantly increased for a surge in installations in FY 2002 and completion in FY 2003.	Classified program was significantly increased; 54 new installations in FY 2002, completion expected in FY 2003.		On Target
	Seven percent of classified desktop computers are slower than the 450MHz standard; 35% of unclassified desktop computers are over 4 years old.		
<sup>1</sup> Target was modified; activities related to achieving both initial and revised targets were undertaken. "Result" reported for both sets of targets.			

**REDUCTION OF OVERSEAS SERVERS**

<b>Target</b>	<b>Result</b>	<b>Rating</b>
Strategy adopted for reducing numbers of servers through consolidation (regionalization and centralization).	Resources were redirected to focus initially on the large domestic portion of total requirements; the strategy for consolidating overseas servers will be completed by end of CY 2003.	<b>Significantly Below Target</b>

**PROGRESS TOWARD ELIMINATION OF THE CURRENT CABLE SYSTEM AND PROCESSES (E.G., ACP-127 AND IRM COMMUNICATIONS CENTERS)**

<b>Target</b>	<b>Result</b>	<b>Rating</b>
Comprehensive requirements analysis completed.	Comprehensive requirements analysis completed; steering committee formed, users consulted to determine requirements; Business Process Reengineering work plan completed, and prototype developed.	<b>On Target</b>

**NATIONAL INTEREST: DIPLOMATIC ACTIVITIES**

**STRATEGIC GOAL 20: INFRASTRUCTURE AND OPERATIONS**

*Establish and maintain infrastructure and operating capacities that enable employees to pursue policy objectives and respond to crises.*

**STRATEGIC GOAL OVERVIEW / PUBLIC BENEFIT**

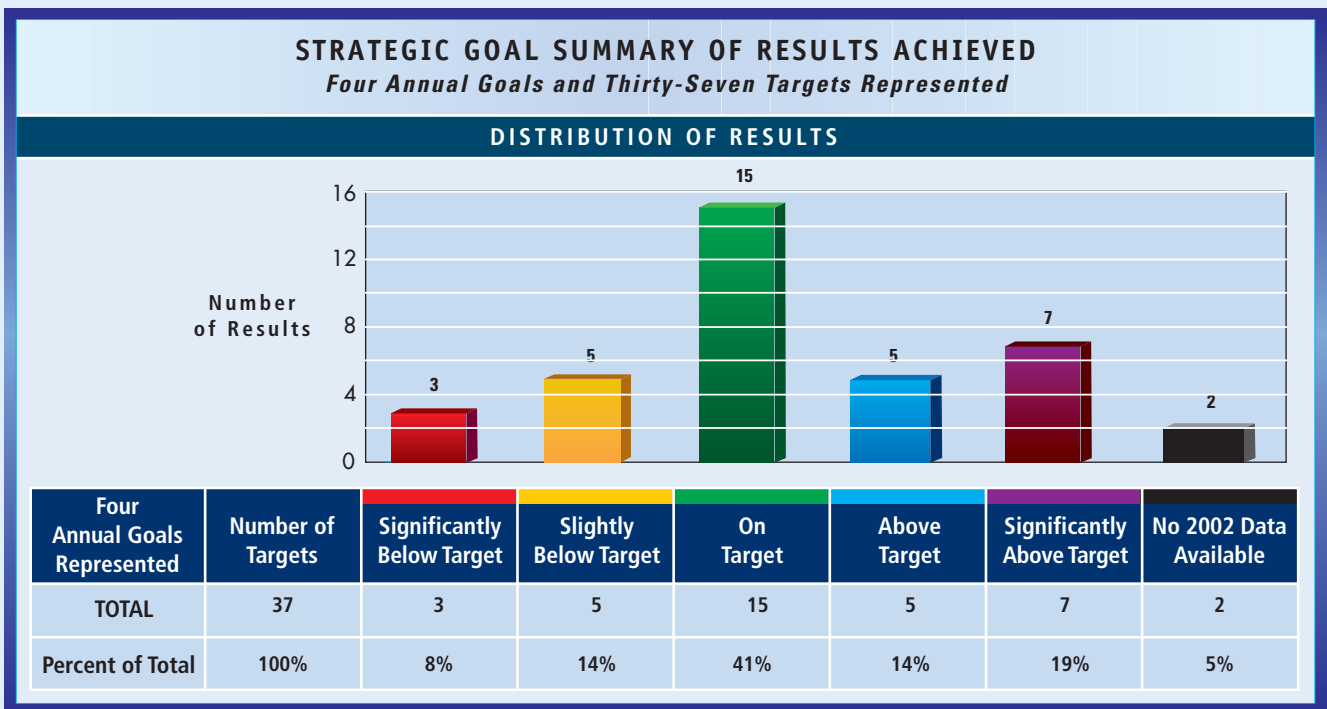
In order to accomplish its mission, the Department must establish and maintain infrastructure and operating capacities that enable employees to pursue policy objectives. The events of 9/11, and the 1998 attacks on U.S. embassies in Nairobi and Dar es Salaam and the recent attack on the U.S. consulate general in Karachi underscore the daunting challenges that the Department faces in protecting employees and information, maintaining secure and functional facilities, and providing a sound financial and administrative infrastructure. The Department strives to ensure that its employees can live and conduct business safely and effectively, even in dangerous and difficult locations, through work in four key areas:

**Diplomatic Security:** Maintain security programs, measures and procedures to protect personnel and information.

**Overseas and Domestic Facilities:** Maintain a network of secure, safe, and functional facilities for 15,000 properties at 260 locations overseas and 96 facilities in the United States.

**Financial Management:** Maintain corporate financial management systems and financial operations.

**Administrative Programs:** Deliver efficient, web-enabled and customer-focused administrative and information services in support of diplomacy.





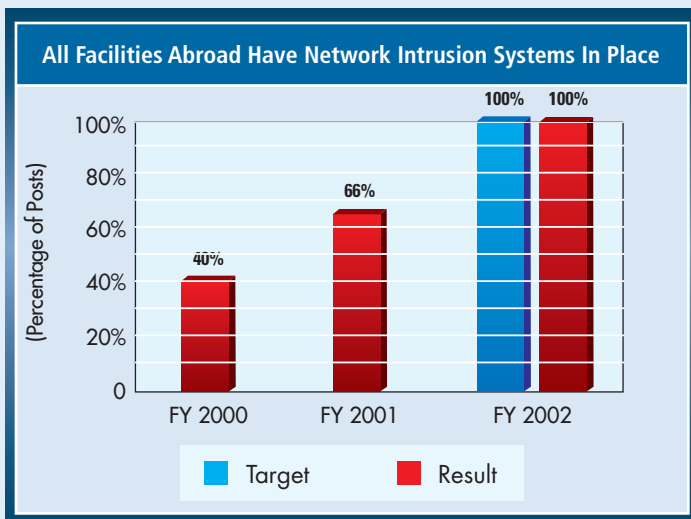
**SUMMARY OF KEY RESULTS AND IMPACT**

Ninety-five percent of the 1999 Emergency Security Budget Amendment projects met the FY-2002 target. These projects heightened security at all posts, but most significantly at lower-threat posts. As provided under the Amendment this met standards formerly required only at high-and critical-threat posts.

Fifty-eight percent of the Department’s 177 diplomatic posts received technical security equipment upgrades. The events of 9/11 and subsequent anthrax incidents delayed technical security equipment shipments to overseas posts, resulting in performance slightly below target.

During FY 2002, 99 percent of all newly-hired staff with security clearances received an introductory security briefing. This briefing guaranteed that employees requiring access to sensitive information and/or assets received the training and information on security procedures necessary for protecting the Department’s sensitive work.

As shown in the adjacent chart, a comprehensive intrusion detection system to protect the Department’s Sensitive But Unclassified information network is fully operational in all locations, both domestically and abroad. This system protects information assets from compromise at the Department’s domestic and foreign facilities.



The Department completed an average of 1,495 security clearance investigations per month, about 340 more cases per month than in FY 2001. These investigations, which included 189 periodic reinvestigations in accordance with Executive Order 12968, were mostly initial background checks required to reduce potential counterintelligence and other risks to the Department’s information and personnel, but also included other agency cases. Although the target of 300 periodic re-investigations per month was not achieved in FY 2002, the rate of these types of investigations was almost double that of FY2001.

Introduction of newly-designed building passes and access control systems were 85 percent completed. Seventy-five percent of personnel data was gathered for the computer database, both were short of their targeted performance levels; the prime contractor defaulted, resulting in a three-month delay.

<sup>10</sup> This Annual Performance Goal collapses 3 previous goals: DR-10-DS-01 Security for formerly lower threat posts is heightened to meet standards used at higher threat posts; DR/10-DS-01 All classified and sensitive information overseas and in domestic facilities is safeguarded from physical and technical compromise; and DR/10-01 All employees working in Department of State domestic facilities and designated foreign dignitaries within the United States are safe from physical harm.

Sixty-seven percent of Level V facilities were provided with shatter-resistant window film, enhancing employee safety and upgrading facilities. Lack of funding prevented the full achievement of target performance during FY 2002 (i.e., only one Level IV facility completed). In the National Capital Region, the current list of eligible (i.e., Level IV and V) buildings has increased from seven to eleven and plans are in place to complete five buildings in FY 2003. The criteria for building levels were established by the 1995 Department of Justice study "Vulnerability Assessment of Federal Facilities."



During FY 2002, no foreign or U.S. diplomats suffered physical harm while under the protection of the Department's Diplomatic Security Service.

*A Department of State security officer keeps watch in the area as Secretary of State Colin Powell holds a joint press conference with Jordanian Foreign Minister Marwan Jamil Al-Muasher, Egyptian Foreign Minister Ahmed Maher Al-Sayyed and Saudi Arabian Prince Al Faisal on July 18, 2002 outside the State Department in Washington, DC. AFP Photo/Paul J. Richards*

PERFORMANCE RESULTS BY INDICATOR AND TARGET

PERCENTAGE OF 38 EMERGENCY SECURITY BUDGET AMENDMENT PROJECTS COMPLETED		
Target	Result	Rating
95%	95%	On Target
PERCENTAGE OF POSTS WITH TECHNICAL SECURITY EQUIPMENT UPGRADES		
Target	Result	Rating
68%	58%	Slightly Below Target
ACCOUNTABILITY REVIEW BOARDS FINDING THAT A SERIOUS INJURY, LOSS OF LIFE, OR SIGNIFICANT DESTRUCTION AT A U.S. GOVERNMENT MISSION WAS DUE TO INADEQUATE SECURITY MANAGEMENT OR COUNTERMEASURES		
Target	Result	Rating
No Findings	No Findings	On Target
PERCENTAGE OF CLEARED DEPARTMENT EMPLOYEES WHO HAVE RECEIVED AN ANNUAL SECURITY BRIEFING		
Target	Result	Rating
95%	99%	Above Target
PERCENTAGE OF NETWORK INTRUSION-DETECTION SYSTEMS FOR OPENNET IN PLACE (ABROAD AND DOMESTIC)		
Target	Result	Rating
100%	100%	On Target

**NUMBER OF PERIODIC RE-INVESTIGATIONS BEING DONE TO MEET 5-YEAR REQUIREMENT OF E.O. 12968**

<b>Initial Target</b>	<b>Revised Target <sup>1</sup></b>	<b>Result</b>	<b>Rating</b>
150 re-investigations/month.	300 re-investigations/month.	189 re-investigations/month.	Significantly Below Target

**PERCENTAGE OF ACCESS-CONTROL SYSTEM AND NEWLY-DESIGNED BUILDING PASSES IN PLACE**

<b>Target</b>	<b>Result</b>	<b>Rating</b>
60%	Phase II 85% completed for the Harry S Truman Building; data for badge issuance gathered for 75% of personnel in the Washington, D.C. Capital area.	Slightly Below Target

**PERCENTAGE OF LEVEL V AND IV FACILITIES WITH SHATTER-RESISTANT WINDOW FILM**

<b>Target</b>	<b>Result</b>	<b>Rating</b>
100%	Two of three Level V buildings completed; one Level IV building completed.	Significantly Below Target

**NUMBER OF PROTECTEES THAT SUFFERED PHYSICAL HARM WHILE UNDER DS PROTECTION**

<b>Target</b>	<b>Result</b>	<b>Rating</b>
0	0	On Target

<sup>1</sup> Target was modified; activities related to achieving both initial and revised targets were undertaken. "Result" reported for both sets of targets.

Secure, safe, and functional facilities provide an environment that allows employees to work efficiently and effectively as they pursue the policy objectives of the United States.

## SUMMARY OF KEY RESULTS AND IMPACT

Eighty-seven percent of 1,262 identified overseas Physical Security Upgrade Projects were completed by the end of FY 2002, two percentage points above the stated performance target. This provided a more secure environment for USG employees at overseas missions.

During FY 2002, the Department initiated a substantial number of overseas based site acquisitions, capital construction projects, and rehabilitation projects, in accordance with the Department's Long-Range Overseas Buildings Plan (LROBP). This increased the safety and security of assets and personnel. Specific results were as follows:

**Site acquisition:** Ten new embassy compound sites were acquired for capital projects, exceeding the target of seven.

**Capital construction:** Thirteen new capital construction projects were awarded, exceeding the target of nine.

**Rehabilitation:** Fourteen rehabilitation projects were initiated, meeting the target to bring these facilities in line with current security standards.

Planned FY-2002 work for completing the Foggy Bottom Master Real Estate Plan was accomplished. Specifically, the first phase of demolition of the oldest part of the Department's Harry S Truman (HST) Building was completed; construction of new infrastructure has begun and is on schedule for occupancy in April 2004. Consolidation of the agencies involved in the Foreign Affairs Reorganization in Foggy Bottom is 85 percent complete.

The Department did not achieve its goal of attaining a 5-percent reduction in annual BBTUs (Billion British Thermal Units) consumed, as set forth in Executive Order 13123. This was due to the continuing major renovation of the HST Building, which created an artificial, temporary boost to energy consumption, as measured in BBTUs. Since BBTUs often increase during renovations, GSA regulation exempts federal buildings that are undergoing renovation, such as the HST Building, from Executive Order 13123.

<sup>11</sup> This Annual Performance Goal collapses 2 previous goals: DR-10-02-0P 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; DR-10-02 The Department of State's domestic facilities are cost-effective and energy efficient and enable employees to perform their duties.

SUMMARY OF KEY RESULTS AND IMPACT

PHYSICAL SECURITY UPGRADE PROGRAM: PROJECTS COMPLETED		
Target	Result	Rating
85%	87%	Above Target
NEW CAPITAL CONSTRUCTION SITES ACQUIRED		
Target	Result	Rating
7 New Embassy Construction (NEC) Sites.	10 NEC Sites Acquired.	Above Target
NEW CAPITAL CONSTRUCTION PROJECTS AWARDED		
Target	Result	Rating
9 Capital Projects Awarded.	13 Capital Projects Awarded.	Significantly Above Target
MAJOR REHABILITATION PROJECTS PLACED INTO CONSTRUCTION		
Target	Result	Rating
14 Major Rehabilitation Projects.	14 Major Rehabilitation Projects.	On Target
MASTER REAL ESTATE PLAN: HST BUILDING AND FOREIGN AFFAIRS CONSOLIDATION		
Target	Result	Rating
Phase I – internal demolition.	Old State internal demolition: 100% Complete; Foreign Affairs Consolidation: 85% Complete.	On Target
USUN CONSTRUCTION AT UN PLAZA		
Target	Result	Rating
a) Relocate USUN staff to leased IOB space. b) Work closely with GSA on 2002 NOB planning/construction milestones.	a) Interim space sought. b) 98% of design-level work completed.	Slightly Below
CAPITAL IMPROVEMENT PLAN		
Target	Result	Rating
Major projects completed based on funds available.	First allotment received; 18 projects completed.	On Target
FACILITIES READINESS (BILLION BRITISH THERMAL UNITS – [BBTU])		
Target	Result	Rating
302 BBTUs (5% reduction)	60 BBTUs (1% reduction)	Significantly Below Target

*s foreign policy and diplomatic readiness goals is founded on*

## SUMMARY OF KEY RESULTS AND IMPACT

The Department's FY 2002 and FY 2001 financial statements were issued timely and attained an "unqualified opinion," the best possible outcome for financial statements, which confirms the Department's progress toward improved financial performance and reporting. The Department's FY 2001 Accountability Report received the Association of Government Accountants' "Certificate of Excellence in Accountability Reporting."

All line items in the Department's FY 2001 budget request refer to goals in its FY 2001 Performance Plan, establishing linkage between plans and budgets, and paving the way for informed decision-making based on the program results attained.

In early FY 2002, the Department created a new Office of Strategic and Performance Planning (SPP) in the Bureau of Resource Management (RM). SPP brings centralized coordination and policy analysis to the Department's strategic, program, and performance planning activities. It has made improvements to the Department's Mission Performance Plan (MPP) process, the FY 2004 Annual Performance Plan, and the Performance Report, as reflected herein. SPP is also working to implement the President's Management Agenda initiative on Budget and Performance Integration.

In order to have an integrated, worldwide financial management system, the Department is modernizing its major corporate financial management systems, consolidating its financial operations, and adopting new technologies to improve and re-engineer its business processes. The Regional Financial Management System (RFMS) will replace legacy systems at regional financial service centers and will be the backbone of the overseas global accounting and disbursing system. It is comprised of a commercial off-the-shelf accounting system and a disbursing system developed by the Department. The Department's



core accounting system, the Central Financial Management System (CFMS), will be converted to a modern, client-server system. The Department is also in the process of consolidating much of its financial operations from overseas locations and Washington, D.C. to its Charleston Financial Service Center.

*Main entrance to the Charleston  
Financial Service Center.*

<sup>12</sup> This Annual Performance Goal collapses 2 previous goals: DR-10-03 Obtain funding to achieve all of the Department's foreign policy and diplomatic readiness goals, effectively administering funds obtained, and DR-10-04 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.



PERFORMANCE RESULTS BY INDICATOR AND TARGET

TIMELINESS OF BUDGETS AND FINANCIAL STATEMENTS		
Target	Result	Rating
All OMB, passback and congressional submissions meet deadlines.	FY 2003 budget submission was delivered late.	Slightly Below Target
AUDIT OPINION ON PREVIOUS YEAR'S FINANCIAL STATEMENT		
Target	Result	Rating
FY 2001 Statements issued on time with "unqualified" opinion.	FY 2001 Statements issued on time with "unqualified" opinion.	On Target

DEPARTMENT'S RESOURCES ALLOCATED BY GPRA PLAN GOALS		
Target	Result	Rating
90%	All line items in the Department's budget requests refer to the Department's goals.	Above Target
STATUS OF JOINT PROGRAM PLANNING WITH NATIONAL SECURITY COMMUNITY		
Target	Result	Rating
Department and partner USG agencies negotiate changes in programs and budget to improve efficiencies, performance and compatibility with strategic plans.	Partnered with national security community to make improvements in interagency collaboration, budget data exchange, and IT program planning.	On Target
STATUS OF ACCOUNTABILITY REPORT (REF: GOV. MGMT. REFORM ACT)		
Target	Result	Rating
FY 2001 Accountability Report submitted March 2002, including Performance Plan data; Report should receive AGA "Certificate of Excellence in Accountability Reporting."	FY 2001 Accountability Report submitted March 2002, including Performance Plan data; Report received AGA "Certificate of Excellence in Accountability Reporting."	On Target
DEBT COLLECTIONS (COUNT)		
Target	Result	Rating
3,870 debts	7,321 debts	Significantly Above Target
DEBT COLLECTIONS (DOLLAR VALUE)		
Target	Result	Rating
\$18,368,024	\$703,304,323	Significantly Above Target
CREDIT CARD PURCHASES OVERSEAS (COUNT)		
Target	Result	Rating
36,000 transactions	42,000 transactions	Significantly Above Target
CREDIT CARD PURCHASES OVERSEAS (DOLLAR VALUE)		
Target	Result	Rating
\$19,950,000	\$21,450,000	Above Target
CREDIT CARD PURCHASES IN THE UNITED STATES (COUNT)		
Target	Result	Rating
39,500 transactions	52,000	Significantly Above Target
CREDIT CARD PURCHASES IN THE UNITED STATES (DOLLAR VALUE)		
Target	Result	Rating
\$24,050,000	\$31,264,000	Significantly Above Target

**COLLECTIONS BY CREDIT CARD ( DOLLAR VALUE )**

<b>Target</b>	<b>Result</b>	<b>Rating</b>
\$10,000,000	\$25,000,000	Significantly Above Target

**SECURITY ORIENTATION AND TRAINING**

<b>Target</b>	<b>Result</b>	<b>Rating</b>
100% of all personnel trained.	100% of all personnel trained.	On Target

**STATUS OF POSTS' USAGE OF DATA COLLECTED AND TRANSFERRED ON A REGIONAL BASIS TO SUPPORT BUDGET AND FINANCIAL FUNCTIONS**

<b>Target</b>	<b>Result</b>	<b>Rating</b>
Data used for effective decision making.	All posts incorporated ICASS information into their Mission Performance Plans (MPPs); ICASS data were basis for FY 2004 funding request.	On Target

**PERCENTAGE OF GRANT PAYMENTS PROVIDED ELECTRONICALLY**

<b>Target</b>	<b>Result</b>	<b>Rating</b>
95% of grant payments to be made electronically.	95% of grant payments were made electronically.	On Target

## SUMMARY OF KEY RESULTS AND IMPACT

The Department reduced the backlog of Freedom of Information Act (FOIA) requests by 14 percent in FY 2002. Delays in hiring and procurement resulted in performance short of target because the Department did not fully initiate needed hiring and procurement activity until the last quarter of FY 2002. Hiring continues in order to achieve full staffing.

The Department met its e-commerce target of seventy-five offices and posts using the Statebuy Interactive Platform to make purchases online, which resulted in a return on investment of \$26 for each \$1 spent.

One hundred and one of the Department's cars and two buses met energy-efficient vehicle goals pursuant to the Energy Policy Act of 1992 and Executive Order 13149, exceeding the target of ninety-five vehicles.

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<sup>13</sup> This Annual Performance Goal renames the previous goal, DR-10-05, Domestic and overseas Department of State employees, other USG employees, and public customers receive goods and services when needed.

PERFORMANCE RESULTS BY INDICATOR AND TARGET

REDUCTION IN FOIA INFORMATION ACCESS STATUTORY BACKLOG		
Target	Result	Rating
50% reduction	20% reduction	Slightly Below Target
LOGISTICS MANAGEMENT CUSTOMER SATISFACTION, CYCLE TIME, INTEGRATED LOGISTICS MANAGEMENT SYSTEM (ILMS) OPERATION PLAN AND IMPLEMENTATION		
Target	Result	Rating
90% customer satisfaction rate. 20% cycle-time reduction.  Initial ILMS (Providers) Implementation: June 2002.	ILMS Implementation delayed until FY 2003.	N/A
E-COMMERCE: NUMBER OF OFFICES AND POSTS ONLINE		
Target	Result	Rating
75	75	On Target
SMALL, DISADVANTAGED BUSINESS UTILIZATION		
Target	Result	Rating
Small, women-owned business 5% prime and subcontract (EO 13157 of May 2000).  Two percent of domestic procurement dollars to disabled veterans (statutorily mandated).  Three percent of domestic procurement dollars to firms located in Historically Underutilized Business (HUB) zones (statutorily mandated).	FY 2002 data not yet available from the Small Business Administration.	N/A
GENERAL SERVICES MANAGEMENT ALTERNATIVE FUEL VEHICLES ACQUISITION		
Target	Result	Rating
Ninety-Five vehicles using alternative fuels.	One hundred and one cars and two buses using alternative fuels.	Above Target

PROGRAM EVALUATIONS AND MANAGEMENT CHALLENGES

One Program Evaluation was conducted in FY 2002 that pertained to this Strategic Goal:

- ◆ Embassy Security Construction Project (OMB PART)

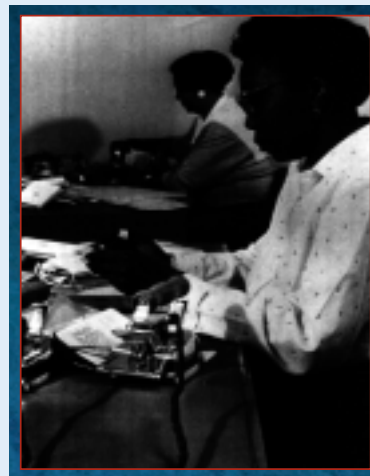
Detailed information on major findings, recommendations, and actions to be taken can be found in the FY 2002 Key Program Evaluations by Strategic Goal section of the Appendix.

## 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.





ILLUSTRATIVE  
EXAMPLES



## ILLUSTRATIVE EXAMPLES OF FY 2002 RESULTS BY STRATEGIC GOAL

### REGIONAL STABILITY

#### Afghanistan

The Department provided the leadership, resources, and expertise needed to support Afghanistan's efforts to rebuild its institutions, as well as restore stability, security, and democracy to the country. This effort began with a broad range of diplomatic support for Operation Enduring Freedom by obtaining military forces from nearly sixty countries and negotiating airspace use, landing rights, and military assistance from one hundred thirty-six countries. Neighboring countries in Central Asia, such as Uzbekistan and Kazakhstan, that did not previously play a regional security role, joined in the effort that provided basing, troop support, and other contributions critical to military operations. The Department also orchestrated intensive reconstruction and humanitarian assistance in the areas of food security; refugee assistance; education; and the human rights, judicial, and constitutional commissions. The Department was instrumental in formulating plans and working with the Department of Defense to establish the new Afghan National Army and in providing training to the Afghan National Police, critical elements for preserving the physical security necessary to allow other societal institutions to take hold.



*Secretary of State Colin Powell speaks to the press with His Excellency, Abdullah Abdullah, Minister of Foreign Affairs of the Afghan Transitional Authority of Afghanistan, on July 25, 2002.*

### WEAPONS OF MASS DESTRUCTION

#### U.S.-Russian Strategic Offensive Weapons Reductions



*President George W. Bush and Russian President Vladimir Putin exchange documents after signing a nuclear arms reduction agreement on May 24, 2002 inside the Kremlin in Moscow.*

*AFP Photo/Paul J. Richards*

In May 2002, Presidents Bush and Putin signed the Moscow Treaty, reflecting the dramatic shift from Cold War rivalry to partnership based on the principles of mutual security, trust, openness, and cooperation. The treaty legally binds both the United States and Russia to reduce the level of its own strategic nuclear warheads to between 1,700 and 2,200 warheads by the end of 2012 – about one-third of current levels.

#### Iraq Export Control

In May 2002, the Department negotiated a new Goods Review List, as part of the new Iraq export control regime, to help ensure that Iraq is fully disarmed pursuant to UN Security Council Resolution 687. The Department led diplomatic efforts with the five permanent Security Council members to sustain a Security Council consensus that UNMOVIC and IAEA inspectors will have unambiguous rights to inspect anywhere, anytime in order to verify Iraq's disarmament.



## COUNTERING TERRORISM

Terrorist Interdiction Program

In February 2002, the Department deployed a mobile Terrorist Interdiction Program Unit to Afghanistan to process travelers making the Haj (pilgrimage) to Mecca. With Operation Enduring Freedom still going on, the high volume of travelers and lack



of border security infrastructure created an opportunity for Al Qaeda and Taliban to escape from Afghanistan undetected. The Department therefore provided the Afghan Interim Government with a mobile database system that allowed Afghan security and border control officials to record traveler information quickly and check it against a list of individuals of concern. The Department's efforts helped prevent the escape of Al Qaeda and Taliban forces, without imposing undue restrictions on religious practices and the normal flow of travel.

*U.S. Colonel Douglas Lengenfelder briefs journalists on the strategy of counter-insurgency adopted by the joint U.S.-Philippine Special Operation Task Force during a press conference at the U.S. embassy in Manila January 28, 2003. Lengenfelder, commander of U.S. troops in the Philippines, said a possible U.S. military strike in Iraq will not affect counterterrorism operations in the Philippines where the United States is committed to helping Manila against local Islamic "terrorist groups" for the long term. AFP Photo/Romeo Gacad*

## OPEN MARKETS

The World Trade Organization (WTO) – Doha Development Agenda

The mandate for the WTO's Doha Development Agenda negotiations launched in November 2001 lays the groundwork for an ambitious agenda to improve market access, reduce export subsidies and price supports, lower tariff and non-tariff barriers, open markets in sectors of key interest to the United States, and stimulate growth of the global economy. It calls for enhanced efforts to enable the poorest and least-developed nations to secure the benefits of trade by giving them the tools and training needed to participate more effectively in the international trading system. In the Doha round of WTO negotiations, the United States is advocating the elimination of tariffs that cost world consumers \$6 trillion per year.

*U.S. ambassador to Qatar Maureen Quinn arrives at Doha's Sheraton hotel on November 8, 2001, where the WTO began five days of talks on November 9. AFP Photo/Kaim Jaafar*

## U.S. EXPORTS

U.S. Foreign Investments

As a key part of the interagency advocacy and outreach process, the Department helped U.S. companies secure contracts and investments, including investments by PSEG Global in Peru (\$227 million), General Electric in Kenya (\$6 million) and Noble America in Colombia (\$4 million). The Department supported the Export-Import Bank's \$252-million financing for export of a satellite launch servicer project to Thailand. Working with OPIC, the Department helped resolve an expropriation dispute in Indonesia on a \$350 million oil and gas project.

## ECONOMIC GROWTH

## Debt Negotiations

The Department led fourteen multilateral debt re-scheduling talks – with a combined value of \$39 billion – with key countries such as Pakistan, the Ukraine, Yugoslavia, and Indonesia. The Department collected the data needed for these multilateral debt negotiations, led the negotiations, and drafted the bilateral debt agreements. These debt treatments were critical to these countries' recovery from conflict and economic mismanagement, returning them to economic growth and contributing to world economic prosperity.

## ECONOMIC DEVELOPMENT

## The Monterrey Conference



As a result of strenuous efforts by the United States, more than fifty heads of state/government and two hundred ministers adopted the Monterrey Consensus at the UN Conference on Financing for Development in Monterrey, Mexico in March 2002. This groundbreaking document states, "Each country has primary responsibility for its own economic and social development, and the role of national policies and developmental strategies cannot be overemphasized." Monterrey launched a new international partnership for development. The World Summit on Sustainable Development, held in September 2002 in Johannesburg, affirmed the key role of focused public/private partnerships in achieving sustainable growth, thereby furthering economic and social development.

*President George W. Bush speaks at the International Conference on Financing for Development March 22, 2002 in Monterrey, Mexico. Bush urged leaders at the UN anti-poverty summit to make political, economic, and legal reforms conditions for enhanced aid to poor nations. AFP Photo/Mauricio Lima*

## AMERICAN CITIZENS

## Federal Benefits

After an anthrax attack shut down the Department's Dulles Airport mail facility and impeded the timely delivery of monthly U.S. federal benefits checks to overseas recipients, the Department worked with the Treasury Department and benefit-paying agencies to arrange alternative methods for delivering checks to recipients. What could have been an acute financial hardship for thousands of beneficiaries and a management nightmare for embassies around the world was instead a stellar example of interagency cooperation, customer service, and efficiency.



*Employees of the international airport in Rio de Janeiro wear protective masks and gloves as they load a truck with outgoing mail from the U.S. consulate in Rio on October 17, 2001. The anthrax scare which has touched many parts of the world also reached Brazil, at the U.S. consulate in Rio, where two people were given antibiotics after they handled an envelope containing powder. AFP Photo/Vanderlei Almeida*

## TRAVEL AND MIGRATION

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 Visa Denials

**T**he Department recommended that forty Chinese nationals, several of whom sought to conduct cutting-edge medical research in the United States, be found ineligible for visas under INA section 212(a)(3)(A), due to technology transfer concerns. The interviewing consular officers developed information linking the applicants to Chinese institutions known to be developing biological or chemical weapons, and therefore prevented them from entering the United States.

## INTERNATIONAL CRIME

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 Pakistani Border Control


**T**o help stop the flow of drug traffickers, terrorists, and other illegal combatants along Pakistan's porous, 1,500-mile border with Afghanistan and to prevent Pakistan's border provinces from being used as staging areas for terrorist groups in the aftermath of the events of 9/11, the Department provided urgent assistance to Pakistan's border guard and other law enforcement units. This aid included vehicles, communications equipment, pilot training, and the setting up of aircraft maintenance facilities. By August 2002, five Huey-II helicopters had been delivered, providing much needed mobility for police units.

*Pakistan army troopers stay alert in their picket in Eysha post near Miran Shah, close to the Afghanistan border, June 18, 2002. Pakistani army troops and paramilitary forces have been deployed along the border with Afghanistan to prevent fleeing members of Osama bin Laden's al-Qaeda network seeking refuge in Pakistan following the U.S. attacks on their hide-outs in eastern Afghanistan. AFP Photo/ Tariq Mahmood*

## COUNTERING ILLEGAL DRUGS

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 Afghanistan

**F**ollowing the fall of the Taliban, the Department spearheaded a successful international campaign to convince the new Afghan Interim Administration to include counternarcotics as one of its early priorities and to ban the cultivation of opium poppies. Although the ban came too late to prevent the poppy crop that was harvested in the spring of 2002, this political and legal commitment by the new government, which will require future U.S. counternarcotics and other assistance, provides an historic window of opportunity to curb significantly the opium trade in Afghanistan, the world's leading producer of heroin.

## DEMOCRACY AND HUMAN RIGHTS

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 Cuba

**W**ith strong U.S. support, Latin American members of the UN Commission on Human Rights introduced and helped pass a resolution on Cuba, the only non-democratic state in the Western Hemisphere. Over 10,000 Cubans signed petitions calling for a referendum on democratic change, known as the Varela Project. The Administration's new Cuba initiative will lead to greater outreach to the Cuban people.

## HUMANITARIAN ASSISTANCE

## Afghan Refugees

In Afghanistan, the ousting of the Taliban regime made it possible for over two million refugees (mostly living in Pakistan and Iran) and over six hundred thousand internally displaced persons (IDPs) to return home. The Department contributed over \$140 million to international and NGO partner organizations, including the UN High Commissioner for Refugees and the International Committee of the Red Cross. These organizations were then able to respond to the Afghan emergency and meet the immediate protection and reintegration needs of returning refugees and IDPs, including return transportation, shelter, public health, water, sanitation, and education. These funds also assisted refugees who remained in neighboring countries of asylum.



*A newly arrived Afghan refugee family with their belongings returns from Pakistan on their way to get relief at a refugee camp on the outskirts of Kabul, July 29, 2002. More than 1.1 million refugees have returned from Pakistan since March 2002 and the UNHCR estimates around 2 million refugees will have returned from countries neighboring Afghanistan by the end 2002. AFP Photo/Jewel Samad*

## ENVIRONMENT

## Global Fisheries



*Two trawlers pictured April 18, 2002 in the port of Brest, into which they were escorted after officials found they were using illegal nets. They were inspected off the Ile d'Yeu on France's Atlantic coast and found to be using a mesh banned under EU rules for fishing mackerel and sardines. AFP Photo/Fred Tanneau*

Illegal, unregulated, and unreported (IUU) fishing activities undermine sustainable management of fishery resources, often contributing to collapse of fish stocks, penalization of legal fishermen, and, in some cases, the facilitation of other illegal activities. The Department led international efforts to develop a voluntary international plan of action to address IUU fishing. Under the plan, countries agreed to develop national plans by 2004 to prevent, deter, and eliminate IUU fishing. The plan also provides recommendations on vessel monitoring, information sharing, and the use of market-based control and surveillance measures to combat IUU fishing.

The Department also helped establish a voluntary network of fisheries' law enforcement officials, enhanced developing countries' capacities for implementing the Code of Conduct for Responsible Fisheries, and led a fisheries law enforcement training workshop in East Africa.



## POPULATION

Oversight of the UN Population Fund

**T**he United States used its position on the UN Population Fund (UNFPA) Executive Board to press for reforms that would minimize programmatic redundancies in UN development agencies and maximize efforts by these agencies to achieve a healthy and sustainable world population. The United States did not provide funding to UNFPA in 2002 because the Secretary determined that UNFPA provided funds and other support to the Chinese governmental entities charged with enforcing China's birth limitation program, which relies upon coercive laws and practices that can lead to coercive abortion. The United States is working to encourage UNFPA to reform, and cease its involvement with coercion, so that future U.S. funding of UNFPA will be legally possible.

## HEALTH

The Global Fund To Fight AIDS, Tuberculosis, and Malaria

**I**n April 2001, the UN Secretary General issued a call for a Global Fund to combat the three great killer diseases: AIDS, tuberculosis, and malaria. The United States was the first government to pledge, before the Fund was even operational. With strong U.S. diplomatic involvement in the negotiations, the Fund was operational and had approved its first grants by April 2002. The Fund works through public- private partnerships and complements bilateral and multilateral assistance programs already underway.

*President George W. Bush waves goodbye with Secretary of State Colin Powell to Nigerian President Olusegun Obasanjo, who earlier met with Bush on May 11, 2001. Bush outlined a new Global Fund to fight HIV, AIDS, malaria and tuberculosis. AFP Photo Stephen Jaffe*

## MUTUAL UNDERSTANDING

ECA and US-Afghan Women's Council Partner for First Post-Taliban Visitor Project

**F**ourteen women representing five Afghan government ministries and the Kabul Public Security Court participated in a month-long "U.S. Leadership Management and Computer Education" program. The project gave women working in the new Afghan government the opportunity to prepare to reenter the social, political and economic life of a liberated and reconstructed Afghanistan. Project goals included computer, grant writing, and English-language training. The project was tailored to the specific needs of the participants, taking into account their background and previous experience. The program also includes follow-up training with the expectation that participants will train others in their respective ministries.

## HUMAN RESOURCES

Diplomatic Readiness Task Force

The “Diplomatic Readiness Initiative” strategic human capital plan depends on increased productivity through the human resources chain—from recruitment to testing to clearances to intake. Every element of the system must work as a whole to make the process function. During FY 2002, all these elements came together to produce results characteristic of a high-performing workforce. Oral assessments were administered to more candidates in less time than in FY 2001. The Diplomatic Security “Surge Team” accelerated security clearances, reducing clearance time by half. In a change from standard business procedures, contract security investigators worked “after-hours” at the seven nationwide testing sites to reduce the six-month application collection process to a 24-hour period. The Department reduced the time necessary to complete medical clearances, and the Foreign Service Institute met the challenge of training 25 percent more students under new mandatory training standards, creatively managing space and classroom assignments in its limited space.

## INFORMATION RESOURCES

OpenNet Plus

With its the OpenNet Plus program, the Department is accomplishing the Secretary’s highest IT priority of worldwide desktop Internet access for over 40,000 Department users. When completed in FY 2003, all sites will have Internet services and augmented bandwidth to handle increased workload. OpenNet Plus will provide an appropriate level of security against cyber intruders, consistent with good risk management practices. Open access to the Internet enables employees to take full advantage of its tremendous capability, and to facilitate communication and collaboration internally as well as with the public, business, other agencies, and foreign governments. Using the Department’s existing OpenNet infrastructure, instead of installing a new network, has enabled this initiative to be implemented rapidly in a cost-effective manner.



*Bureau of Public Affairs, Office of Electronic Information web editors work on the State.gov website. December 2002  
State Department photo by Michael Gross*

**INFRASTRUCTURE AND OPERATIONS****Diplomatic Security**

The minimal damage from the June 2002 bombing at the U.S. Consulate General in Karachi demonstrated how improved security awareness, training, and physical and technical security investments mitigate terrorist attacks.

**Resource Management Consolidation**

The Department consolidated financial management, strategic planning, and budgeting under a new Assistant Secretary for Resource Management (RM), bringing all resource management and planning activities together in one bureau, thereby significantly improving coordination between policy and resources.

**Long Range Overseas Building Plan**

In FY 2002, the Department completed two capital projects – the new Doha Embassy and the Lima USAID building. Congressional approval allowed the Department to award new capital construction projects in Abidjan, Abuja, Beijing, Cape Town, Conakry, Kabul, Phnom Penh, Tashkent, Tbilisi, Yaounde, Dushanbe, Sao Paulo, and Seoul.

**Improved Administrative Services**

OMB approved the Department's competitive sourcing plan, which also includes quality sourcing. The amount of business available through the Statebuy Interactive Platform for e-Commerce ([www.statebuy.gov](http://www.statebuy.gov)) has been expanded, and projects are under way to provide web-enabled quality of life services to employees.

## LITTLE KNOWN FACTS ABOUT THE DEPARTMENT OF STATE

### DIPLOMATIC COURIERS

The earliest American diplomatic courier was Peter Parker, master of the brig Dispatch, who was commissioned by the Continental Congress on July 10, 1776, to deliver messages to Samuel Delap in Bordeaux. The letters, relating to obtaining military supplies from France, were weighted so that they could be thrown overboard in the event of capture.

The Department did not begin to hire couriers on a regular basis until World War I. Outgoing despatches would be entrusted to shipmasters, junior naval officers, or private citizens as necessary. "Bearers of despatches" were entitled to \$6 per diem plus a travel allowance, payable by the Department upon completion of their mission. They also carried a special passport to certify their official character. One of the first such special couriers was a Post Office employee named Nat Crane, who left Savannah for London on May 24, 1819.

The Embassies in London and Paris became the first American diplomatic posts to hire full-time couriers in December 1914. At the end of the First World War, the American Commission to Negotiate Peace asked Major Amos J. Peaslee, who had organized a courier system for the Army, to perform a similar service for the Department. The Diplomatic Courier Service began operations in Paris on December 2, 1918, using military personnel. It was disbanded the next year when the Peace Commission concluded its activities, but 11 Marines and one civilian were then designated as couriers.

The Courier Service was disbanded again on July 30, 1933, as an economy measure. President Franklin D. Roosevelt ordered its reestablishment in 1934, while attending the London economic conference. The system was still based in Paris and had three regular couriers. By 1941 established service had been instituted to China, Japan, and the Americas. A regular system of worldwide schedules came into being after World War II. The emblem of the Diplomatic Courier Service is a golden eagle in flight. Its motto, "none is swifter than these," is taken from Herodotus' description of Persian couriers.

### DIPLOMATIC AND CONSULAR UNIFORMS

U.S. diplomats designed their own uniforms until 1817, when the State Department formally prescribed an official uniform for ministers based on one worn by U.S. delegates to the Conference of Ghent in 1814, which ended the War of 1812. In 1853, Secretary of State William L. Marcy issued a circular recommending that U.S. diplomats wear "the simple dress of an American citizen." But many foreign governments preferred that accredited diplomats wear a uniform at formal occasions. So the practice was left to the discretion and needs of the diplomat. In some cases, uniforms became quite elaborate. A consular uniform was prescribed in 1815, and a circular in 1838 reaffirmed that it should be worn for "visits of ceremony...and on all proper occasions." In 1937, President Franklin D. Roosevelt issued an executive order directing that no person in the diplomatic or consular service should wear a uniform or official costume not previously authorized by Congress, something Congress never did. Uniforms are no longer worn by U.S. diplomats.

### BURNING OF WASHINGTON

The home of the Department of State after 1801 was known merely as "the public building west of the President's house" and stood on the present site of the Old Executive Office Building at 17th Street and Pennsylvania Avenue, N.W. When British forces invaded Washington on August 24, 1814, this building was burned, along with the Capitol and the White House. While the Department's library was lost, Chief Clerk John Graham had already seen to the removal of many important records, including the originals of the Declaration of Independence and the Constitution. They were stored in a deserted gristmill on the Virginia side of the Potomac River, 2 miles above Georgetown, and were later moved to Leesburg, Virginia, until after the emergency.



# RESOURCES BY STRATEGIC GOAL



**STATE DEPARTMENT RESOURCES BY STRATEGIC GOAL**

**U.S. DEPARTMENT OF STATE**  
**APPROPRIATIONS ACT RESOURCES**  
*(\$ in thousands)*

NATIONAL INTEREST Strategic Goal		FY 2000 Actual		FY 2001 Actual		FY 2002 Actual		FY 2003 Request <sup>(1)</sup>	
		Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
<b>NATIONAL SECURITY</b>		<b>2,269</b>	<b>\$1,016,600</b>	<b>2,189</b>	<b>\$1,171,023</b>	<b>1,720</b>	<b>\$1,175,808</b>	<b>1,759</b>	<b>\$1,125,064</b>
RS	Regional Stability	1,587	\$1,016,440	1,492	\$1,022,585	1,215	\$1,037,372	1,252	\$975,020
WD	Weapons of Mass Destruction	682	\$160	697	\$148,438	505	\$138,436	507	\$150,044
<b>ECONOMIC PROSPERITY</b>		<b>1,419</b>	<b>\$597,208</b>	<b>1,486</b>	<b>\$434,612</b>	<b>1,236</b>	<b>\$427,348</b>	<b>1,250</b>	<b>\$453,293</b>
OM	Open Markets	554	\$374,388	581	\$217,219	487	\$218,874	493	\$228,820
EX	US Exports	410	\$49,904	448	\$49,382	290	\$45,262	293	\$49,845
EG	Global Economic Growth	236	\$33,870	236	\$39,930	243	\$34,911	248	\$42,473
ED	Economic Development	219	\$139,046	221	\$128,081	216	\$128,301	216	\$132,155
<b>AMERICAN CITIZENS &amp; BORDERS</b>		<b>1,624</b>	<b>\$161,014</b>	<b>1,859</b>	<b>\$148,156</b>	<b>1,289</b>	<b>\$169,410</b>	<b>1,301</b>	<b>\$183,191</b>
AC	American Citizens	700	\$79,522	848	\$75,808	674	\$79,420	680	\$84,054
TM	Travel and Migration	924	\$81,482	1,011	\$72,348	615	\$89,990	621	\$99,137
<b>LAW ENFORCEMENT</b>		<b>791</b>	<b>\$110,610</b>	<b>621</b>	<b>\$78,131</b>	<b>1,383</b>	<b>\$211,833</b>	<b>1,530</b>	<b>\$327,576</b>
TE	Countering Terrorism	246	\$38,748	250	\$34,922	671	\$120,698	809	\$231,986
IC	International Crime	418	\$47,767	246	\$27,249	351	\$46,487	354	\$48,833
ID	Illegal Drugs	127	\$24,095	125	\$15,960	361	\$44,648	367	\$46,757
<b>DEMOCRACY</b>		<b>863</b>	<b>\$416,243</b>	<b>1,078</b>	<b>\$566,938</b>	<b>815</b>	<b>\$577,669</b>	<b>835</b>	<b>\$569,563</b>
DE	Democracy	863	\$416,243	1,078	\$566,938	815	\$577,669	835	\$569,563
<b>HUMANITARIAN RESPONSE</b>		<b>284</b>	<b>\$661,546</b>	<b>165</b>	<b>\$23,177</b>	<b>169</b>	<b>\$25,655</b>	<b>168</b>	<b>\$26,503</b>
HA	Humanitarian Assistance	284	\$661,546	165	\$23,177	169	\$25,655	168	\$26,503
<b>GLOBAL ISSUES</b>		<b>634</b>	<b>\$328,606</b>	<b>676</b>	<b>\$311,701</b>	<b>721</b>	<b>\$303,228</b>	<b>733</b>	<b>\$312,708</b>
EN	Environment	554	\$108,122	558	\$133,046	571	\$107,145	576	\$125,787
PO	Population	31	\$5,444	63	\$8,118	37	\$9,845	34	\$10,578
HE	Health	49	\$215,040	55	\$170,537	113	\$186,238	123	\$176,343
<b>DIPLOMACY</b>		<b>1,334</b>	<b>\$217,125</b>	<b>1,251</b>	<b>\$179,977</b>	<b>462</b>	<b>\$86,205</b>	<b>468</b>	<b>\$81,937</b>
DA	Diplomatic Activity <sup>(2)</sup>	1,334	\$217,125	1,251	\$179,977	462	\$86,205	468	\$81,937
<b>MUTUAL UNDERSTANDING</b>		<b>2,162</b>	<b>\$322,512</b>	<b>2,538</b>	<b>\$436,319</b>	<b>2,270</b>	<b>\$428,201</b>	<b>2,276</b>	<b>\$421,085</b>
MU	Mutual Understanding	2,162	\$322,512	2,538	\$436,319	2,270	\$428,201	2,276	\$421,085
<b>DIPLOMATIC READINESS</b>		<b>6,676</b>	<b>\$2,485,295</b>	<b>6,319</b>	<b>\$3,210,604</b>	<b>8,988</b>	<b>\$4,379,152</b>	<b>9,265</b>	<b>\$4,202,026</b>
HR	Human Resources	1,686	\$445,648	1,668	\$492,564	2,230	\$665,034	2,438	\$719,033
IR	Information Resources	1,083	\$278,373	1,073	\$362,894	1,599	\$616,913	1,605	\$601,986
IO	Infrastructure and Operations	3,907	\$1,761,274	3,578	\$2,355,146	5,159	\$3,097,205	5,222	\$2,881,007
<b>IG</b>	<b>Inspector General Activities</b>	<b>314</b>	<b>\$27,382</b>	<b>314</b>	<b>\$29,891</b>	<b>314</b>	<b>\$29,000</b>	<b>314</b>	<b>\$29,264</b>
Transfers / Pension & Health Benefits		0	\$2,578	0	\$90,358	0	\$0	(233.00)	(100.00)

TOTALS	FY 2000 Actual		FY 2001 Actual		FY 2002 Actual		FY 2003 Request <sup>(1)</sup>	
	Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
	<b>18,370</b>	<b>\$6,507,543</b>	<b>18,496</b>	<b>\$6,680,887</b>	<b>19,367</b>	<b>\$7,813,509</b>	<b>19,666</b>	<b>\$7,632,210</b>

Note (1): At the time of printing, the Department remains under a Continuing Resolution for FY 2003. As a result, the Department's FY 2003 Request is depicted.

Note (2): Several bureaus assigned resources to Diplomatic Activity, although it is not a strategic goal. The Office of the Secretary and the Office of the Legal Advisor make up a majority of these resources. This category will be eliminated in the FY 2004 Performance Plan and FY 2003 Performance Report.



## STATE DEPARTMENT ADMINISTERED FOREIGN OPERATIONS RESOURCES BY STRATEGIC GOAL

(\$ in thousands)

### CATEGORY 1: DEPARTMENT OF STATE ADMINISTERED ACCOUNTS

The following breakdown represents five foreign assistance funds that the U.S. Department of State administers and can allocate by strategic goal. These funds include INCLE, IO&P, MRA/ERMA, NADR, and PKO. FY 2002 Emergency Response Fund resources for these five funds are also allocated by strategic goal.

#### NATIONAL INTEREST

Strategic Goal	FY 2002 Actuals	FY 2003 Request <sup>(1)</sup>
<b>REGIONAL SECURITY</b>		
RS Regional Stability	\$357,400	\$109,850
WD Weapons of Mass Destruction	\$300,700	\$246,200
<b>OPEN MARKETS</b>		
OM Open Markets	\$0	\$0
EX US Exports	\$0	\$0
EG Global Economic Growth	\$0	\$0
ED Economic Development (Broad-Based Economic Growth)	\$104,600	\$227,500
<b>AMERICAN CITIZENS</b>		
AC American Citizens	\$0	\$0
TM Travel and Migration	\$0	\$0
<b>WORLDWIDE ENFORCEMENT</b>		
TE Countering Terrorism	\$123,400	\$69,900
IC International Crime	\$108,533	\$44,129
ID Illegal Drugs	\$807,170	\$884,584
<b>CITIZENSHIP</b>		
DE Democracy	\$9,000	\$9,000
<b>INTERNATIONAL HUMANITARIAN RESPONSE</b>		
HA Humanitarian Assistance	\$869,556	\$775,565
<b>GLOBAL ISSUES</b>		
EN Environment	\$54,600	\$48,600
PO Population	\$34,000	\$25,000
HE Health	\$0	\$0
<b>DIPLOMACY</b>		
DA Diplomatic Activity	\$0	\$0
<b>MUTUAL UNDERSTANDING</b>		
MU Mutual Understanding	\$0	\$0
<b>DIPLOMATIC READINESS</b>		
HR Human Resources	\$0	\$0
IR Information Resources	\$0	\$0
IO Infrastructure and Operations	\$0	\$0
<b>SUB-TOTAL</b>	<b>\$2,768,959</b>	<b>\$2,440,328</b>

Note (1): At the time of printing, the Department remains under a Continuing Resolution for FY 2003. As a result, the Department's FY 2003 Request is depicted.

## OTHER FOREIGN OPERATIONS RESOURCES

(\$ in thousands)

### CATEGORY 2: STATE OVERSIGHT ACCOUNTS

The following resources are implemented by other foreign affairs agencies and not administered by the Department of State. As a result, in the FY 2003 Performance Plan these resources are not allocated by strategic goal. In future years, the Department will collaborate with implementing agencies to break down these resources by strategic goal. FY 2002 Emergency Response Fund resources are included in the FY 2002 levels.

	FY 2002 Actuals	FY 2003 Request
U.S. Agency for International Development	\$3,658,965	\$3,852,724
Economic Support Fund	\$2,824,000	\$2,290,000
Assistance for Eastern Europe and the Baltic States	\$621,000	\$495,000
Assistance for the Independent States	\$830,500	\$755,000
International Military Education and Training	\$70,000	\$80,000
Foreign Military Financing	\$3,695,000	\$4,107,200
<b>SUB-TOTAL</b>	<b>\$11,699,465</b>	<b>\$11,579,924</b>

### CATEGORY 3: OTHER AGENCY ACCOUNTS

Although the following resources are part of international affairs resources (Function 150), the Department only provides foreign policy guidance to these agencies. Thus, the Department of State does not allocate these resources by the Department's strategic goals. FY 2002 Emergency Response Fund resources are included in the FY 2002 numbers.

	FY 2002 Actuals	FY 2003 Request
Export-Import Bank	\$767,228	\$600,727
Overseas Private Investment Corporation	(\$250,076)	(\$227,324)
Trade and Development Agency	\$50,184	\$44,696
Peace Corps	\$281,943	\$320,228
Inter-American Foundation	\$13,290	\$14,185
African Development Foundation	\$16,680	\$16,689
Treasury Technical Assistance	\$9,500	\$10,000
Debt Restructuring	\$229,000	\$0
International Financial Institutions	\$1,174,796	\$1,437,097
<b>SUB-TOTAL</b>	<b>\$2,292,545</b>	<b>\$2,216,298</b>

### CATEGORY 4: EMERGENCY FOREIGN OPERATIONS SUPPLEMENTAL

	FY 2002 Actuals
Economic Support Fund	\$465,000
Assistance for Independent States	\$110,000
International Narcotics Control & Law Enforcement	\$114,000
Nonproliferation, Anti-terrorism, Demining, & Related Programs	\$83,000
Foreign Military Financing	\$357,000
Peacekeeping Operations	20,000
U.S. Agency for International Development	\$47,000
<b>SUB-TOTAL</b>	<b>\$1,196,000</b>

	<b>TOTAL</b>	<b>\$17,956,969</b>	<b>\$16,236,550</b>
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