

PERFORMANCE SECTION



This section contains the annual program performance information required by the Government Performance and Results Act of 1993 (GPRA) and, together with the Appendices, includes all of the required elements of an annual program performance report as specified in OMB Circular A-11: Preparing, Submitting and Executing the Budget. The results are presented in twelve chapters, one for each strategic goal. For more information on this section, please contact the Office of Strategic and Performance Planning at PAR@state.gov or (202) 647-0300.

STRATEGIC OBJECTIVE #1: ACHIEVE PEACE AND SECURITY

The foremost responsibility of government is protecting the life, liberty, and property of its citizens. Since our struggle for independence, diplomacy has been critical to our nation's security. The Department of State, as the nation's first line of offense, leads the effort to build and maintain relationships, coalitions, and alliances that help create the conditions for peace, contain or eliminate potential dangers from abroad before they can harm our citizens, and promote economic, social, and cultural cooperation.

We recognize that our own security is best guaranteed when our friends and neighbors are secure, free, and prosperous, and when they respect human rights and the rule of law. As a result, the Department focuses its efforts on resolving regional conflicts, countering global terror networks, combating international organized crime, and keeping weapons of mass destruction out of the hands of those that can harm the United States, our allies, and our friends.

STRATEGIC GOAL 1: REGIONAL STABILITY

Avert and resolve local and regional conflicts to preserve peace and minimize harm to the national interests of the United States

I. 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 works with international partners to enhance and ensure stability in all regions of the world so that Americans are less threatened by the ripple effects of regional volatility and global violence. Failed or failing states become voids that may be filled by terrorism, trade in narcotics, trafficking in people, and other illegal activities that threaten our national interests. Early action to address failing, failed, and recovering states, or "fragile states," is central to promoting regional stability and addressing the source of one of our nation's most pressing security threats. Department activities are designed to assess and respond early to the causes and consequences of violent conflict and fragile states. Through diplomacy and development assistance, the U.S. builds and strengthens relations with neighbors and allies worldwide to prevent, manage, and

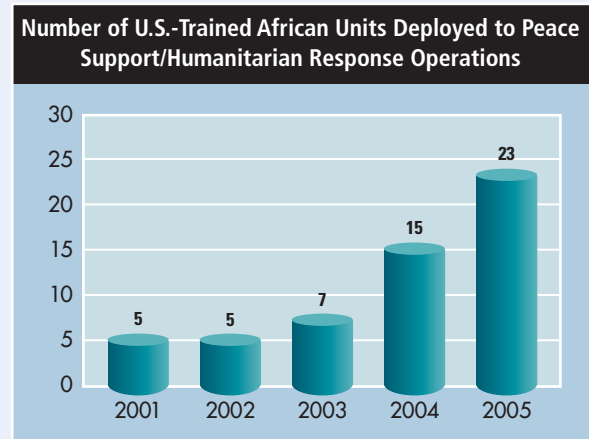
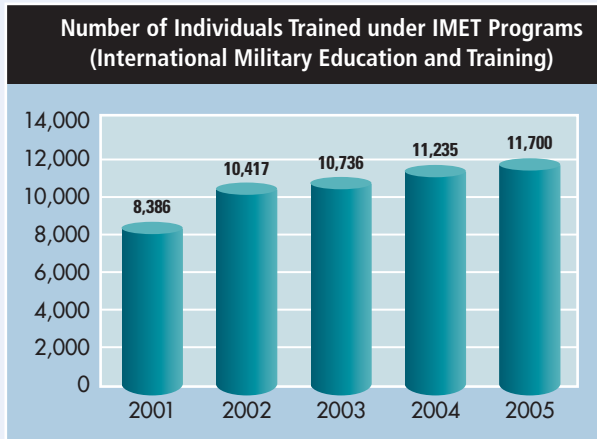
mitigate conflicts, and reduce state fragility. Building capacity of bilateral and coalition partners through military assistance to 120 countries is key to enhancing regional stability and reducing demand on U.S. forces. The engagement of foreign partners also substantially contributes and provides legitimacy to our stabilization and reconstruction efforts.



Secretary Rice speaking at NATO headquarters in Brussels, February 2005.

AP/Wide World Photo

II. Selected Performance Trends



III. Strategic Context

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

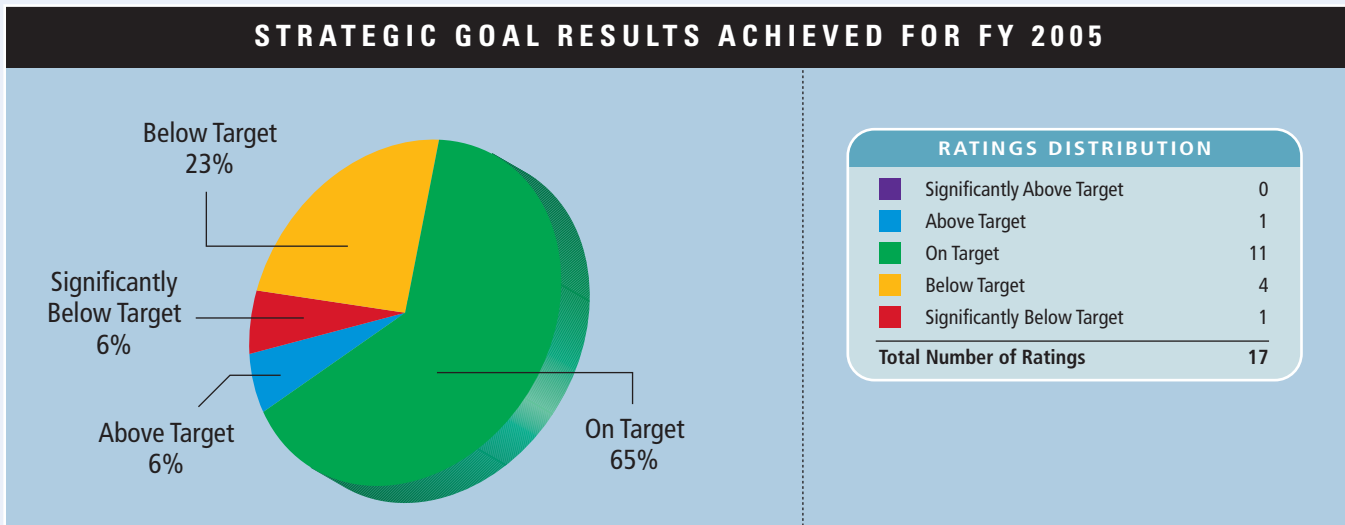
Strategic Goal	Performance Goal (Short Title)	Initiative/Program	Major Resources	Lead Bureau(s)	External Partners
Regional Stability	Close Ties with Allies and Friends	Transatlantic Relationship	D&CP, FMF, IMET, ESF	EUR	N/A
		International Military Education and Training	D&CP, IMET, FMF	PM	Office of the Secretary of Defense (OSD)/Defense Security Cooperation Agency Joint Staff, OSD/DSCA
		Military Assistance for New NATO/NATO-Aspirant Nations	D&CP, FMF, IMET	EUR	DoD, Joint Staff
		Regional Stability in East Asia and the Pacific	D&CP	EAP	DoD
	Resolution of Regional Conflicts	Conflict Management and Resolution	D&CP, PKO, IMET, FMF	AF, NEA, WHA, SA, EUR, EAP	DoD, UNDPKO, France, UK, Belgium, ECOWAS, Nigeria, Senegal, Ghana, Kenya, Benin, Mali
		Indo-Pak Relations - Kashmir	D&CP, FMF, INCLE, ESF, DA, PD	SA	USAID, NSC, DoD, UN Agencies
		Enhanced and Expanded Euro-Atlantic Partnership	D&CP	ISN, EUR	OSD, JCS, IC, NSC Joint Consultative Group (JCG) in Vienna, NATO
		Peacekeeping Participation	D&CP, FMF	PM	OSD/Special Operations and Low Intensity Conflict

(continued)

Strategic Goal	Performance Goal (Short Title)	Initiative/ Program	Major Resources	Lead Bureau(s)	External Partners
Regional Stability <i>(continued)</i>	Resolution of Regional Conflicts <i>(continued)</i>	Implementation of the Road Map	D&CP, ESF	NEA, EB	NSC, USAID, CIA
		Iraq and Gulf Security	D&CP, FMF, IMET, ESF, INCLE, HRDF, IRRF	NEA	NSC, USAID, DoD, Treasury, Commerce, Agriculture, FAA, Education, HHS, International Broadcasting Bureau, DOJ, Energy, UN
		Peacekeeping Operations - OSCE	D&CP, FMF, IMET, INCLE, FSA	EUR	OSD, Joint Staff, CIA, NSC
		Security Assistance Sub-Saharan Africa	D&CP, PKO, ESF, IMET, FMF	AF	Norway, DoD, ECOWAS, UNDPKO, Netherlands, Belgium, France, UK, Nigeria, Senegal, Ghana, Kenya, South Africa, Benin, Mali, Ethiopia, Malawi
		Restrict Advanced Conventional Weapons Transfers	D&CP	ISN	32 Member States of Wassenaar

IV. Performance Summary

The chart below shows the performance rating distribution of the FY 2005 results for the Regional Stability strategic goal.



V. Performance Analysis

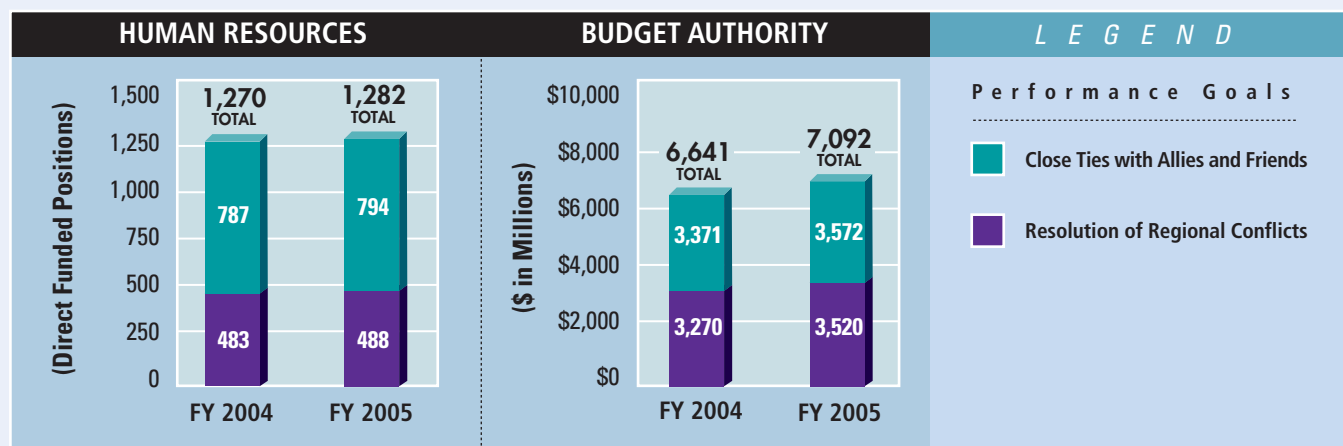
PERFORMANCE TRENDS. Three significant performance trends in Regional Stability are noteworthy: (1) the number of foreign military officers participating in International Military Education and Training (IMET) programs has steadily increased, surpassing the FY 2005 targets by 216 individuals; (2) the number of U.S.-trained African military units deployed to Peace Support/Humanitarian Response has increased by 53% since FY 2004; (3) the per-battalion cost of training African peacekeepers has decreased by 15% from FY 2004 to FY 2005.

OUTCOME-LEVEL RESULTS. The Department made demonstrable progress toward achieving desired outcomes in promoting strong and effective ties with transatlantic allies, training and equipping foreign military personnel, and working with partner countries to restrict conventional weapon transfers. All of the programs in these areas performed at or above target in FY 2005.

RESULTS SIGNIFICANTLY ABOVE OR BELOW TARGET. While no indicator was rated significantly above target, one indicator was rated significantly below target. Indicator three, of initiative/program #7 (An Enhanced and Expanded Euro-Atlantic Partnership), monitors the progress on the implementation of the Adapted Conventional Forces in Europe (CFE) Treaty. This indicator required Russia to make progress toward fulfilling its remaining Istanbul commitments by withdrawing military forces from Moldova and Georgia. Once Russia did so, the U.S. would ratify the Adapted CFE Treaty. This indicator was rated significantly below target because Russia has yet to make the political decisions necessary to withdraw its forces from Moldova.

RESOURCES INVESTED. In FY 2005, the Department allocated an estimated 28.2% of its budget to this strategic goal. This percentage allocation equates to \$7.092 billion, an increase of 6.8% from FY 2004.

VI. Resources Invested



VII. Performance Results

PERFORMANCE GOAL 1

CLOSE, STRONG, AND EFFECTIVE U.S. TIES WITH ALLIES, FRIENDS, PARTNERS, AND REGIONAL ORGANIZATIONS

INITIATIVE/PROGRAM (I/P) #1: TRANSATLANTIC RELATIONSHIP	
Indicator #1: Status of Transatlantic Security Relationships: NATO-led and U.S.-led Coalition Operations	
JUSTIFICATION (VALIDATION): NATO is the United States' foremost security relationship. Strong and effective ties with our European allies within NATO are essential to promote stability and protect U.S. interests in Europe and the world.	
FY 2005 PERFORMANCE	Target <ol style="list-style-type: none"> 1. Full operating capability of the NATO Response Force (NRF). 2. Increase in European military capabilities through continued investment to fill remaining shortfalls. 3. Consideration of European Union (EU)-led mission in Bosnia, subject to Balkan policy consideration, and with appropriate NATO-EU agreement and interagency consensus. 4. NATO operations continue in Afghanistan and Iraq as needed.
	Results <ol style="list-style-type: none"> 1. Improvements made in NATO Response Force but not yet at full operating capability. 2. Increased European military capabilities through engagement in the Interim Security Assistance Force (ISAF) and NATO's Training Mission in Iraq (NTM-I). 3. NATO's Stabilization Force (SFOR) completed its mission in Bosnia & Herzegovina. The NATO-EU handover took place smoothly. A NATO headquarters in Sarajevo was established on schedule. 4. NATO completed Stage 2 (West) and initiated Stage 3 (South) of the Interim Security Assistance Force expansion. NATO is on track to establish the Training, Education and Doctrine Center at ar-Rustamiyah by the end of September. This center will significantly increase the size and scope of the training mission in Iraq.
	Rating ■ On Target
	Impact EU takeover of main stabilization role in Bosnia. NATO offered Response Force assets for assistance after Hurricane Katrina. Advanced military goals in Iraq and Afghanistan.
PERFORMANCE DATA	Data Source The data used for this indicator are based on embassy reporting and monitoring by the Department and information provided by NATO member countries.
	Data Quality (Verification) The data are gathered through primary data collection and are fully reliable.
PAST PERFORMANCE	2004 <ol style="list-style-type: none"> 1. An NRF unit approved to deploy to Afghanistan for election security support. As the Stabilization Force in Bosnia and Herzegovina concluded its mission in Bosnia, an EU follow-on force was approved to commence operations based on "Berlin Plus" arrangements agreed between NATO and the EU. 2. NATO inducted seven new members and continued to work with remaining aspirants through the Membership Action Plan. 3. Georgia, Azerbaijan, and Uzbekistan agreed to develop Individual Partnership Action Plans with NATO.
	2003 <ol style="list-style-type: none"> 1. Agreement reached with Allies to reform NATO's command structure. European partners committed themselves to boosting European capabilities. NATO Response Force in process of development. 2. Seven new members invited to join Alliance. Ratifications by Allies on track to welcome new members by May 2004. 3. Progress made on NATO-Russia projects, including military-to-military cooperation. Retooled Partnership for Peace to better meet the needs of the Central Asia/Caucasus partners. NATO-Ukraine Action Plan launched in which Ukraine, with NATO's assistance, agreed to undertake necessary reforms.
	2002 <ol style="list-style-type: none"> 1. Europeans made pledges at Prague to improve their capabilities. Seven new members invited to join the Alliance. Berlin Plus would have allowed the EU to borrow NATO assets and capabilities for European-led operations, but this was not agreed upon. 2. Allied heads of state and governments committed to enhance military capabilities by filling key shortfalls through the New Capabilities Initiative, which will encourage pooling and specialization, introduce the NATO Response Force (NRF) and reform NATO's Command Structure. U.S. export controls with key European allies streamlined to promote transatlantic defense industrial integration. 3. NATO-Russia Council and 2002 work plan established in May 2002.

**I/P #2: INTERNATIONAL MILITARY EDUCATION AND TRAINING
(PART PROGRAM)**

Indicator #2: Number of Individuals Receiving Training Under IMET

JUSTIFICATION (VALIDATION): The number of foreign military personnel participating in International Military Education and Training (IMET) programs is an indication of increased foreign receptivity to the U.S. strategic approach and likely success in gaining foreign support on specific policy issues. The greater the number of IMET students, the greater the likelihood that foreign forces will be able to provide security in their respective region(s).

FY 2005 PERFORMANCE	Target	11,484 individuals
	Results	Approximately 11,700 individuals.
	Rating	■ Above Target
	Impact	The increase in IMET students has increased the likelihood that future leaders will be drawn from these students and will therefore possess an appreciation for the interests of the United States.
PERFORMANCE DATA	Data Source	Data are based on Political-Military Affairs bureau and regional bureau assessments of participation by foreign countries.
	Data Quality (Verification)	Primary source data collected from training centers by DoD. Data widely regarded as reliable and authoritative.
PAST PERFORMANCE	2004	11,235 individuals.
	2003	10,736 individuals.
	2002	10,417 individuals.

Reconstruction and Stabilization

The Department of State has engaged with the international community to build consensus around approaches to an integrated response to conflict and failing states. This consensus has spurred initiatives with bilateral partners on early warning and prevention, planning, and capacity development. The Department's engagement with international and regional organizations focuses on capacity building, and joint planning and implementation efforts. The Office of the Coordinator for Reconstruction and Stabilization will continue to engage international partners in developing interoperable deployment of civilian capabilities.



Ambassador Zalmay Khalilzad, second left, shakes hands with Provincial Reconstruction Team workers of Helmand province, about 350 miles south of Kabul, Afghanistan, March 2005. Ambassador Khalilzad now serves as U.S. Ambassador to Iraq.

AP/Wide World Photo

**I/P #3: MILITARY ASSISTANCE FOR NEW NATO AND NATO ASPIRANT NATIONS
(PART PROGRAM)**

Indicator #3: Percentage of Aspirants Making Progress Achieving NATO Defined and Measured, Country-Specific Membership Action Plans

JUSTIFICATION (VALIDATION): Indicates political will to integrate defense resources with NATO.

FY 2005 PERFORMANCE	Target	<ol style="list-style-type: none"> All new allies contribute to each aspect of alliance activities, including mentoring of aspirants, and are integrated into revised command arrangements. Three aspirant nations accelerate their reform efforts through the Membership Action Plan (MAP); intensify Adriatic Charter cooperation.
	Results	Albania, Macedonia, and Croatia made progress with MAP, with mentoring from new ally nations. All new allies have contributed to this consultation process.
	Rating	■ On Target
	Impact	Aspirant progress is on schedule, which has enhanced the reach and resources of the Alliance.
PERFORMANCE DATA	Data Source	NATO international staff consolidated and individual MAP progress reports; annual national plan submissions; bilateral meetings; NATO ministerials and summits.
	Data Quality (Verification)	This data are official, objective and accurate. Reporting from the various sources is crosschecked to ensure reliability and completeness.
PAST PERFORMANCE	2004	<ol style="list-style-type: none"> 100% of NATO aspirants made progress toward NATO-defined and measured, country-specific MAP. Formal entry of new allies and their full integration into NATO. MAP cycle continued for aspirants; Adriatic Charter cooperation took shape.
	2003	<ol style="list-style-type: none"> Accession Protocols signed by 19 Allies in March 2003; U.S. Senate ratification in May 2003. Invitees' reforms took place, in line with NATO requirements for membership. Aspirants continued MAP process and, with the U.S., signed the Adriatic Charter, where all parties pledged to work together to move reform efforts towards NATO and EU membership.
	2002	<ol style="list-style-type: none"> 60% of NATO aspirants made progress toward achieving NATO-defined and measured, country-specific MAP. Prague Summit issued membership invitations to seven countries: Estonia, Bulgaria, Latvia, Lithuania, Romania, Slovakia, and Slovenia. Three continuing NATO Aspirants (Croatia, Albania and Macedonia) continued to participate in NATO's MAP.



President Bush meets with President Alfred Moisiu of Albania, far left, President Stjepan Mesic of Croatia, far right, and President Branko Crvenkovski of Macedonia, second left, during the 2004 NATO summit in Istanbul, Turkey. AP/Wide World Photo

I/P #4: REGIONAL STABILITY IN EAST ASIA AND THE PACIFIC

Indicator #4: Status of Chinese Cooperation on Regional Stability

JUSTIFICATION (VALIDATION): China is capable of playing a significant role in reducing tension in the region and this indicator measures China's influence on stability in the East Asia and the Pacific region.

FY 2005 PERFORMANCE	Target	Full Chinese cooperation with U.S. and international community in reaching settlement of Korean peninsula, South China Sea and Burma issues.
	Results	China's active diplomacy continues to result in forward progress in Six-Party talks. China-ASEAN enhanced confidence-building measures on trade and maritime ties; and China, Association of Southeast Asian Nations (ASEAN) and UN promoted Burma political opening.
	Rating	■ On Target
	Impact	China hosted several rounds of Six-Party talks and played a major positive role in facilitating negotiations that led to an agreement in September 2005. China increased visits of high-level officials to Pyongyang to urge North Korea to follow through on implementation of its commitments. China publicly supports and remains a host for the talks process, but needs to exert the full range of its influence in talks with North Korea. China has not been willing to join in isolating the regime in Burma.
PERFORMANCE DATA	Data Source	Direct U.S. Government observation of China-North Korea interactions in the Six-Party talks, supplemented by information from the governments of Japan, South Korea, and Russia.
	Data Quality (Verification)	The quality of the data is largely dependent on the number and types of observations. Widespread interest in this area ensures a significant source of information available to verify results and conclusions.
PAST PERFORMANCE	2004	China played a constructive role in, and hosted, the Six-Party talks with North Korea, and has continued to improve ties and play a constructive role in South Asia. China generally was supportive of U.S. Middle East policies and provided modest assistance with reconstruction in Afghanistan and Iraq.
	2003	<ol style="list-style-type: none"> 1. China discussed its bilateral border disputes with South Asian officials. 2. China played a crucial role in facilitating multilateral talks with North Korea on maintaining a nuclear weapons-free Korean peninsula.
	2002	<ol style="list-style-type: none"> 1. China continued to urge Pakistan and India to avoid conflict and reduce tensions. There was a continuing impasse on Cross-Strait dialogue. 2. China encouraged North Korean openness and multilateral dialogue to end its nuclear weapons program. China's public statements at APEC ministerial were helpful in maintaining a nuclear weapons-free Korean Peninsula.

A Look to History: Regional Stability

After the creation of the United Nations on October 24, 1945, the organization faced its first major challenge to prevent widespread international conflict when North Korea invaded South Korea in June 1950. Realizing that time was critical, President Truman went to the UN Security Council rather than to Congress. The UN Security Council initiated military sanctions against North Korea and the United States led a "police action" to push North Korea's army back above the 38th parallel. General Douglas MacArthur led the U.N. forces in South Korea. Eventually fifteen other U.N. member countries joined the U.S. troops in fighting the conflict. After a long struggle the United Nations Command preserved the independence of South Korea.



Members of the United Nations negotiating team pose in Kaesong, Korea, on July 16, 1951 during peace talks with Communists in the Korean war. AP Photo

I/P #4: REGIONAL STABILITY IN EAST ASIA AND THE PACIFIC (continued)

Indicator #5: Strength of Treaty Relationships – Japan and Korea

Indicator revised. Please see Appendix for details.

JUSTIFICATION (VALIDATION): Strengthened alliances will foster long-term stability in East Asia and the Pacific.

FY 2005 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. Japan: Establish a permanent night landing practice site. The Joint Committee adopts an agreement on environmental and accident site issues. Defense Policy Review Initiative develops joint strategic goals which are unveiled at "2+2" Ministerial. 2. Korea: Secure land and commence construction of new facilities to support Yongsan and other facilities relocations. Convene Security Policy Initiative meetings. Conclude the 2005-2006 Special Measures Agreement negotiations.
	Results	<ol style="list-style-type: none"> 1. Japan: Discussions relating to the carrier air-wing have been incorporated into the ongoing Defense Policy Review Initiative talks addressing realignment and transformation. Signed agreement in April 2005 clarifying roles and responsibilities in the event of an accident. Agreed to common strategic objectives that were announced at February 2005 "2+2". 2. Korea: The Special Measures Agreement negotiations were achieved. The purchase of the land for the new facilities was completed. The Security Policy Initiative meeting schedule is on track.
	Rating	<div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: green; margin-right: 5px;"></div> On Target </div>
	Impact	<ol style="list-style-type: none"> 1. Japan: Folding carrier air-wing considerations into the Defense Policy Review Initiative package allows for broad, strategic approach. Clarification provided by agreement will significantly aid coordination efforts in event of accident. With common strategic objectives defined, talks have advanced to address roles, missions, and capabilities and related force realignment issues. 2. Korea: A new 2005-06 Special Measures Agreement was concluded in April 2005. Land purchases for new construction to facilitate relocation of Yongsan Garrison and other U.S. facilities are on-schedule. The Security Policy Initiative was convened and four meetings were held in FY 2005.
PERFORMANCE DATA	Data Source	Department and embassy reports, DoD policy decisions and decision memoranda.
	Data Quality (Verification)	Reports from U.S. embassies, State Department and DoD are cross-checked to ensure accuracy and reliability.
PAST PERFORMANCE	2004	<ol style="list-style-type: none"> 1. Japan: United States and Japan reach agreement on assurances for U.S. military members in Japanese custody. U.S. Forces complete removal of all Polychlorinated Biphenyl, a toxic chemical, in storage on U.S. bases. Bilateral talks on replacement of U.S.S. Kitty Hawk begin. U.S. and Japan discuss concrete proposals on the remaining elements for the Futenma replacement facility under the Defense Policy Review Initiative. 2. Korea: ROK National Assembly passed the Future of the Alliance agreement on the reconfiguration of U.S. Forces Korea including relocation from Yongsan and other facilities. The two governments agreed to continue high-level security consultation by establishing the US-ROK Security Policy Initiative.
	2003	Talks between the U.S. and South Korea on the Future of the Alliance produced a timetable and division of costs for the reconfiguration of U.S. Forces in Korea during 2004 – 2008.
	2002	Began U.S. and South Korea negotiations on the Future of the Alliance.



Deputy Secretary of State Robert Zoellick, left, shakes hands with Chinese Deputy Foreign Minister Dai Bingguo at the Diaoyutai state guesthouse in Beijing, August, 2005.

AP/Wide World Photo

**NATO
(PART PROGRAM EFFICIENCY MEASURE)**

Indicator #6: Number of Countries Reaching Sustainable State of Niche Capacities

JUSTIFICATION (VALIDATION): Indicates know-how to develop a niche specialty and the political will to sustain it. By providing resources to assist new allies and NATO aspirants to develop specialized capabilities, the U.S. Government is addressing needs identified and prioritized by NATO and the U.S. European Command while promoting the transformation of NATO to meet emerging threats. Fostering the development of niche capabilities helps launch new allies as vital elements of the common defense.

FY 2005 PERFORMANCE	Target	2/13 (Target revised. See Appendix for details.)
	Results	2/13.
	Rating	■ On Target
	Impact	NATO aspirant Bosnia deployed an Explosive Ordnance Disposal Team to Iraq.
PERFORMANCE DATA	Data Source	NATO planning documents. NATO-led and U.S.-led deployments.
	Data Quality (Verification)	NATO planning documents are vetted with member country representatives and scrutinized for accuracy before they are finalized.
PAST PERFORMANCE	2004	1/13; Czech-led NATO Chemical Biological, Radiological, and Nuclear (CBRN) unit deployed to Athens for Olympics. Poland built niche command expertise.
	2003	1/13; Poland took command of a multinational division in Iraq. Czech Republic commands NATO CBRN unit.
	2002	Baseline: 1/13; The Czech Republic's CBRN company recognized as a promising specialty asset within NATO.

NATO Secretary General Jaap de Hoop Scheffer, second from left, raises the alliance's flag with General James L. Jones, NATO's supreme commander for operations, at left during a ceremony outside the Baghdad headquarters of the NATO training mission for Iraqi military officers, September 2005.

AP/Wide World Photo



PERFORMANCE GOAL 2

EXISTING AND EMERGENT REGIONAL CONFLICTS ARE CONTAINED OR RESOLVED

I/P #5: CONFLICT MANAGEMENT AND MITIGATION

Indicator #1: Number of African Armed Conflicts Resolved and Peace Support Missions Concluded

JUSTIFICATION (VALIDATION): Regional stability in Africa is greatly enhanced when conflicts end and parties to the conflict embark on a post-conflict process of reconciliation and reconstruction. Two clear indications that parties engaged in armed conflict are on the path of peace are when peace agreements are signed and peacekeeping forces deploy to monitor the post-peace process. One clear indicator that they have completed the post conflict process and are on the path to longer-term stability is when peacekeeping forces leave the country/region.

FY 2005 PERFORMANCE	Target	Peacekeeping mission in Cote d'Ivoire withdrawn and Liberia preparing for final year of peacekeeping operations following elections.
	Results	<ol style="list-style-type: none"> 1. Cote d'Ivoire: As of September 2005, the elections planned for October 2005 were postponed and the demobilization of the northern or southern militias had not yet begun owing to the lack of cooperation from political leaders and parties. The Ivoirian rebels have rebuffed South African President Mbeki's mediation efforts while President Gbagbo has declined having Economic Community of West African States (ECOWAS) take a larger role. The 4,000 member UN Mission in Cote d'Ivoire will remain in place for the foreseeable future and efforts to begin demobilization and integration of the armed forces have been delayed. 2. Liberia: The first round of presidential elections was held in October 2005 and voter turnout was more than 75%. The second and decisive round was held on November 8, 2005, and resulted in the election of the first female head of state in Africa. There have been delays in commencing military and police reform as well as demobilization and reintegration of ex-combatants. Corruption has weakened the transitional government and slowed progress on post-conflict recovery. 3. Sierra Leone: The UN Mission in Sierra Leone will withdraw, leaving a small mission to help manage continued international community efforts to oversee post-conflict institution building and other recovery efforts. 4. Burundi: Great progress has been made in Burundi where a successful presidential transition has occurred, the integration of military and police forces proceeds apace and refugees are returning. The National Liberation Front, a small Hutu faction, remains outside the process but is not an immediate threat to the overall peace process. UN forces should start planning to begin withdrawal in FY 2006. 5. Ethiopia-Eritrea: Despite the Boundary Commission's decision in 2002, the demarcation work has not yet begun and the UN Mission remains in country, albeit with decreased numbers. Storm clouds remain on the horizon and intense diplomatic activity will be required to avoid a return to conflict.
	Rating	■ Below Target
	Impact	Failure to make progress on the Cote d'Ivoire and Liberia peace processes will hamper stability in the Mano River region, creating opportunities for destructive forces, delaying economic recovery and lengthening the period of UN peacekeeping deployments. A restart of the conflict between Ethiopia and Eritrea would not only create a significant humanitarian crisis but would also harm efforts to counter terrorist forces in the Horn region and support Ethiopian peacekeeping efforts.
	Reason for Shortfall	The peace process in Cote d'Ivoire has not reached elections and the Disarmament, Demobilization and Reintegration process has not yet begun for factors beyond the control of U.S. diplomacy.
	Steps to Improve	The U.S. maintains active contact with the UN, African Union (AU), ECOWAS, President Gbagbo, the Force Nouvelles and other key actors in the conflict. The U.S. supports a UN and AU lead on diplomacy but will also remain flexible to apply pressure on the parties bilaterally or in conjunction with other key stakeholders, including the AU and/or ECOWAS. The goal will be to get Presidential elections back on track along with plans for the DDR process to begin.
PERFORMANCE DATA	Data Source	Embassy, UN, NGO and press reporting.
	Data Quality (Verification)	Information on UN activities and relations between national actors is excellent, while reporting on refugees, internally displaced persons (IDPs), and local conflicts varies from mediocre to good.

Continued on next page

I/P #5: CONFLICT MANAGEMENT AND MITIGATION (continued)	
Indicator #1: (continued)	
PAST PERFORMANCE	<p>2004</p> <ol style="list-style-type: none"> 1. Congo-Great Lakes: In recognition of the need to ameliorate conditions in the east and further buttress the ability of the transitional government to stabilize the eastern Democratic Republic of Congo (DRC), the UN Mission in the Congo has increased its force structure and mandate. Chaos in eastern DRC remained endemic, creating difficulties for the political process and raising the specter of a return to a state of generalized conflict. 2. Sudan: In Darfur, a civil war and a heavy-handed Sudanese Government response included acts of genocide and produced a humanitarian crisis that slowed progress toward consolidating the peace throughout the country. While the final comprehensive agreement for the Sudan was not yet signed, the parties were very close at the end of the fiscal year. The Verification and Monitoring Team, Civilian Protection Monitoring Team, and Joint Military Commission in the Nuba Mountains all played important roles in verifying agreements between the Government of Sudan and the Sudan Peoples Liberation Movement, and building confidence between the two sides. Humanitarian conditions improved somewhat in southern Sudan and were much improved in the Nubas. 3. Sierra Leone: While the UN Mission in Sierra Leone has not yet withdrawn as of the end of the fiscal year, its numbers are greatly reduced in light of strides forward in the process of post-conflict rebuilding and reconciliation. Insecurity in the countryside is reduced and heightened stability among its neighbors bodes well. The Sierra Leone Police and Republic of Sierra Leone Armed Forces continue efforts at reform and restructuring with a view toward withdrawing UNAMSIL by the end of 2005. 4. Ethiopia-Eritrea: Despite the Boundary Commission's decision in 2002, the demarcation work has not yet begun and the UN Mission is not yet complete. In September 2004, the UN Security Council agreed to extend the work of the UN Mission in Ethiopia-Eritrea and urged both parties to abide by the Algiers Agreement. Various diplomatic efforts to break down barriers between Ethiopia and Eritrea have had limited impact because of the unwillingness at senior levels on both sides to reconcile. However, with much external pressure, the two sides have avoided a return to conflict.
	<p>2003</p> <p>Conflicts Resolved</p> <ul style="list-style-type: none"> ● <i>Democratic Republic of Congo</i>: Large-scale conflict resolved with inauguration of a transitional Government of National Unity in July 2003. ● <i>Burundi</i>: Conflict partially resolved, fighting continues. Ceasefire reached with the largest rebel group, the Forces for the Defense of Democracy; implementation negotiations ongoing at year end; and prospects good for agreement in first quarter FY 2004. ● <i>Liberia</i>: The Liberian civil war deteriorated starting in May 2003. Peace talks began in Ghana in June 2003 and a comprehensive peace agreement was signed on August 18. The U.S. provided nearly \$26 million in logistics support to enable the deployment of the ECOWAS peacekeeping forces. <p>Peace Support Missions Concluded</p> <ul style="list-style-type: none"> ● <i>Angola</i>: One peace support mission withdrawn.
	<p>2002</p> <p>Conflicts Resolved</p> <ul style="list-style-type: none"> ● The war in Sierra Leone was effectively over and the peacekeeping mission was phased out. Peace-building activities continued using U.S. and other funding. <p>Peace Support Mission Concluded</p> <ul style="list-style-type: none"> ● Program activities such as the West Africa Stabilization Program and the African Contingency Operations Training and Assistance Program (ACOTA) ensured that the ECOWAS troop contributors are better able to meet the demands of peacekeeping operations.

I/P #6: INDO-PAK RELATIONS/KASHMIR

Indicator #2: Status of Relations between Pakistan and India on Kashmir

JUSTIFICATION (VALIDATION): The Indo-Pakistani relationship is one of the most crucial for the U.S. and the world. Maintaining peace between these nuclear states is imperative.

FY 2005 PERFORMANCE	Target	Infiltration further declines. Terrorism inside Kashmir declines further. Terrorist groups not permitted to operate in Pakistan. India and Pakistan effectively implement existing nuclear and conventional Continental Ballistic Missiles (CBMs), and agree to implement new ones.
	Results	<ol style="list-style-type: none"> 1. Infiltration down slightly. 2. Some progress observed on dismantling terrorist camps. 3. India and Pakistan engaged in second round of Composite Dialogue, with third round scheduled to begin in January 2006. 4. Among other confidence-building measures, Srinagar-Muzaffarad bus service begun April 7 provides people-to-people links and sign of tangible progress, although lack of follow-on bus lines and infrequent service attests to the slow pace. 5. Meetings between Kashmiri leaders and President Musharraf in May in Pakistan and Prime Minister Singh in September in New Delhi indicate the relaxing tension between the two countries.
	Rating	■ On Target
	Impact	The prospect of war between the two nuclear-armed powers has decreased; easing of India-Pakistan tension over Kashmir helped the U.S. strengthen its relations with both countries simultaneously.
PERFORMANCE DATA	Data Source	Indian and Pakistani Government officials and reporting from U.S. embassies.
	Data Quality (Verification)	The data used for this indicator are gathered through primary collection and are fully reliable. More accurate information does not exist.
PAST PERFORMANCE	2004	<ol style="list-style-type: none"> 1. Infiltration continued. 2. No observable progress on disbanding terrorist groups. 3. India and Pakistan have been moving in the right direction regarding engaging in dialogue and implementing confidence-building measures.
	2003	<ol style="list-style-type: none"> 1. Infiltration continued throughout the year. 2. Militant training camps and related infrastructures in Pakistan were not substantially disbanded, although some were deactivated for periods over the summer. Militant groups in Pakistan have been and remain proscribed. 3. Military forces on both sides returned to pre-crisis locations and readiness levels. 4. India and Pakistan renewed diplomatic contact. Indian PM Vajpayee launched a major new peace initiative in April, which Pakistani PM Jamali welcomed. India and Pakistan returned High Commissioners, restored some transportation links, and engaged in numerous people to people – including legislative – exchanges. However, official talks were not started.
	2002	<ol style="list-style-type: none"> 1. Major terrorist attacks brought India and Pakistan close to war, but U.S. and U.K. diplomatic intervention helped ease tensions, and Pakistan took actions against Kashmiri jihadist militants. 2. India successfully held elections in Kashmir.

I/P #7: AN ENHANCED AND EXPANDED EURO-ATLANTIC PARTNERSHIP

Indicator #3: Progress on Implementation of Adapted Conventional Forces in Europe (CFE) Treaty

JUSTIFICATION (VALIDATION): The 1990 CFE Treaty has long been considered one of the cornerstones of European security. The 1999 Adapted CFE Treaty revised the CFE Treaty to meet the new security environment in post-Cold War Europe, while retaining the benefits of transparency, predictability, and U.S. force deployment flexibility. Entry into force of the Adapted CFE Treaty and its smooth implementation will contribute to a stable and secure Europe. A precondition for U.S. and NATO ratification of the Adapted Treaty, and thus its entry into force is Russian fulfillment of its Istanbul commitments relating to Russian withdrawal from Georgia and Moldova. The U.S. works closely with its NATO Allies in coordinating positions regarding CFE issues, reinforcing the U.S. role in European security.

FY 2005 PERFORMANCE	Target	Russia makes progress toward fulfillment of remaining Istanbul commitments, allowing for U.S. ratification and, after all other CFE states ratify, entry into force of the Adapted CFE Treaty.
	Results	On May 30, 2005, Russia and Georgia agreed on a timeline for Russia to withdraw from two of its bases in Georgia and identified an initial step toward resolving the status of the Russian presence at a third base. NATO allies agreed that while this constitutes important progress toward meeting the Istanbul commitments on Georgia, follow-up steps are needed. No progress to report this fiscal year regarding the Russian commitment to withdraw from Moldova.
	Rating	■ Significantly Below Target
	Impact	While the continuing inability to begin the process of achieving entry into force of the Adapted CFE Treaty does not materially affect U.S. security, it is a growing irritant in U.S. and NATO relations with Russia. Russia's failure to implement its Istanbul commitments raises questions about Russian motivations regarding Georgia and Moldova. Failure to achieve entry into force of the Adapted Treaty could undermine the confidence and stability gained by the 1990 CFE Treaty.
	Reason for Shortfall	Russia has yet to make the political decisions necessary to withdraw forces from Moldova.
	Steps to Improve	The U.S. and NATO will continue to press Russia to implement its Istanbul commitments. The 2006 CFE Review Conference will provide a special occasion for applying such pressure.
PERFORMANCE DATA	Data Source	OSCE, NATO, and U.S. Mission/Embassy reporting. OSCE and NATO statements. Statements by U.S., Russia, Georgia, Moldova, and other OSCE states.
	Data Quality (Verification)	This data are official, objective and accurate. Reporting from the various sources is crosschecked to ensure reliability and completeness.
PAST PERFORMANCE	2004	Russia did not fulfill all Istanbul Commitments. Russia still needed to reach agreement with Georgia on remaining issues regarding the Gudauta base and its future use, and the duration of Russian presence in Batumi and Alkhalkalai. Russia also needed to complete the withdrawal of its forces from Moldova. The U.S. and NATO continued to press Russia to fulfill these commitments, but there has been no progress to report in FY 2004. Russia and the new Georgian Government had been meeting, but progress on a Russian withdrawal from remaining bases fell victim to broader Russian-Georgian problems.
	2003	<ol style="list-style-type: none"> 1. Major progress was made in calendar year 2003 on withdrawal of Russian forces from Moldova; some 20,000 tons of Russian munitions stored in depots in the Transdnister region was withdrawn by the end of the year. 2. Russia did not meet the Organization for Security and Cooperation in Europe's extended December 31 deadline to withdraw forces from Moldova. 3. Progress on withdrawal of Russian bases from Georgia stalled for most of 2003, despite limited progress on technical issues. 4. Russian equipment levels in the CFE Flank region remained below Adapted CFE Treaty Flank Limits.
	2002	<ol style="list-style-type: none"> 1. Russia fulfilled its Istanbul commitment on the flank issue, reduced its flank equipment to Adapted Treaty levels, and discharged its Istanbul commitments for CFE equipment in Georgia and Moldova. 2. Russia needs to reach agreement with Georgia on remaining issues regarding Gudauta base and its future use, and the duration of Russian presence in Batumi and Alkhalkalai. Russia also needs to complete the removal and destruction of munitions and small arms in Moldova. 3. Conditions for U.S. ratification of Adapted CFE Treaty were not met.

**I/P #8: PEACEKEEPING PARTICIPATION
(PART PROGRAM)**

Indicator #4: Percentage of Enhanced International Peacekeeping Capabilities (EIPC)-funded, Peace Support Operation (PSO)-Trained Countries That Pledge Military Units or Participate in the UN Peacekeeping Standby Arrangement System or Multinational Military Operations of High U.S. Foreign Policy Interest

NOTE: Indicator deleted. The EIPC program and the African Contingency Operation Training and Assistance program are now funded through the Global Peace Operations Initiative. The impact and outcome of relevant peacekeeping activities are monitored using indicators under I/P #5: Conflict Management and Mitigation and I/P #12: Security Assistance Programs in Sub-Saharan Africa.

I/P #9: IMPLEMENTATION OF THE ROAD MAP

Indicator #5: Progress Towards the Implementation of the Road Map, as Measured by the Existence of an Independent, Democratic Palestinian State Alongside Israel in Peace and Security

JUSTIFICATION (VALIDATION): The indicator corresponds to the vision articulated by the President in his June 24, 2002 speech of two states, Israel and Palestine, existing side by side in peace and security, with goals geared to roadmap obligations. Progress is measured according to the degree to which an independent, democratic Palestinian state exists alongside Israel in peace and security.

FY 2005 PERFORMANCE	Target	Implementation of Roadmap commitments. Improved Palestinian Authority performance on security. Private Israelis and Palestinians participate freely with full official support in joint meetings, exchange projects, and people-to-people activities and receive coverage in the Israeli and Palestinian media.
	Results	Israel's Government has concluded its withdrawal from Gaza, and the focus has now shifted to Palestinian efforts to establish order. Disengagement produced coordination on a number of levels between the two sides. The Palestinian Authority has begun to take steps to restructure and reform its security forces throughout the West Bank and Gaza, with the support of U.S. Security Coordinator General William Ward and assistance from the international community. Quartet Special Envoy James Wolfensohn continues work on his agenda of issues intended to restore the viability of the Palestinian economy. Restoration of pre-Intifada Arab links with Israel continues, as indicated by the return of the Egyptian and Jordanian ambassadors to Tel Aviv.
	Rating	■ On Target
	Impact	Gaza disengagement stands to accelerate progress on the Roadmap, but Palestinian Authority performance in establishing law and order in Gaza will be a large determinant of the pace of this effort.
PERFORMANCE DATA	Data Source	Quartet announcements. Embassy and the Bureau of Near Eastern Affairs reporting.
	Data Quality (Verification)	Data sources are credible and reliable.
PAST PERFORMANCE	2004	Neither the Government of Israel nor the Palestinian Authority undertook efforts to begin meeting roadmap obligations or Aqaba Summit (June 2003) commitments. Sporadic terrorist attacks and Israeli countermeasures — including targeted killings, home demolitions, mobility restrictions and the construction of the West Bank security barrier — continued, further undermining trust. The Government of Israel focused national policy on its unilateral disengagement plan, which aims to remove all Israeli settlers and most of its forces from the Gaza Strip and parts of the West Bank in 2005, a goal that could indirectly serve to relaunch the roadmap. The poverty rate in the West Bank and Gaza at the end of 2004, according to the World Bank, was 48%, exceeding the target. However, the World Bank also retroactively changed the 2002 poverty rate from the 60% that served as the original baseline to 51%; thus, little real progress was observed in this area from 2002 to 2004.
	2003	Roadmap was publicly released and used effectively as diplomatic tool to re-launch Israeli-Palestinian peace negotiations. Both sides progressed through provisions in Phase I of the roadmap, including, but not limited to: a) as comprehensive security performance moves forward, Israeli Defense Forces (IDF) withdraws progressively from areas occupied since September 28, 2000 and the two sides revert to pre-September 28, 2000 status quo; b) immediate dismantlement of settlement outposts erected since March 2001 and freezing of all settlement activity; and c) steps to improve the humanitarian situation in the West Bank/Gaza.
	2002	Periodic, often large-scale, Palestinian terrorist attacks targeted at Israel, often followed by harsh preventive, retaliatory, or deterrent Israeli military actions. Significant civilian casualties on both sides.

I/P #10: IRAQ AND GULF SECURITY

Indicator #6: Free, Democratic, and Whole Iraq at Peace with Itself and Its Neighbors

JUSTIFICATION (VALIDATION): A free and democratic Iraq would contribute to economic and political stability in the region.

FY 2005 PERFORMANCE	Target	Elections for constitutional convention held; constitution drafted and ratified; elections for new, permanent government held; rule of law and civil society take root; free media serves as responsible watchdog on governmental power; Iraq assumes primary responsibility for its own security, able to defend itself without being a threat to its neighbors.
	Results	Credible elections for Transitional National Assembly (TNA) and local governments were held on time; the change of government occurred in an orderly fashion and ahead of schedule; preparations are on track for constitutional referendum and December election; the rule of law and civil society are being established more firmly as time goes on; free media has been a responsible watchdog on governmental power; Iraq has progressively assumed increasing responsibility for own security.
	Rating	 Below Target
	Impact	Promoting democracy and enhancing security in Iraq has contributed to increased security, economic and social development, and political reform in the region.
	Reason for Shortfall	Two of the political targets (constitution drafting and ratification) have been met, and the third (elections for a government under the constitution) is clearly on target to happen by December 15, 2005. With regard to rule of law, civil society, and media development, progress is also being made. It is only in the security field that the USG could be considered to be below target and that is largely because the target established in 2003 was unrealistic since it did not take into account the persistence of the insurgency and foreign terrorists. Iraq is making progress toward assuming full responsibility for its security, but this will not happen in 2005, and indeed any assessment of transition must be based on conditions, not timetables.
	Steps to Improve	Over the past two years, the USG has shifted resources toward addressing these fundamental security concerns, and has made significant strides in integrating its political, economic and security strategies to bring about the desired end state. Specific and recent progress includes a continued increase in the number of Iraqi units able to take the lead in combat operations against the insurgency. In addition, 88 Iraqi Army and special operations battalions are conducting operations against the enemy, with 36 of them assessed to be "in the lead" or fully independent. There are 28 Special Police Force battalions capable of combat operations and the Iraqis have the lead in roughly 87 square miles in Baghdad and over 450 square miles in other provinces.
PERFORMANCE DATA	Data Source	U.S. Mission post reports.
	Data Quality (Verification)	While subject to inherent limits of subjective and qualitative analysis, U.S. mission reporting is informed by broad and deep access to the Iraqi government, political figures, community leaders and others. Confidence in data quality is high.
PAST PERFORMANCE	2004	<ol style="list-style-type: none"> 1. Iraqi Governing Council assumes additional responsibilities. 2. Transitional Administrative Law drafted and approved. 3. Iraqi Interim government assumes full sovereignty; continued political, legal and economic reform. National Conference held. 4. Iraqi Interim National Council selected and begins operating. 5. Democratic institutions, rule of law, civil society, free media started. 6. Accountability and anti-corruption efforts began to take hold. 7. UNSCR 1546 recognized the IIG and spelled out the UN's role in the transition to democratic rule. 8. Independent Electoral Commission of Iraq established and begins preparations for January 2005 elections, assisted by the UN.
	2003	<ol style="list-style-type: none"> 1. Saddam Hussein's regime overthrown. The Department worked closely with the Department of Defense and the CPA to stabilize and rebuild Iraq. The Department continues to support the development of strategies to move Iraq towards democracy, rule of law, build free market economy, including non-oil sector; build Iraqi security forces, subordinate to constitutional authority, capable of relieving U.S. and Coalition forces. 2. The Department's engagement at the UN is consistent with the responsibilities outlined in UN Security Council Resolution (UNSCR) 1483. UNSCR 1500 reaffirms the UN's support for the Governing Council and fortifies the important role for the UN in Iraq by establishing a UN Assistance Mission to support the work of the UN Special Representative in Iraq. UN agencies have been making critical contributions in humanitarian assistance and economic reform in Iraq.
	2002	Saddam Hussein still in power; UN sanctions remain in effect.

I/P #10: IRAQ AND GULF SECURITY (continued)

Indicator #7: Extent of Expanded Economic Opportunity in Iraq

JUSTIFICATION (VALIDATION): This indicator measures efforts to create jobs and support trade, investment and enterprise growth throughout the country, which will help support stability and security.

FY 2005 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. Real gross domestic product growth of 16.7%. 2. Rebuild key infrastructure to foster economic growth. 3. Increase oil production to prewar level of 2.5 million barrels per day. 4. Increase electricity generation capacity to prewar level of 4,300 megawatts (MW). 5. Begin process of accession the World Trade Organization (WTO). 6. Finalize and sign Stand-By Arrangement (SBA) with the International Monetary Fund (IMF).
	Results	<ol style="list-style-type: none"> 1. Gross domestic product growth for 2005 is projected to be 3.7%. The business registration process is streamlined, and over 28,000 businesses have registered. 2. Microfinance programs have made 19,000 loans totaling \$31 million. 3. The year-to-date averages for 2005 are 2.12 million barrels per day of oil production. 4. Iraq now has approximately 5,000 MW of generation capacity. 5. The Government of Iraq has submitted its Foreign Trade Memorandum to the WTO, and plans on selecting a Working Party Chair. 6. Negotiations with the IMF on an SBA are under-way and on track to be concluded by the end of 2005.
	Rating	■ Below Target
	Impact	More reliable energy supplies, improved employment opportunities, and enhanced trade prospects have contributed to stability in Iraq.
	Reason for Shortfall	The continued insurgency has created a security situation in which it is difficult to implement projects that will increase economic growth, including oil and electricity infrastructure projects.
	Steps to Improve	Implement infrastructure security plan.
	PERFORMANCE DATA	Data Source
Data Quality (Verification)		Volatile environment with limited movement making measurement difficult.
PAST PERFORMANCE	2004	Developed 10 laws and/or regulations relating to private sector development. Implemented financial management information system at Ministry of Finance; implementation in progress at six other Ministries.
	2003	With Ministry of Finance, introduced new Iraqi national currency, the Dinar.
	2002	N/A.

I/P #11: PEACEKEEPING OPERATIONS – OSCE (PART PROGRAM)

Indicator #8: Implementation of New Police Training Programs in Former Soviet States

NOTE: Indicator deleted. See Appendix for details.

Indicator #9: Withdrawal of Russian Forces from Moldova and Georgia; OSCE Voluntary Fund Status

NOTE: Indicator deleted. FY 2005 target was incorporated into indicator #3 – Progress on Implementation of Adapted Conventional Forces in Europe Treaty – under I/P #7: An Enhanced and Expanded Euro-Atlantic Partnership. See Appendix for details.

**I/P #12: SECURITY ASSISTANCE PROGRAMS IN SUB-SAHARAN AFRICA
(PART PROGRAM)**

Indicator #10: Implementation of Sudan Peace Process

JUSTIFICATION (VALIDATION): A peaceful Sudan with an inclusive government based on the rule of law could be a hedge against regional instability and an important partner in the global war on terrorism. Ending conflict will also alleviate one of the world's worst humanitarian situations and propel regional economic prospects.

FY 2005 PERFORMANCE	Target	A sustained international aid and development program is established to support the implementation of the peace agreement leading up to elections. Refugees and IDPs returning home.
	Results	The Comprehensive Peace Agreement was concluded in January 2005. The donors conference in April succeeded in obtaining pledges to support the Comprehensive Peace Agreement above request. The UN Mission in Sudan is deploying. Despite the untimely death of former Vice President John Garang in late July, the process continues to move forward under new leadership. Violence in Darfur and disruption of humanitarian assistance continue, despite some improvements. In spite of some difficulty, Darfur peace talks in Abuja continue.
	Rating	■ On Target
	Impact	Failure to implement the Comprehensive Peace Agreement and bring a political settlement to Darfur will likely result in a return to wholesale civil conflict, causing humanitarian suffering and providing an opportunity for harmful elements to once again operate with great strength in Sudan.
PERFORMANCE DATA	Data Source	Government of Sudan announcements. Embassy Khartoum reporting.
	Data Quality (Verification)	Information on UN activities and relations between national actors is excellent, while reporting on refugee and IDP returns and local conflict varies from mediocre to good. Large areas of the country are nearly impossible to regularly access.
PAST PERFORMANCE	2004	Power and wealth sharing agreements signed. Comprehensive agreement being negotiated. Crisis in Darfur eclipses Government of Sudan - Sudan People's Liberation Movement (SPLM) peacemaking efforts. The Government of Sudan is not yet able to rein in Jinjaweed militia as humanitarian crisis worsens. African Union deploys ceasefire monitors with U.S. assistance.
	2003	Both the Government of Sudan and the SPLM/Army began a peace process, resolving two of the most contentious issues: the role of religion and the right of self-determination. Nuba Mountains ceasefire agreement concluded, international monitoring operations begun, and humanitarian support provided. Civilian Protection Monitoring Team preparing to stand up. Zones of Tranquility and Slavery Commission work conducted.
	2002	N/A.

The U.S. State Department's senior representative for Sudan, Charles Snyder, left, and U.S. Ambassador to Ethiopia, Aurelia Brazeal, center, listen to NATO Secretary General Jaap de Hoop Scheffer speak in the African Union Headquarters in Addis Ababa, Ethiopia on logistical support to the African Union's peacekeeping force in Sudan's Darfur region.

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I/P #12: SECURITY ASSISTANCE PROGRAMS IN SUB-SAHARAN AFRICA (continued)

Indicator #11: Number of U.S.-Trained African Units Deployed to Peace Support/Humanitarian Response Operations

JUSTIFICATION (VALIDATION): A U.S.-trained African unit or one trained by U.S.-trained trainers will perform better than one not provided such training or its equivalent. Also, African Peacekeeping Operation requirements are expected to remain high and therefore improved African capability will lessen calls for the use of U.S. forces.

FY 2005 PERFORMANCE	Target	Of all African battalions (or their equivalent) deployed in Peacekeeping Operations globally, approximately 70 percent will have significant staff and unit training experience under U.S. or U.S.-trained trainers.
	Results	<p>Currently, there are approximately 23 African battalion or battalion equivalents deployed in African peacekeeping operations (UN or regional):</p> <ul style="list-style-type: none"> ● Rwanda: 3 battalions AMIS ● Senegal: 1 battalion AMIS, 2 battalions in UNOCI and MONUC, 1 battalion in UNMIL ● Ghana: 2 battalions in MONUC and UNOCI, 1 battalion in UNAMSIL, 1 in UNIFIL ● Ethiopia: 3 battalions in Liberia and 1 battalion in Burundi ● Kenya: 1 battalion in Burundi, 1 Company in Ethiopia-Eritrea ● Benin: 1 Battalion in UNOCI ● Mozambique: 1 Company in Burundi <p>In 2005, 14 of 23 battalions (61%) had significant staff and unit training experience under U.S. or U.S.-trained trainers.</p>
	Rating	■ On Target
	Impact	African peacekeeping requirements are at their highest levels ever. Failure to properly train and logistically support African peacekeeping units and staffs at the strategic, operational and tactical levels will hurt stabilization efforts of the UN and African regional organizations and result in greater calls for the use of extremely-stretched U.S. forces.
PERFORMANCE DATA	Data Source	United Nations peacekeeping office. Bureau of African Affairs reports.
	Data Quality (Verification)	Information on UN activities is excellent and posted monthly on the UN web site. Reporting on participation of ACOTA-trained elements in African peacekeeping operations is usually good from the field.
PAST PERFORMANCE	2004	Of all African battalions (or their equivalent) deployed in Peacekeeping Operations globally, approximately 65% had significant staff and unit training experience under U.S. or U.S.-trained trainers.
	2003	Seven (7) African contingents trained by the U.S. or U.S.-trained trainers engaged in peace support missions. An additional five contingents planned for Peace Support Operations participation in Liberia and Burundi. Economic Community of West African States (ECOWAS) forces, with significant U.S. support and training, deployed to Liberia.
	2002	Five (5) U.S.-trained battalion-sized units successfully participating in peacekeeping or contingency operations.

I/P #13: RESTRICT ADVANCED CONVENTIONAL WEAPONS (ACW) TRANSFERS

Indicator #12: Effectiveness of Wassenaar Arrangement (WA) Control Lists

JUSTIFICATION (VALIDATION): This indicator addresses a key element of our policy: restricting advanced conventional weapons transfers by increasing the effectiveness of Wassenaar-based controls.

FY 2005 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. More extensive reporting of conventional arms transfers by member states. 2. Expand catch-all (i.e., controls by end-user in addition to controlling the item or technology). 3. Expand denial consultations. (i.e., consultation before approving an export of an item or technology already denied for export by another member state). 4. Chinese cooperation on Man-Portable Air Defense Systems (MANPADS) (to safeguard and restrict production, storage, transfer, and brokering of Man Portable air Defense Systems, such as Stinger or Igla).
	Results	<ol style="list-style-type: none"> 1. More extensive reporting on conventional arms transfers is now taking place in Wassenaar. 2. The Wassenaar statement of understanding on a conventional arms-related catch-all is in place in the European Union, is being established in the U.S. and Japan; and other participating states will report progress at meetings in November and December. 3. U.S. efforts to establish a dual-use denial consultation provision continue to be blocked by Russia, bilateral consultations have failed to produce a break-through. 4. China joined other APEC economies in a leaders statement on significant new controls. A first bilateral meeting on implementation details took place in August.
	Rating	■ On Target
	Impact	<ol style="list-style-type: none"> 1. More extensive reporting produces greater transparency of export licensing decisions, and provides incentive for more restrictive decisions. 2. Because there are few cases where one Wassenaar participating state effectively undercuts the denial of another for items on the Very Sensitive and Sensitive Lists (less than one per year) the consequences of this stalemate are not serious. 3. Implementation of the catch-all will protect against "back-door" evasion of arms embargoes. 4. China, along with all other APEC economies, has taken important steps towards stronger control on the export of MANPADS and related technology.
PERFORMANCE DATA	Data Source	Classified intelligence, and information from international organizations, NGOs, and academia.
	Data Quality (Verification)	Member reports are internally vetted and publicly distributed. Active NGOs and independent academics scrutinize and verify the data.
PAST PERFORMANCE	2004	<ol style="list-style-type: none"> 1. Arms transfers on the Wassenaar Arrangement Information System: Fewer member states were tardy in reporting. Important member states blocked consensus on dual-use denial consultations and required reporting of approvals for items on the Very Sensitive List. 2. Only 112 states participated in the UN Register in FY 2004, China did not. 3. Separate control list for items for terrorism: Member states do not agree whether a separate list is needed, or if there are other ways to achieve this.
	2003	<ol style="list-style-type: none"> 1. Within WA control lists, certain categories of weapons are being expanded, some widely available (and thus uncontrollable); dual-use items were dropped, and MANPADS has made considerable progress with energetic cooperation from Russia, the UK, and other countries. 2. Over the past ten years, the value of shipments of conventional weapons to state sponsors of terrorism has fallen by nine-tenths, and illicit shipments to other destinations have also fallen. Tools include bilateral demarches and intelligence liaison, strengthening of norms in the Wassenaar Arrangement and other international fora, sanctions, law enforcement, and (potentially) direct interdiction. Results have been better than expected, especially since Iraq is no longer importing conventional weapons.
	2002	<ol style="list-style-type: none"> 1. No new categories were added to WA control lists, but progress was made in this multi-year effort. 2. Within the WA, Russia alone continued to oppose mandatory reporting for small arms and light weapons, MANPADS, and warships down to 150 tons.

**PEACEKEEPING OPERATIONS FUNDING OF OSCE ACTIVITIES
(PART PROGRAM EFFICIENCY MEASURE)**

Indicator #13: Per Unit Cost of U.S. Government-Funded OSCE Election Observation

JUSTIFICATION (VALIDATION): This is a measure of the efficient use of U.S. Government resources to objectively monitor elections overseas.

FY 2005 PERFORMANCE	Target	15% below baseline.
	Results	5% above baseline.
	Rating	■ Below Target
	Impact	Election observer costs exceeded baseline despite cost cutting measures instituted by the U.S. Mission to the OSCE, which served to control costs in FY 2003 and FY 2004.
	Reason for Shortfall	Airfare increases combined with oil price increases and exchange rate losses.
	Steps to Improve	Reviewing to find a more realistic efficiency measure.
PERFORMANCE DATA	Data Source	Bureau of Political-Military Affairs (PM).
	Data Quality (Verification)	Data are reliable, of high quality, and verified by PM.
PAST PERFORMANCE	2004	10% below baseline.
	2003	5% below baseline.
	2002	Baseline: \$6,500 per long-term observer; \$3,700 per short-term observer.

Coalition Building and Maintenance

Our Iraq and Afghanistan coalition partners have been steadfast and courageous but face increasing sustainability challenges. In addition to the United States, more than 30 nations, plus NATO, have over 23,000 troops in Iraq and approximately 40 countries have 12,000 troops in Afghanistan. The Department of State leads the Interagency Coalition engagement effort. Coalition management varies from strategic dialogue with our Coalition partners to providing financial support and facilitating acquisition of critical equipment to enable partner nations to deploy. Coalition management also involves facilitating protection forces for the UN. Coalition issues are one of the pillars of the President's "National Strategy for Securing Iraq."



President George W. Bush, right, shakes hands with British Prime Minister Tony Blair during the G-8 summit in Auchterarder, Scotland, July 2005.

AP/Wide World Photo

**SECURITY ASSISTANCE TO SUB-SAHARAN AFRICA
(PART PROGRAM EFFICIENCY MEASURE)**

Indicator #14: Rate of Program Country Sustainment Cost to Train and Equip One Battalion of U.S.-Trained or U.S. Trainer-Trained African Peacekeeping Troops

JUSTIFICATION (VALIDATION): Ensuring that African militaries begin to train their own peacekeeping troops is vital if the Department is to break the cycle of one time training events. Such a cycle is more expensive and fails to transmit long-term capacity. Measuring the decrease in costs to train one unit for peacekeeping over time is the best methodology.

FY 2005 PERFORMANCE	Target	\$15M to produce 15 battalions.
	Results	Cost to train 22 battalions in FY 2005 was \$20 million.
	Rating	■ On Target
	Impact	Efficiency in producing African battalions will increase the number, variety and capacity of deploying African elements, thus improving the nature of conflict response capacity on the continent and ameliorating conflict.
PERFORMANCE DATA	Data Source	The data for these figures are produced by our Africa Contingency Operations Training and Assistance Program (ACOTA).
	Data Quality (Verification)	Information is derived from well-documented budget and ACOTA training data.
PAST PERFORMANCE	2004	\$15M to produce 14 battalions.
	2003	\$8M to produce 6 battalions.
	2002	\$15M to produce 4 battalions.

African Contingency Operations

The Department trains and equips selected African militaries to carry out peace support and humanitarian relief operations through the African Contingency Operations Training and Assistance program. Its comprehensive approach encourages regional peace support operations for which African countries and security institutions take the primary responsibility for peacekeeping in the region. Greater regional stability created by an enhanced African peace support capacity serves U.S. interests in promoting African democracy and economic growth.



Rwandan soldiers board a U.S. military plane at Kigali International airport for Darfur in June 2005, as part of a plan to help prevent further conflict in the troubled Sudanese region. AP/Wide World Photo

STRATEGIC OBJECTIVE #1: ACHIEVE PEACE AND SECURITY

STRATEGIC GOAL 2: COUNTERTERRORISM

Prevent attacks against the United States, our allies, and our friends, and strengthen alliances and international arrangements to defeat global terrorism

I. Public Benefit

The tragic events of 9/11 demonstrated the gravity of the threat international terrorists pose to the United States and its citizens at home and abroad. With a presence in some 60 countries, Al-Qaeda continues to be of great concern, although U.S. actions have significantly weakened the terrorist network. The Department is the lead on foreign policies and programs to combat global terrorism. The Global War on Terrorism remains a top priority. Across the globe, the Secretary, the USAID Administrator, other senior officials, Ambassadors, and USAID mission directors have pressed their counterparts for expanded cooperation and intensified efforts against terrorists. This has included support for protection of the homeland beyond America's borders; programs such as the Container Security Initiative, Immigration Security Initiative, and Customs-Trade Partnership Against Terrorism; inspections of foreign ports; sharing of terrorist watchlist information; and other counterterrorism efforts. In collaboration with our partners in other agencies, international organizations, and in other countries, the Department remains committed to combating terrorist networks

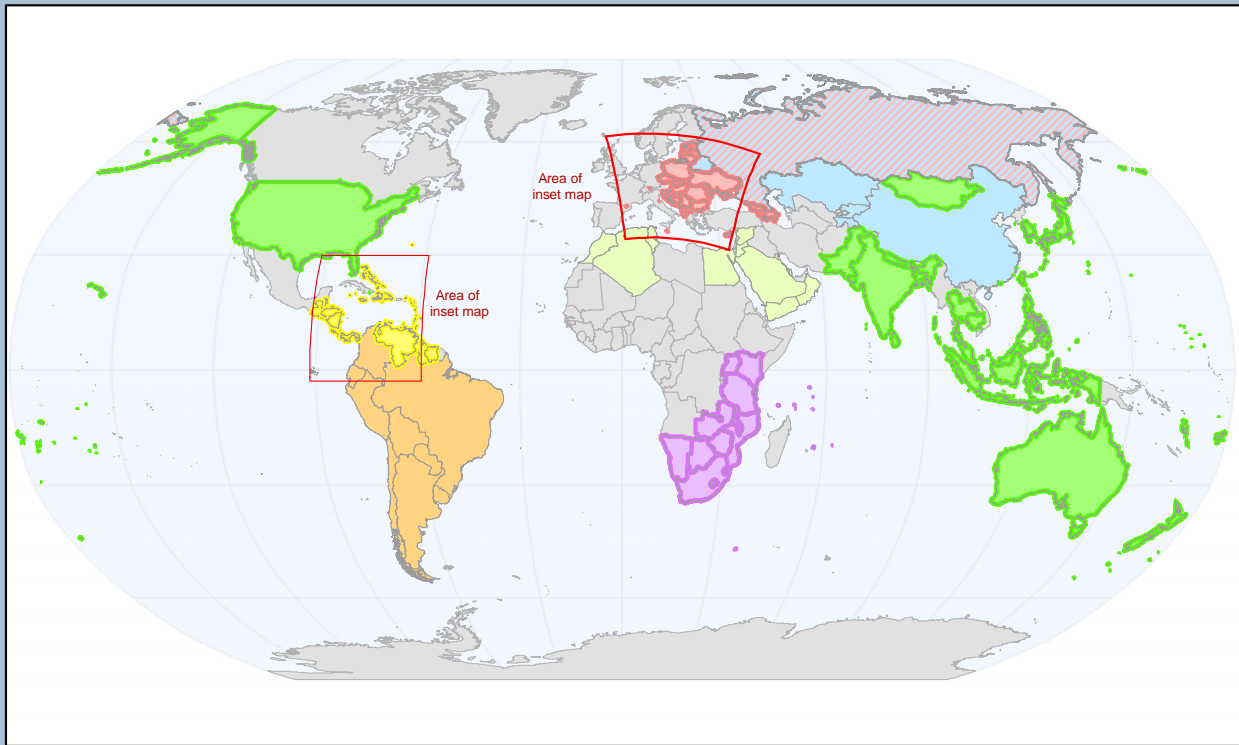
wherever they exist so that Americans are secure from terrorist threats. To date, the Department has mobilized 180 countries and territories in the war on terrorism to identify, disrupt and destroy international terrorist organizations. Over 3,000 terrorist suspects have been arrested and over \$138 million in terrorists' assets have been blocked by forty foreign governments. In an effort to deny weapons to terrorists, more than 14,000 Man-Portable Air Defense Systems have been destroyed in fourteen countries since 2003, with firm commitments for the destruction of almost 10,000 more. Key to the ability to mobilize effective action by our foreign partners is training to those who want to help but lack the means. Since 9/11, these programs, including anti-terrorist assistance, terrorist interdiction, and anti-terrorist finance have significantly improved our partners' counterterrorism capabilities.







Friends and relatives of the victims of the September 11 attacks, hold up signs before the September 11th Commemoration Ceremony at the World Trade Center in New York, September 2005.

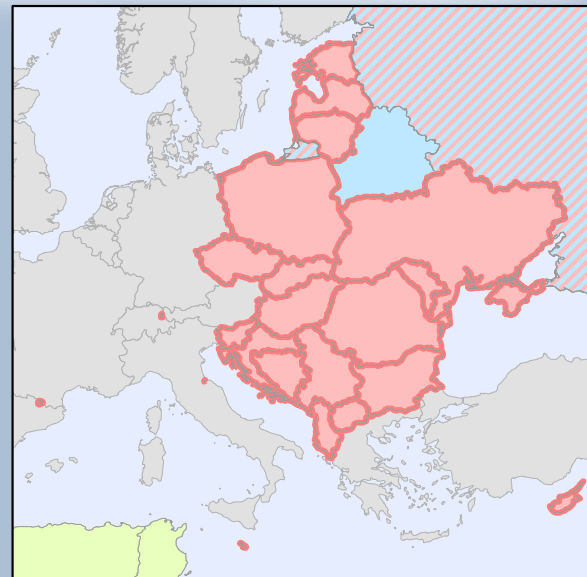
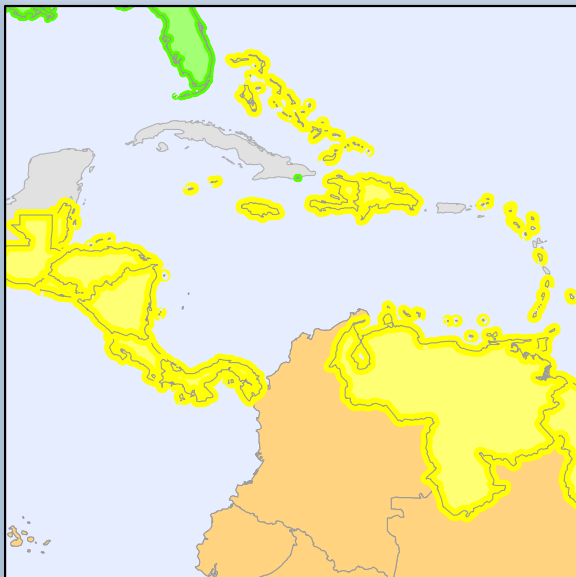
AP/Wide World Photo

REGIONAL ANTI-MONEY LAUNDERING ORGANIZATIONS



-  APG (Asia/Pacific Group on Money Laundering)
-  CFATF (Caribbean Financial Action Task Force)
-  EAG (Eurasian Group)
-  EAG and MONEYVAL

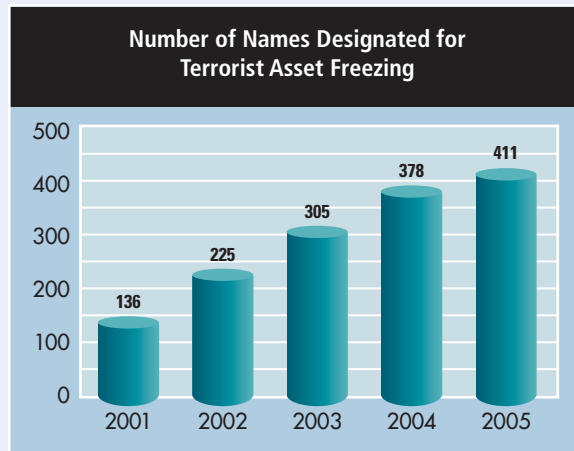
-  ESAAMLG (Eastern and Southern Africa Anti-Money Laundering Group)
-  GAFISUD (Financial Action Task Force on Money Laundering in South America)
-  MENAFATF (Middle East and North Africa Financial Action Task Force)
-  MONEYVAL (Council of Europe Select Committee of Experts on the Evaluation of Anti-Money Laundering Measures)



Boundary representation is not necessarily authoritative.

Source: U.S. Department of State, Office of the Coordinator for Counterterrorism.

II. Selected Performance Trends



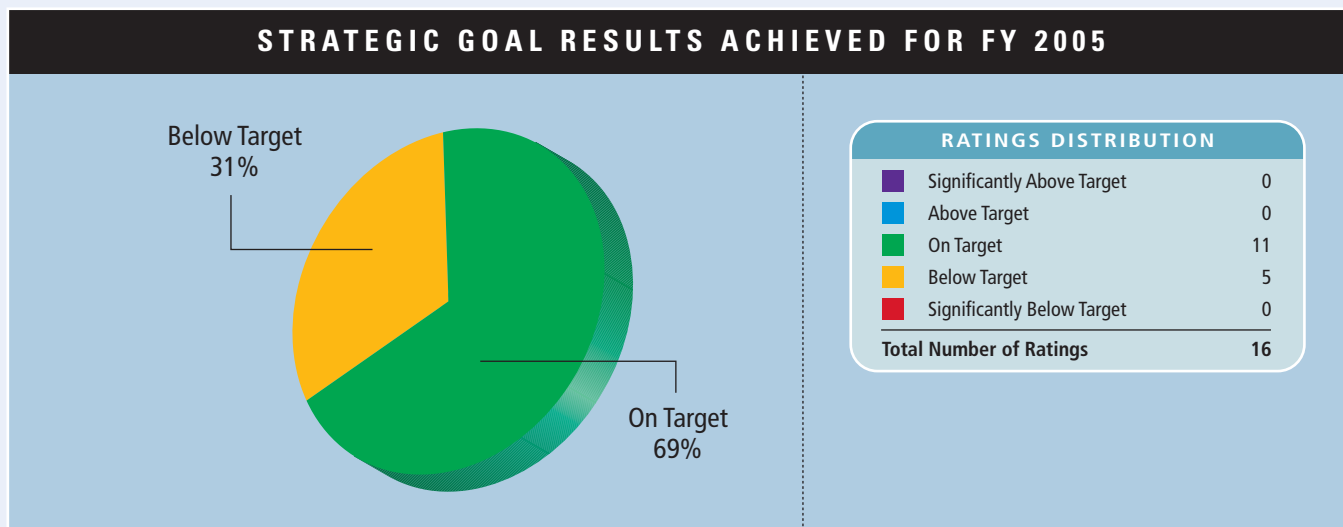
III. Strategic Context

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

Strategic Goal	Performance Goal (Short Title)	Initiative/Program	Major Resources	Lead Bureau(s)	External Partners
Counterterrorism	Active Anti-Terrorist Coalitions	Diplomatic Engagement	D&CP, NADR	L, S/CT	UN
		Anti-Terrorism Assistance	D&CP, NADR	S/CT, DS	N/A
		Meeting International Standards	D&CP	S/CT	N/A
	Freezing Terrorist Financing	Combating Terrorist Financing	D&CP	EB, S/CT, INL	Treasury, DOJ
	Prevention and Response to Terrorism	Foreign Emergency Support Team (FEST)	D&CP	S/CT	DoD, DOE, FBI, CIA, DHS
		Terrorist Financing Initiative	D&CP, NADR	S/CT, EB	Treasury
		Frontline States in Global War on Terrorism	D&CP, NADR	SA, S/CT	NSC, DoD, FBI, CIA, Treasury and DoJ
Diminished Terrorism Conditions	Accomplishment of this performance goal is the responsibility of USAID, and is therefore not reported in the Department of State's FY 2005 Performance Plan.				

IV. Performance Summary

The chart below shows the performance rating distribution of the FY 2005 results for the Counterterrorism strategic goal.



V. Performance Analysis

PERFORMANCE TRENDS. Two significant performance trends in the area of Counterterrorism are noteworthy: (1) the number of groups designated as Foreign Terrorist Organizations (FTOs) has steadily increased since FY 2001; (2) the number of Terrorist Interdiction Program Installations has increased, from 18 in FY 2004 to 23 in FY 2005.

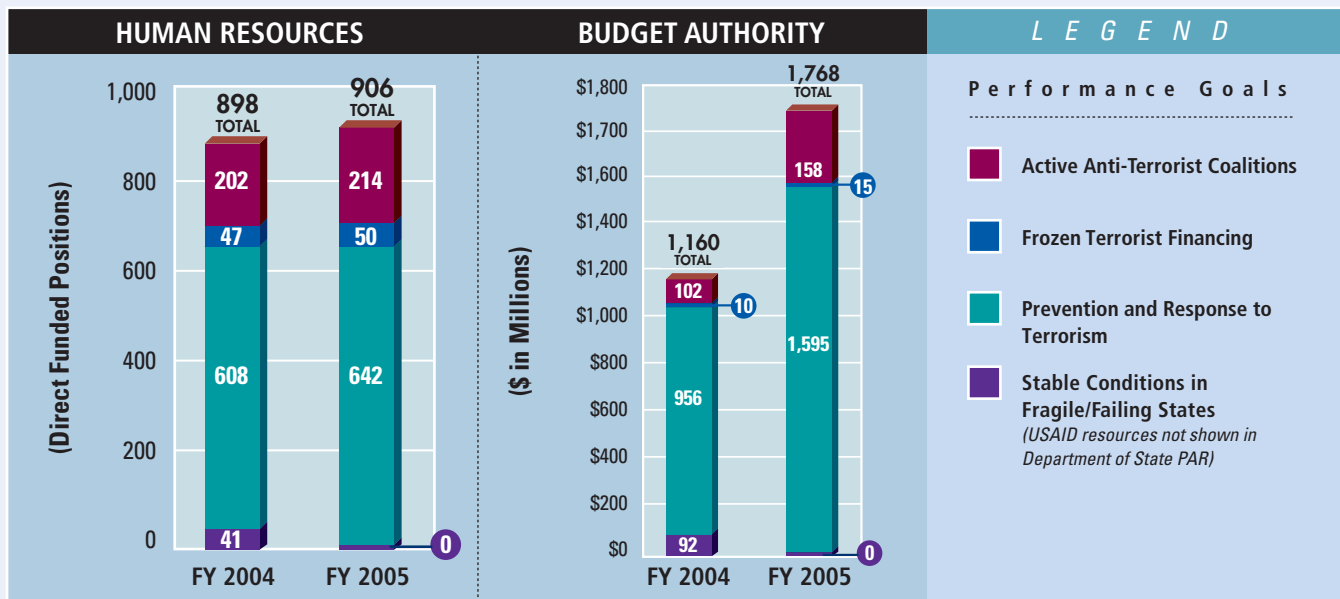
OUTCOME-LEVEL RESULTS. The Department made demonstrable progress toward achieving high-level outcomes in such areas as training partner countries to monitor and combat terrorist financing activities and identifying terrorist groups and subjecting such groups to UN sanctions. Programs in these areas performed at or above target in FY 2005.

RESULTS SIGNIFICANTLY ABOVE OR BELOW TARGET. While no single indicator was rated significantly above target, a component of one indicator was rated significantly below target. Indicator four, of initiative/program five (Combating Terrorist Financing), evaluates the number and effectiveness of training and assistance programs in combating terrorist financing. This indicator rated part three, the number of countries that have fully implemented technical assistance and training plans, significantly below target. This was due to the fact that only one country out of seven has fully implemented such plans. Overall, the initiative/program was rated Below Target.

RESOURCES INVESTED. In FY 2005, financial allocations to Counterterrorism were estimated to be 7% of the entire State Department budget, or 1.768 billion. Budget allocations to this strategic goal increased approximately 52% from FY 2004 to FY 2005.



VI. Resources Invested



The World Trade Center site in New York is shown on the fourth anniversary of the attacks, September 2005

AP/Wide World Photo

VII. Performance Results

PERFORMANCE GOAL 1

COALITION PARTNERS IDENTIFY, DETER, APPREHEND, AND PROSECUTE TERRORISTS

INITIATIVE/PROGRAM (I/P) #1: DIPLOMATIC ENGAGEMENT		
Indicator #1: Number of Completed Bilateral and Multilateral Counterterrorism Meetings and Conferences		
JUSTIFICATION (VALIDATION): Bilateral and multilateral counterterrorism negotiations and conferences allow increased cooperation in all areas of the Global War on Terrorism to include diplomatic, financial, law enforcement, military, and intelligence.		
FY 2005 PERFORMANCE	Target	27.
	Results	27 – Four (4) counterterrorism regional workshops, twenty (20) bilateral meetings, and three (3) multilateral counterterrorism conferences were held in FY 2005. In addition to normal diplomatic engagement activities (including meetings of the nine formal bilateral joint working groups and G-8 donor coordination meetings), funds were used to support key bilateral and multilateral counterterrorism efforts, including among other things: a conference with officials from the States participating in the Trans-Sahel Counterterrorism Initiative; judicial reform and training conferences in Indonesia; shared sponsorship of a Counterterrorism finance conference for OSCE members; a conference for Caribbean Basin nations on border control and transportation security; seed money to leverage other donor support for U.S.-proposed OSCE, CICTE and G-8 counterterrorism initiatives.
	Rating	■ On Target
	Impact	Building the commitment and operational skill of foreign governments through American engagement is essential to the ultimate success of U.S. diplomatic, military, law enforcement, intelligence and financial engagement abroad. Only our foreign partners possess the local knowledge, language skills, cultural awareness and resources to defeat terrorism on their soil. We must remain actively engaged bilaterally and with multilateral – particularly regional – organizations to advance our counterterrorism goals.
PERFORMANCE DATA	Data Source	U.S. Embassy reporting, intelligence/law enforcement reporting, after-action reports, country assessments, international organization assessments (e.g., G-8 Counterterrorism Action Group; Organization for Security and Cooperation Europe); and institution assessments (e.g., the Asian Development Bank).
	Data Quality (Verification)	Data are extrapolated from the bilateral and multilateral conference agendas and question and answer sessions conducted at the conclusion of each meeting, which is updated as necessary and reviewed and verified for accuracy on a quarterly basis.
PAST PERFORMANCE	2004	27- Four (4) counterterrorism regional workshops, twenty (20) bilateral meetings, and three (3) multilateral counterterrorism conferences were completed in FY 2004.
	2003	25 - Three (3) multilateral counterterrorism conferences and twenty-two (22) bilateral conference/workshops were completed in FY 2003.
	2002	13.

**I/P #2: ANTI-TERRORISM ASSISTANCE
(PART PROGRAM)**

Indicator #2: Number of ATA Courses Provided to Priority States and the Number of Program Reviews that Are Conducted No Later Than 18 Months After the Training

JUSTIFICATION (VALIDATION): Participation in training courses is the primary means by which knowledge and skills necessary to increase the capability of law enforcement to participate in the Global War on Terrorism is passed. Program reviews record the achievements and progress of the participant country in sustaining the necessary knowledge and skills and building their capacity.

FY 2005 PERFORMANCE	Target	Provide a total of 220 training courses and consultations to priority countries. A total of eighteen program reviews conducted and reviewed.
	Results	Provided a total of 236 training courses and consultations to 73 countries. Nineteen program reviews were conducted and reviewed.
	Rating	■ On Target
	Impact	Anti-terrorism assistance training completed in FY 2005 built sustainable antiterrorism law enforcement capabilities in partner countries sufficient to deter, detect, and counter terrorist threats through training and enabling equipment grants.
PERFORMANCE DATA	Data Source	Data is extrapolated from the course and event schedule database, which is updated as necessary and verified for accuracy on a bi-weekly basis.
	Data Quality (Verification)	Anti-Terrorism Assistance (ATA) verifies and validates the data quality through a rigorous, multi-level review of program performance results. The data collected has been determined to be reliable, informative and reflective of program results in the country receiving the training.
PAST PERFORMANCE	2004	1. 210 ATA courses provided to sixty states. 2. Sixteen program reviews conducted.
	2003	1. 238 ATA courses provided to fifty states. (also included 23 "mini-courses"). 2. Fourteen program reviews conducted.
	2002	1. 160 ATA courses provided to forty-one states. 2. Sixteen program reviews conducted.

A Look to History: Counterterrorism

After the terrorist attack on Israeli athletes at the 1972 Munich Olympics, the Department of State, headed by Secretary of State William P. Rogers, took action to coordinate the intelligence and enforcement agencies of the Executive Branch. State considered effective means to prevent terrorism both domestically and abroad and aimed to take the lead in establishing procedures to ensure that the United States responded to terrorist acts swiftly and effectively. On September 25, 1972, President Nixon established the Cabinet Committee to Combat Terrorism and designated Secretary Rogers as the Chairman. To carry out its new responsibilities, the Department of State created the position of Special Assistant to the Secretary and Coordinator of the Office for Combatting Terrorism. The Special Coordinator position was first held by Armin Meyer, former Ambassador to Lebanon, Iran, and Japan.



President Richard Nixon and Secretary of State William P. Rogers at the White House Rose Garden, April 12, 1971. AP Photo

I/P #2: ANTI-TERRORISM ASSISTANCE (PART PROGRAM) (continued)		
Indicator #3: Number of Countries in which a Quantifiable Needs Assessment and Program Review Rating System for Measuring Counterterrorism Capacity is Implemented		
JUSTIFICATION (VALIDATION): This indicator measures client countries' capacity to engage in the Global War on Terrorism and sustain antiterrorism competencies through the development of a quantifiable needs assessment process, a comprehensive country assistance plan based upon specific requirements, and a program review process that measures effectiveness.		
FY 2005 PERFORMANCE	Target	1. Quantifiable needs assessment and program review rating system is applied to 12 countries. 2. Country Assistance Plans are developed with 12 countries. 3. CAP objectives are achieved as scheduled in 24 countries. 4. Progress is measured in 24 countries.
	Results	Needs assessment programs and country assistance plans were completed in the twelve identified priority countries for the year. In addition, country assistance plan progress assessments were evaluated in the twenty-four identified priority countries for the year.
	Rating	■ On Target
	Impact	Initial FY 2005 findings determined that the anti-terrorism assistance training programs teaches effective ways to counter terrorist threats in the countries participating in the basic training program.
PERFORMANCE DATA	Data Source	U.S. Embassy reporting, intelligence/law enforcement reporting, after-action reports and country program assessments.
	Data Quality (Verification)	Anti-Terrorism Assistance verifies and validates the data quality through a rigorous, multi-level review of program performance results. The data collected has been determined to be reliable, informative and reflective of program results in the country receiving the training.
PAST PERFORMANCE	2004	1. Quantifiable needs assessment and program review rating system is applied to 12 countries. 2. Country Assistance Plans are developed with 12 countries. 3. Country Assistance Plan objectives are achieved as scheduled in 12 countries. 4. Progress is measured in 12 countries.
	2003	N/A.
	2002	N/A.

I/P #3: TERRORIST INTERDICTION PROGRAM (PART PROGRAM)		
Indicator #4: Number of Terrorist Interdiction Program (TIP) Installations at Immigration Points and Number of Immigration Officers Trained to use TIP.		
NOTE: Indicator deleted. See Appendix for details		

I/P #4: MEETING INTERNATIONAL STANDARDS

Indicator #5: Compliance with United Nations Security Council Resolution 1373

JUSTIFICATION (VALIDATION): Repeated reporting by countries indicates progress in meeting UN Security Council requirements.

FY 2005 PERFORMANCE	Target	Member States continue to submit follow-up reports as requested by the Counterterrorism Committee (CTC).
	Results	169 of 191 UN members have submitted follow-up reports as requested by the CTC. Although enhancements to the CTC staff of the Counter-Terrorism Executive Directorate (CTED) were authorized in March 2004, they did not become fully operational until September 2005. Since the 2005 target was largely predicated on increased CTC staff capacity, the CTC has not achieved as much as expected. It did, however, stage one international conference for international, regional, and sub-regional organizations to exchange counterterrorism standards and best practices (in Almaty in January 2005), has conducted four field missions (to Morocco, Albania, Kenya and Thailand) and has planned two more field missions to be completed before the end of the calendar year.
	Rating	 Below Target
	Impact	Through the efforts of the CTC and CTED, member states and regional organizations have become more aware of the requirements of UNSCR 1373 and have been given assistance to meet those requirements. The successful Morocco visit created a template for future field missions, which can be held more regularly now that the full CTED staff is on board.
	Reason for Shortfall	The CTED was not fully staffed as early as expected.
	Steps to Improve	The CTED is now fully staffed.
PERFORMANCE DATA	Data Source	UN CTC reports and reporting from U.S. Embassies. UN CTC reports are available on the Committee website.
	Data Quality (Verification)	UNCTC reports and reporting from U.S. Embassies. The UN CTC receives and reviews all reports submitted by UN member states detailing efforts to implement UNSCR 1373. The U.S. Government conducts interagency review of reports. Follow-up questions from CTC experts identify weaknesses in responses to these reports. The Department obtains copies of CTC letters to member states.
PAST PERFORMANCE	2004	Total of five hundred and seven reports received from UN member states, including one hundred and ninety-one initial reports, one hundred and sixty second reports, on hundred and sixteen third reports, and forty fourth reports. Seventy-one states were delinquent in submission of a follow-up report requested by the CTC.
	2003	191 (all member states of the United Nations).
	2002	174.



U.S. Ambassador Francis Ricciardone, left, is welcomed by Sulu Governor Benjamin Loong upon arrival to Jolo island in southern Philippines.

AP/Wide World Photo

**ANTI-TERRORISM ASSISTANCE
(PART PROGRAM EFFICIENCY MEASURE)**

Indicator #6: Average Length of Time a Country Spends in Basic Training Programs Before Achieving Sustainment of Basic Anti-terrorism Capacities

JUSTIFICATION (VALIDATION): Anti-Terrorism Assistance (ATA) not only provides quality training to priority counterterrorism countries, it also enables each country to achieve sustainment by providing them with the capability to incorporate anti-terrorism curriculum into their own training methods over a set course of time, thereby optimizing U.S. Government cost efficiency for each nation’s participation in the ATA program.

FY 2005 PERFORMANCE	Target	9 years.
	Results	9 years. Progress review assessments completed on the priority countries identified confirmed that basic anti-terrorism capacity was achieved within the target time frame.
	Rating	■ On Target
	Impact	Anti-terrorism assistance training completed in FY 2005 built sustainable antiterrorism law enforcement capabilities in partner countries sufficient to deter, detect, and counterterrorist threats through training and enabling equipment grants.
PERFORMANCE DATA	Data Source	Embassy reporting, intelligence/law enforcement reporting, after-action reports by the Bureau of Diplomatic Security/ATA program implementers and regional bureau area offices and individual country assessments.
	Data Quality (Verification)	Anti-Terrorism Assistance verifies and validates the data quality through a rigorous, multi-level review of program performance results. The data collected has been determined to be reliable, informative and reflective of program results in the country receiving the training.
PAST PERFORMANCE	2004	9 years.
	2003	9 years.
	2002	N/A.



Coordinator for Counterterrorism Henry Crumpton speaks at a news conference in Putrajaya, Malaysia, October, 2005.

AP/Wide World Photo

**TERRORIST INTERDICTION PROGRAM
(PART PROGRAM EFFICIENCY MEASURE)**

Indicator #7: Number of TIP PISCES Phased Installations Completed per Yearly Appropriation (in millions)

JUSTIFICATION (VALIDATION): This indicator provides a key annual measurement of progress toward the program’s long-term goal. Since annual progress will be directly affected by the annual program appropriation, this indicator also provides a clear and continuing means to evaluate progress and an overall indication of program efficiency.

FY 2005 PERFORMANCE	Target	6-7 phased installations with an appropriation of \$5M.
	Results	5 phased installations completed in FY 2005.
	Rating	■ Below Target
	Impact	There will be little or no impact on achieving the Department’s long-term goals for this program. The gap between target and results will be closed during the first quarter of FY 2006, without impact on the new fiscal year’s results.
	Reason for Shortfall	The FY 2005 results were below target primarily because two countries in which installations were projected for the 4th quarter had not completed the critical infrastructure improvements needed to support system installation. The program is fully resourced and prepared to install the watchlisting system as soon as the countries’ governments have completed their requisite work.
	Steps to Improve	None. This program is heavily dependent on the cooperation and timely participation of host nation governments. Achievement of short-term goals is likewise frequently dependent on timely decision-making, allocation of resources and completion of work projects on the part of the host government.

PERFORMANCE DATA	Data Source	Source of performance data is the joint program office of which Department, through the Office of the Coordinator for Counterterrorism (S/CT), is an active member and participant. S/CT program personnel attend weekly planning and scheduling meetings during which progress on each country project is assessed, and decisions are made on action required to address any problems.
	Data Quality (Verification)	In view of S/CT’s active and inclusive participation in program management, the Department considers the performance data provided by the joint program office to be both reliable and complete.

PAST PERFORMANCE	2004	7 phased installations completed with an appropriation of \$5M.
	2003	6 phased installations completed with an appropriation of \$5M.
	2002	N/A.



Captured paramilitaries stand behind a table of seized weapons and ammunition while two Colombian soldiers stand guard at a military base in Yopal, in eastern Colombia, January 2005.

AP/Wide World Photo

**FOREIGN MILITARY FINANCING IN THE WESTERN HEMISPHERE
(PART PROGRAM EFFICIENCY MEASURE)**

Indicator #8: Level of terrorist activity and security in Colombia

Indicator revised. Please see Appendix for details.

JUSTIFICATION (VALIDATION): This indicator reflects Colombia’s progress in securing crucial areas. The objective is to remove control of the country from the hands of terrorists and return it to the Government of Colombia (GOC).

FY 2005 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. Cano Limon Pipeline non-operational due to terrorist attacks less than 30 days. 2. 57 Carabinero Units (rural police) deployed.
	Results	<ol style="list-style-type: none"> 1. Interim reports show that there has been an increase in attacks against the pipeline suggesting that the pipeline will be non-operational for slightly more than 30 days. 2. 50 Carabinero Units (rural police) deployed to date.
	Rating	 Below Target
	Impact	<ol style="list-style-type: none"> 1. The ability of the Colombian security forces to prevent terrorist attacks on the pipeline indicates the increasing control the GOC has in this key department. 2. The deployment of rural police units is vital to extending GOC control to new areas.
	Reason for Shortfall	<ol style="list-style-type: none"> 1. Terrorist attacks shifted to more remote areas where it is more difficult to protect and repair the Pipeline. In addition, the terrorists attacked the electrical system that powers the pipeline. 2. Training for Carabineros in 2005 included replacements for existing units, which slightly reduced our ability to train new units.
	Steps to Improve	<ol style="list-style-type: none"> 1. Helicopters dedicated to pipeline protection arrived in May and June 2005. 2. Training schedule adjusted for Carabinero units.
PERFORMANCE DATA	Data Source	U.S. Government reporting.
	Data Quality (Verification)	FY 2005 reporting contains interim data only. Complete FY 2005 data will not be available until CY 2006.
PAST PERFORMANCE	2004	<ol style="list-style-type: none"> 1. Cano Limon Pipeline non-operational due to terrorist attacks for 50 days. 2. All Colombian Municipalities had a police presence. 3. 39 Carabinero Units (rural police) deployed.
	2003	<ol style="list-style-type: none"> 1. Cano Limon Pipeline was non-operational due to terrorist attacks for 85 days. 2. 19 Colombian Municipalities were without a police presence. 3. 21 Carabinero Units (Rural Police) deployed.
	2002	N/A.

PERFORMANCE GOAL 2

U.S. AND FOREIGN GOVERNMENTS ACTIVELY COMBAT TERRORIST FINANCING

I/P #5: COMBATING TERRORIST FINANCING

Indicator #1: Yearly Number of Names Designated Under E.O. 13224 for Terrorist Asset Freezing

JUSTIFICATION (VALIDATION): Public designations of global terrorists freeze the designated organizations’ and individuals’ assets that fund operations; stigmatize and isolate designated terrorists and their organizations internationally; provide the basis for prosecutions of supporters in the U.S.; and deter donations or contributions to and economic transactions with named organizations and terrorist individuals.

FY 2005 PERFORMANCE	Target	Designation of additional terrorist-related individuals and entities as appropriate.
	Results	Thirty-three individuals or entities were newly designated under EO 13224 or had their existing designations amended.
	Rating	■ On Target
	Impact	Further disruption of financing available to terrorists and terrorist groups.
PERFORMANCE DATA	Data Source	Data derived from U.S. Government 13224 designation process. Complete designations can be found on the Office of Foreign Asset Control website.
	Data Quality (Verification)	Confidence in data quality is high because data are derived from the 13224 designation process, which is publicly scrutinized.
PAST PERFORMANCE	2004	Seventy-three terrorist-related individuals and entities were added to the E.O. 13224 list.
	2003	Eighty additional terrorist-related individuals and entities were named.
	2002	Eighty-nine names were designated.

Indicator #2: Number of Countries Submitting Names to the UN 1267 Sanctions Committee’s Consolidated List

JUSTIFICATION (VALIDATION): Identifying individuals and entities associated with the Taliban, Usama bin Laden or al Qaeda and making them subject to UN sanctions (assets freeze, movement restrictions, arms embargo) sharply restricts their ability to assist in or finance terrorist activities.

FY 2005 PERFORMANCE	Target	Submission of additional names by foreign governments as appropriate.
	Results	Fifty UN members have sponsored or co-sponsored UN 1267 listings.
	Rating	■ On Target
	Impact	Receiving proposed listings from a range of Member States is an indicator that States are seriously engaged in making the sanctions regime work effectively.
PERFORMANCE DATA	Data Source	Data derived from the United Nations 1267 Sanctions Committee process and provided by the U.S. Mission to the United Nations. Complete designations can be found on the Treasury/Office of Foreign Asset Control website.
	Data Quality (Verification)	Content of UN reports is widely regarded as accurate and reliable. Content is also available to the public.
PAST PERFORMANCE	2004	Fifty (50) individuals and entities submitted to the UN for listing by five states other than the U.S., either individually or in cooperation with other states; nine co-designations by the U.S. and Saudi Arabia.
	2003	Forty-three foreign countries submitted al Qaeda names to the 1267 Sanctions Committee between October 2002 and September 2003.
	2002	Sixty-eight foreign countries submitted al Qaeda-related names to the 1267 Sanctions Committee.

I/P #5: COMBATING TERRORIST FINANCING (continued)		
Indicator #3: Yearly Number of Names Added to the UN 1267 Sanctions Committee's Consolidated List		
JUSTIFICATION (VALIDATION): Named individuals and entities are subject to UN sanctions, including assets freeze, travel ban, and arms embargo, which all UN member states are obligated to enforce.		
FY 2005 PERFORMANCE	Target	Designation of additional terrorist-related individuals and entities as appropriate.
	Results	84 individuals and entities were added to the UN 1267 sanctions list or had their existing listings amended.
	Rating	On Target
	Impact	Named individuals and entities are subject to UN sanctions, including assets freeze, travel ban, and arms embargo, which all UN member states are obligated to enforce.
PERFORMANCE DATA	Data Source	Data derived from the United Nations 1267 Sanctions Committee process. Complete listing of those subject to UN 1267 Sanctions can be found on the Committee's website.
	Data Quality (Verification)	Content of UN reports is widely regarded as accurate and reliable. Contents of resolutions publicly available.
PAST PERFORMANCE	2004	Sixty-two al Qaeda-related individuals and entities were added to the UN 1267 list.
	2003	Sixty-four names (14 entities and 50 individuals) were added between October 2002 and September 2003.
	2002	One hundred and fifty-nine al Qaeda names were added to the 1267 Committee's List.

OAS Counterterrorism Efforts

The Organization of American States (OAS) is at the forefront of regional efforts to enhance counterterrorism cooperation and capacity-building. The OAS Inter-American Committee Against Terrorism (CICTE, Spanish-language acronym) has delivered over \$3 million to ongoing training programs on airport and port security, border security, technical assistance, cybersecurity, financial controls, biometrics sharing, policy engagement and needs assessments. CICTE worked with the International Maritime Organization to initiate 12 border management assessments for Caribbean nations and provided 10 fellowships for aviation security officials to facilitate their participation in Airport Crisis Management Training. CICTE continues to highlight to member states the connection between terrorism and transnational illicit activities and the importance of rapid information sharing.






U.S. Homeland Security Undersecretary Asa Hutchinson, center, speaks during a press conference with Ambassador John Maisto, right, and William P. Pope, then Acting Coordinator for Counterterrorism, in Port-of- Spain, Trinidad, during the Fifth Regular Session of The Inter-American Committee Against Terrorism, February 2005. AP/Wide World Photo

I/P #5: COMBATING TERRORIST FINANCING (continued)

Indicator #4: Number and Effectiveness of U.S. Training and Assistance Programs and Assessments Delivered to Priority States to Help Combat the Financing of Terrorists

JUSTIFICATION (VALIDATION): Counterterrorism finance capacity building is one mechanism for the U.S. to engage its allies to provide early warning, detection and interdiction of terrorist financing.

FY 2005 PERFORMANCE	Target	<ol style="list-style-type: none"> Six countries assessed by Financial Systems Assessment Teams (FSATs) and six training and technical assistance plans developed. Eight countries at least partially implement technical assistance and training plans (training received in at least three of the five functional areas). Seven countries fully implement technical assistance and training plans (training received in at least all five of the functional areas).
	Results	<ol style="list-style-type: none"> One country assessed by an FSAT and 1 training and technical assistance plan developed. Ten countries have at least partially implemented technical assistance and training plans (training received in at least 3 of the 5 functional areas). One country has fully implemented technical assistance and training plans (training received in at least all 5 of the functional areas).
	Rating	<ol style="list-style-type: none">  Below Target  Above Target  Significantly Below Target
	Impact	<ol style="list-style-type: none"> This will not have a major affect on the Department's eventually achieving this goal. Training and technical assistance programs have been delivered or offered to some of the countries that were not assessed. This has enhanced the Department's success and bodes well for the program overall. The success of the programs has resulted in more requests for assistance from priority and non-priority countries alike. This will not have an adverse impact on the Department's eventual success. Training and technical assistance programs are adjusted to ensure maximum effect and to address immediate needs of recipient countries.
	Reason for Shortfall	<ol style="list-style-type: none"> Due to the dynamic nature of the threat and increased demand for training and technical assistance, we added additional countries to our list. However, it took longer to amend the priority country list than expected, and funding did not become available for assessments until September 2005. N/A. Lack of funding and lack of participation by some countries to attend or schedule necessary training. Some countries needed to focus on other weakness before receiving training in other areas. In some cases, lack of political will constrained our ability to conduct initial training or provide follow on training.
	Steps to Improve	<ol style="list-style-type: none"> Get funding earlier and obligate it quicker. N/A. Remain flexible in approach to training and technical assistance to ensure maximum effect. Continue working closely with post to coordinate host nation participation.
PERFORMANCE DATA	Data Source	Embassy reporting, intelligence/law enforcement reporting, after-action reports, country assessments and international institution assessments.
	Data Quality (Verification)	The data quality is verified through a rigorous, multi-level review of program performance results. The data collected has been determined to be reliable, informative and reflective of program results in the country receiving the training.
PAST PERFORMANCE	2004	<ol style="list-style-type: none"> Four countries assessed by FSATs and six training and technical assistance plans developed. Four countries fully implement technical assistance and training plans (training received in at least all five of the functional areas). Six countries at least partially implemented technical assistance and training plans (training received in at least three of the five functional areas). Six new countries were added to the priority assistance list.
	2003	Fifteen assessments completed. Fifteen of the targeted nineteen states received training and technical assistance.
	2002	<ol style="list-style-type: none"> Ten of the nineteen counterterrorism finance priority assistance countries were assessed by U.S. interagency FSAT and ten training and technical assistance plans developed. Some form of training and technical assistance delivered to fifteen of the nineteen countries (training in one of the five functional areas: legal framework, financial/regulatory, financial intelligence unit, prosecutorial/judicial, financial investigations).

I/P #5: COMBATING TERRORIST FINANCING (continued)

Indicator #5: Number of Groups Designated as Foreign Terrorist Organizations (FTOs) Pursuant to U.S. Law and Timeliness of Review of Such Groups

JUSTIFICATION (VALIDATION): Public designations of global terrorists freeze the designated organizations’ and individuals’ assets that fund operations; stigmatize and isolate designated terrorists and their organizations internationally; provide the basis for prosecutions of supporters in the U.S.; and deter donations or contributions to and economic transactions with named organizations and terrorist individuals.

FY 2005 PERFORMANCE	Target	Complete all FTO reviews; no new addition pending for more than 4 months.
	Results	<ol style="list-style-type: none"> All FTO reviews completed. Three new FTOs were designated, bringing the total to 39. Three FTOs had their existing designations amended to reflect name changes.
	Rating	■ On Target
	Impact	The terrorist threat to the U.S. was reduced because additional terrorist groups were subjected to travel restrictions, financial sanctions, and criminal penalties for material supporters.
PERFORMANCE DATA	Data Source	Public designations of FTOs are published in the Federal Registry.
	Data Quality (Verification)	Confidence in the data is high because the list of foreign terrorist organizations is published and widely reviewed.
PAST PERFORMANCE	2004	<ol style="list-style-type: none"> Completed all FTO reviews. Re-designations completed on time; no new additions pending.
	2003	<ol style="list-style-type: none"> Three more new FTOs were designated, bringing the total to thirty-six. One FTO designation was amended to reflect its name change. All 27 FTO designations due to expire during FY 2003 were reviewed and re-designated on time.
	2002	<ol style="list-style-type: none"> Two more organizations designated as FTOs, bringing the total to thirty-three. Five groups were under review for possible FTO designation.

Combating Bioterrorism

Under the U.S. G-8 Presidency, the U.S. created the G-8 Bioterrorism Experts Group to foster greater cooperation and collaboration on increasing international biosurveillance, improving protections for the global food supply system, and enhancing emergency response and mitigation capabilities. In one year of activities, G-8 partners have been sharing emergency response plans and forensic epidemiology strategies. With consistent U.S. engagement and support – along with partner nations in the Global Health Security Action Group, the World Health Organization (WHO) has established a Global Smallpox Vaccine Reserve to facilitate greater international access to vaccines in case of a deliberate release of smallpox anywhere in the world. The U.S. has committed to providing 20 million doses of vaccine for the WHO reserve, stored in the U.S. stockpile.



The G-8 leaders stand together for a group photo at the conclusion of the G-8 Summit in Gleneagles, Scotland, July 2005.
AP/Wide World Photo

PERFORMANCE GOAL 3

COORDINATED INTERNATIONAL PREVENTION AND RESPONSE TO TERRORISM, INCLUDING BIOTERRORISM

I/P #6: FOREIGN EMERGENCY SUPPORT TEAM

Indicator #1: The Department's Ability to Respond to Terrorist Incidents and Exercise Its Lead Agency Responsibilities with the National Security Council-mandated Foreign Emergency Support Team (FEST)

JUSTIFICATION (VALIDATION): Four hour no-notice deployment exercises ensure the President and Secretary of State can quickly deploy U.S. response assets to an international terrorist incident if required. FEST exercises enhance readiness and provide a unique opportunity to develop and validate new operations-related counterterrorism policies and procedures.

FY 2005 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. Integrate and participate in two of the Combatant Commanders' full-scale, National- and International-Level counterterrorism exercises. (2-4 exercises scheduled by DoD each year). 2. Integrate and participate in the Chairman of the Joint Chiefs of Staff-sponsored, no-notice counterterrorism exercise. 3. Integrate and participate in the National Level Top Officials (TOPOFF) Exercise co-chaired by DHS and DoS.
	Results	In March 2005, the FEST deployed to our embassy in Tegucigalpa, Honduras to participate in the U.S. Southern Command's full scale counterterrorism exercise. The scenario dealt with a U.S. and Honduran hostage situation and rehearsed all the aspects of resolving such a situation with combined U.S. and Honduran civilian, diplomatic and military resources. The scenario was designed to help all the players seek lessons learned in light of real world situations in their region. As part of the Department of Homeland Security's National Exercise Program, the Department developed the international exercise plan that incorporated the United Kingdom and Canada and our embassies in London and Ottawa in TOPOFF 3, the largest U.S. Government counterterrorism exercise ever held.
	Rating	■ On Target
	Impact	The U.S. Government must be ready to respond to international terrorist-related incidents anywhere in the world. The Department's FEST is the only interagency, on-call, short-notice team poised to respond to terrorist incidents worldwide.
PERFORMANCE DATA	Data Source	Embassy reporting, intelligence/law enforcement reporting, after-action reports, country assessments, and Department of Defense reports.
	Data Quality (Verification)	Data are extrapolated from the FEST combat commander and Top Officials Exercise agendas and after action reports conducted at the conclusion of each exercise or meeting, which is updated as necessary and reviewed and verified for accuracy on a quarterly basis.
PAST PERFORMANCE	2004	In FY 2004, the Foreign Emergency Support Team participated in an abbreviated version of the Chairman Joint Chiefs of Staff no-notice counterterrorism exercise, and in the European Command's Level III counterterrorism exercise with Embassy Athens in preparation for the 2004 Summer Olympic Games. The team deployed to Athens, Greece and managed a Crisis Control Center during the month long Summer Olympic Games.
	2003	FEST participated in Chairman of Joint Chiefs of Staff no-notice counter-terrorist exercise. The Department participated in TOPOFF II. FEST participated in U.S. Pacific Command's counter-terrorist exercise.
	2002	<ol style="list-style-type: none"> 1. No exercises scheduled because of Operation Enduring Freedom. 2. Co-chaired the Counterterrorism Security Group Exercise Sub-Group and developed the next 18 month, national- and international-level exercise schedule. 3. Finalized Exercise Sub-Group's Operating Charter.

I/P #7: TERRORIST FINANCING ASSISTANCE INITIATIVE

Indicator #2: Implementation of Counterterrorism Financing Regimes in the 19 Countries Most Involved in al Qaeda Financing

JUSTIFICATION (VALIDATION): Denying terrorists access to financial resources is one way of deterring them from carrying out their plans. Providing training and technical assistance to countries most vulnerable to terrorist financing helps make the U.S. homeland safer from terrorist attacks.

FY 2005 PERFORMANCE	Target	1. Develop comprehensive anti-money laundering regimes (AML) in five terrorist financing priority countries designated in FY 2002. 2. Provide training to all 2003 designated terrorist financing priority countries.
	Results	1. The five countries will implement comprehensive anti-money laundering regimes by the end of the calendar year. 2. Seventeen of 19 terrorist financing priority countries have received some training and technical assistance. 3. These countries received training in at least three out of the five areas that comprise a counterterrorism finance regime. Two countries have not received training and technical assistance, which is not due to our inability to provide the assistance, but due to legal limitations imposed by the countries in question. When these limitations are resolved, the two remaining countries will be trained.
	Rating	■ On Target
	Impact	Training to these five countries will help achieve the Department's progress towards its goal of combating terrorist financing abroad and receiving assistance from our allies overseas.
PERFORMANCE DATA	Data Source	Reporting from embassies and training providers.
	Data Quality (Verification)	Data quality is verified through a rigorous, multi-level review of program performance results. The data collected has been determined to be reliable, informative and reflective of program results in the country receiving the training.
PAST PERFORMANCE	2004	Six countries implemented measures to combat terrorist financing.
	2003	The U.S. Government conducted in-country assessments of 6 of the 19 priority countries most heavily involved in funding al Qaeda and conducted a tabletop assessment of 1 priority country. The U.S. Government provided technical assistance to 15 of the 19 priority countries, with 3 of these countries receiving technical assistance in at least 3 of the 5 functional areas.
	2002	Baseline: U.S. Government assessed institutional/legal deficiencies on nine of the nineteen priority countries most heavily involved in funding al Qaeda. The U.S. Government provided technical assistance to two of these countries.

Canadian Prime Minister Paul Martin, right, and U.S. Ambassador to Canada David Wilkins reach out to shake hands after unveiling a memorial plaque at the U.S. Embassy in Ottawa, Canada to commemorate the fourth anniversary of the September 11th terrorist attacks. AP/Wide World Photo



I/P #8: U.S.-EU COOPERATION ON BORDER SECURITY

Indicator #3: Regional and Bilateral Counterterrorism Cooperation

NOTE: Indicator deleted. See Appendix for details.

I/P #9: FRONTLINE STATES IN THE GLOBAL WAR ON TERRORISM

Indicator #4: Capacity of the Afghan National Army to Defend the Legitimately Appointed Afghan Government and its Territory from External and Internal Threats

JUSTIFICATION (VALIDATION): The training and deployment of, and expansion of influence by, the Afghan National Army (ANA) indicates progress towards establishing sustainable security in Afghanistan, without which the Global War on Terror will not succeed.

FY 2005 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. ANA presence, influence and capability continue to grow in Kabul. 2. Border command, Ministry of Defense and General Staff continue to develop capability for managing ongoing operations. 15-25 trainers assigned to each battalion to develop U.S. training and operational standards. Additional trainers assigned to help develop an ANA training base. 3. Begin fielding/development of small supporting air corps. 4. Continue fielding of border units. 5. Begin integration of regional militias into ANA structure, through demobilization and accession into ANA. 6. Ministry of Defense and General Staff begin to manage their own policy, planning, budget and operations. 7. Central Corps units conduct operational deployments to remaining provinces, as well as routine operational deployments in provinces named in FY 2004 target. 8. Barracks, headquarters, ranges and unit facilities constructed for 12 new infantry battalions and 6 new CS and CSS battalions. 18 new battalions operational and mobile.
	Results	<ol style="list-style-type: none"> 1. ANA influence fully established in Kabul and throughout the country. 2. Four battalions being trained concurrently and 39 (24 combat, 15 support/logistics) battalions are operational. 3. Force strength is over 26,000. 4. More than 62,000 militia were disarmed and demobilized, ending the formal 'DD' process in June 2005. The Reintegration ('R') phase is scheduled for completion in 2006. 5. Ministry of Defense and General Staff are engaged in policy, planning and budget operations. 6. Central Corps units being deployed on an as-needed basis to the provinces, with some units operating alongside U.S. forces in counter-insurgency operations in the South and East. 7. Four ANA regional centers are operational.
	Rating	■ On Target
	Impact	On track to reach initial operating capability in May 2008 and final operating capability in September 2009.
PERFORMANCE DATA	Data Source	Embassy reporting, intelligence/law enforcement reporting, Department of Defense Combatant Command after-action reports and country assessments.
	Data Quality (Verification)	Reliability and completeness of performance data is ensured through primary data collection and extensive cross-referencing among numerous sources (Department of Defense, Law Enforcement, State/Embassy Reports).

Continued on next page

I/P #9: FRONTLINE STATES IN THE GLOBAL WAR ON TERRORISM (continued)

Indicator #4: (continued)

PAST PERFORMANCE	2004	<ol style="list-style-type: none"> Coalition training of ANA continued successfully and on target. Phase I of ANA training was completed. The ANA Central Corps stood at over 100% strength at end of FY 2004 and core facilities were complete. Fielded equipment for the ANA, although infrastructure cost increases reduced equipment buys. Ministry of Defense reform occurred on track. A reformed Ministry of Defense and General Staff was functioning with new multi-ethnic tier I and II leadership; Tier III staff had been selected and was being trained. Deployment of ANA was successful. Eight battalions (kandaks) were deployed in 15 provinces for Operation Enduring Freedom and internal stability operations, contributing to OEF operations to quell factional fighting in the north and west, and quell insurgents in the south and east.
	2003	<ol style="list-style-type: none"> The coalition continued to train ANA battalions, graduating the 11th Battalion on 1 October. Afghan non-commissioned officers are gradually taking over aspects of the training. Two brigades were activated in March, and these units, augmented by the addition of a third brigade, were organized as the Central Corps on 1 September. Elements of the ANA began operations in February, and in July six companies, numbering approximately 1000 soldiers, participated in the ANA's first major operation (Operation Warrior Sweep) in southeastern Afghanistan. By October, ANA strength reached approximately 6,000 men in 11 battalions. The ANA continues to face challenges in recruiting, desertions, and maintaining a balance among the competing ethnic groups. Warlord support remains questionable, although militias are gradually turning in their weapons to the central government.
	2002	<ol style="list-style-type: none"> U.S.-led Operation Enduring Freedom drove the Taliban from power and began to destroy the country's terrorist networks. The Bonn agreement requested international assistance to build an Afghan National Army to achieve internal security, extend the central government's authority and prevent the regrouping of Taliban, al Qaeda or other potential terrorist organizations or operations. Initial planning to create the ANA began in December 2001 followed by a February 2002 assessment; U.S. Special Forces soldiers began training in early May 2002. Three kanaks (battalions) completed basic training at the Kabul Military Training Center and one began training. However, none were fully equipped nor completed the full training due to lack of weapons, munitions and demined training sites. Other challenges included lack of warlord support, recruiting difficulties, and insufficient funding. No Border Guard battalions were trained. France, UK and Romania made the only international pledges and donations of cash, training and military equipment.

Afghanistan National Army

Expanding and building the capacity of the Afghanistan National Army is critical to winning the global war on terror. The army is Afghanistan's main vehicle to defend itself from internal and external threats. In 2005, Afghanistan's army fully established influence in Kabul and throughout the country. Force strength is over 26,000. Five battalions are being trained concurrently and 40 (combat, support and logistics) battalions are operational. More than 62,000 militia were disarmed and demobilized. The Reintegration phase is scheduled for completion in 2006. Over 45,000 Afghan national, highway, and border police have been trained to date, and the program is on track to reach its 50,000 target by December 2005.



Soldiers of the 31st Battalion of the Afghan National Army lift their trainer on their shoulders to celebrate at their graduation ceremony in the Kabul Army Training Center, February 2005. AP/Wide World Photo

I/P #9: FRONTLINE STATES IN THE GLOBAL WAR ON TERRORISM (continued)

Indicator #5: Pakistan’s Law Enforcement/Border Control and Counter-Terror Efforts in Support of Operation Enduring Freedom

JUSTIFICATION (VALIDATION): Department law enforcement and border security programs are aimed at fighting narcotics production and trafficking, securing Pakistan’s western border, and improving police performance. The pursuit of these three objectives strengthens Pakistan’s security along its frontier with Afghanistan, denies terrorists and other criminals sanctuary in adjoining border areas, improves law enforcement technical capacities and inter-agency cooperation, encourages and supports law enforcement reform, and contains opium poppy cultivation while curbing drug trafficking throughout Pakistan.

FY 2005 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. A law enforcement/intelligence national database has been created, linking Terrorist Interdiction Program, fingerprint and national I.D. databases, as well as all relevant Government of Pakistan entities. 2. All paper fingerprint cards converted into electronic system. 3. Foreign intelligence agency training sustained at all national academies. 4. High profile counterterrorism arrest or disruption by U.S. trained units. 5. Helicopter, fixed-wing aircraft, and land patrols are expanded along the entire border region between Afghanistan and Pakistan, with a resulting 25% additional increase in interdictions of contraband, criminals and terrorists. 6. National criminal database and Automated Fingerprint Identification System expanding to district levels. 7. Border security coordination cell established in Peshawar. 8. Government of Pakistan establishes effective control over the tribal areas, measured by arrests of extremists and drug traffickers. 9. Total of 410 km of road completed, opening up 60% of previously inaccessible areas where road building taking place. 10. U.S. citizens and businesses largely freed from the terrorist threat, as indicated by the number of terrorist incidents directed against American targets. Effective border security Intel/coordination cells operating in northwestern provinces and Balochistan. Government of Pakistan replicating border security training on its own. 11. Arrests of criminals/terrorists on western border increase by at least an additional 25 percent. 12. Community policing programs are initiated; a police reorganization plan has been developed; system of internal controls to reduce police corruption is being instituted; a common (enhanced) standard of criminal investigation training has been established. 13. Pakistan law enforcement becomes more effective, as demonstrated by increased arrest rates, and wins greater public acceptance, as demonstrated by fewer acts of mass demonstrations nationwide and conviction rates.
	Results	<ol style="list-style-type: none"> 1. Automated Fingerprint Identification System development is completed and system was delivered in September. 2. Paper fingerprint cards are currently being converted to electronic system and to 10 print cards. 3. Foreign intelligence agency training continues at national academies. 4. Several high profile counterterrorism arrests have been made in 2005. 5. Helicopter, fixed-wing aircraft, and land patrols are only along the southern half of border region between Afghanistan and Pakistan. Received no funding for expanded Air Wing. 6. National criminal database and Automated Fingerprint Identification System system introduced to national levels and not district levels yet. 7. Details of border security coordination cell concept were rejected within the Government of Pakistan. Post is currently looking into options. 8. Government of Pakistan continues to make progress in establishing better control over the tribal areas, measured by arrests of extremists and drug traffickers. 9. Construction of border security roads has been hampered by security. Efforts are underway to solve security issues. 10. Arrests of criminals/terrorists on western border continues. 11. Community policing programs are being initiated; a police reorganization plan has been developed; a common (enhanced) standard of criminal investigation training is still being established.
	Rating	<p>■ Below Target</p>

Continued on next page

I/P #9: FRONTLINE STATES IN THE GLOBAL WAR ON TERRORISM (continued)		
Indicator #5: (continued)		
FY 2005 PERFORMANCE (continued)	Impact	Slower than expected progress on border security program, namely border security road building, slow the Government of Pakistan's ability to project control over its western border with Afghanistan and eliminate safe havens for criminals, traffickers and terrorists.
	Reason for Shortfall	Overall security concerns have hampered the progress of several projects, especially the border roads projects. Several 2005 targets are still pending final assessment. In addition, the recent catastrophic earthquake in Pakistan will likely cause 2006 targets to slip.
	Steps to Improve	Push the Government of Pakistan to gain further government control of the tribal areas.
PERFORMANCE DATA	Data Source	Department of State Air Wing Islamabad Quarterly Report February – July 2005.
	Data Quality (Verification)	Based on our understanding of the Air Wing Islamabad Quarterly Report of February – July 2005, we believe that the data provided is reliable. However, not all results for 2005 are in at this time some changes may occur before the end of the year. Data was collected through July 2005 with some supplemental information coming in August and September 2005.
PAST PERFORMANCE	2004	<ol style="list-style-type: none"> 1. 214 km of roads completed, enabling law enforcement to access 30% of previously inaccessible areas. 2. Training and equipment delivered to levies and khassadars to facilitate government-sponsored reforms and improve law enforcement capabilities. 3. Effective use of air and ground assets and training, expansion of Air Wing to Peshawar, and fortification of ports of entry on the western border results in 25% increase in the seizure of contraband and arrests of terrorists and criminals.
	2003	<ol style="list-style-type: none"> 1. Pakistan agencies continue their cooperation in hunting al Qaeda and other terrorists. The Ministry of Interior Air Wing achieved operational status and was given operational control at the end of 2003. All helicopter pilots are fully trained and certified for day, night and night vision goggle missions. Six helicopter mechanics are at an intermediate level of competence. The Air Wing also has a certified quality control inspector, logistics technician, and avionics technician for rotary wing operations and a team of six qualified aerial gunners, including instructors. Three C-208 surveillance aircraft were delivered in September. 2. Special Investigative Group and conducted crisis response training for police in several provinces. The group has been involved in several investigations this year and significantly increases Pakistan's counterterrorism capability. 3. Pakistan security forces have made several terrorist arrests in 2003, including Khalid Shaikh Mohammad, the reported number 3 in al-Qaida and a mastermind of the 9/11 attacks. 4. In October, Pakistan armed forces conducted a major raid of a terrorist stronghold in the country's northwest province of Waziristan. Numerous terrorists were killed or captured. Among those killed was Hasan Mahsum, a leader of the Eastern Turkistan Islamic Movement, a designated terrorist organization. 5. The Department has completed two out of three phases of installing an automated fingerprint identification system in Pakistan. It is currently converting up to 30,000 manual fingerprints into the system.
	2002	<ol style="list-style-type: none"> 1. As partner, Pakistan intelligence and law enforcement agencies coordinate to hunt al Qaeda and other terrorists within Pakistan, including those along its border with Afghanistan. 2. Pakistani Ministry of Interior Air Wing established with operating location in Quetta; five helicopters delivered. 3. Procurement of commodities (vehicles, communications equipment) and fixed wing aircraft delivered and deployed. 4. Aircraft training and technical assistance team deployed in Quetta, with pilot training already begun. 5. U.S. training program for Pakistani border security personnel underway. 6. Joint U.S.-Pakistan Counter-terrorism Working Group meeting held in May 2002, which established counterparts and areas of responsibility for both nations. 7. Pakistan adopted an important and extensive police reform law aimed at significantly improving law enforcement institutions in Pakistan. 8. The Government of Pakistan captured September 11 plotter Ramzi bin-al-Shibh. Pakistan ranks third in the world for the amount of terrorist finances seized. Daniel Pearl kidnapper/murderer apprehended and church bombing suspects detained. Over 500 international terrorists turned over to U.S. custody.

PERFORMANCE GOAL 4

DIMINISHED POLITICAL AND ECONOMIC CONDITIONS THAT PERMIT TERRORISM TO FLOURISH

The U.S. Agency for International Development is reporting results for this goal.

STRATEGIC OBJECTIVE #1: ACHIEVE PEACE AND SECURITY

STRATEGIC GOAL 3: HOMELAND SECURITY

Secure the homeland by strengthening arrangements that govern the flows of people, goods, and services between the United States and the rest of the world

I. Public Benefit

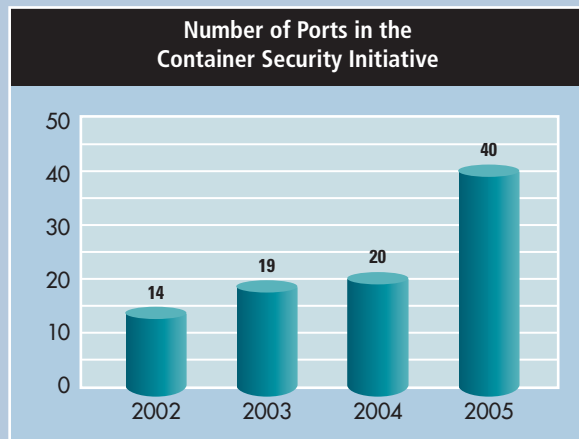
The events of 9/11 proved how susceptible the United States and its allies are to those who would do us harm. The Department, together with the Department of Homeland Security (DHS) and other U.S. Government agencies, is addressing U.S. vulnerabilities to terrorist attacks and other transnational threats to the United States. The Department is protecting our homeland by strengthening the visa process as a tool to identify potential terrorists and others who should not receive visas and prevent those people from entering the United States. Strengthening U.S. physical and cyber borders against people who threaten U.S. security requires the security of the global networks of commerce, travel, and communications that enable the vital free flow of bona fide travelers and goods. At the same time, the Department is combating the ability of terrorists to travel, finance their activities, plan and conduct attacks, and attract and train new recruits.



Children show their biometric, machine-readable visa cards in El Paso, Texas.

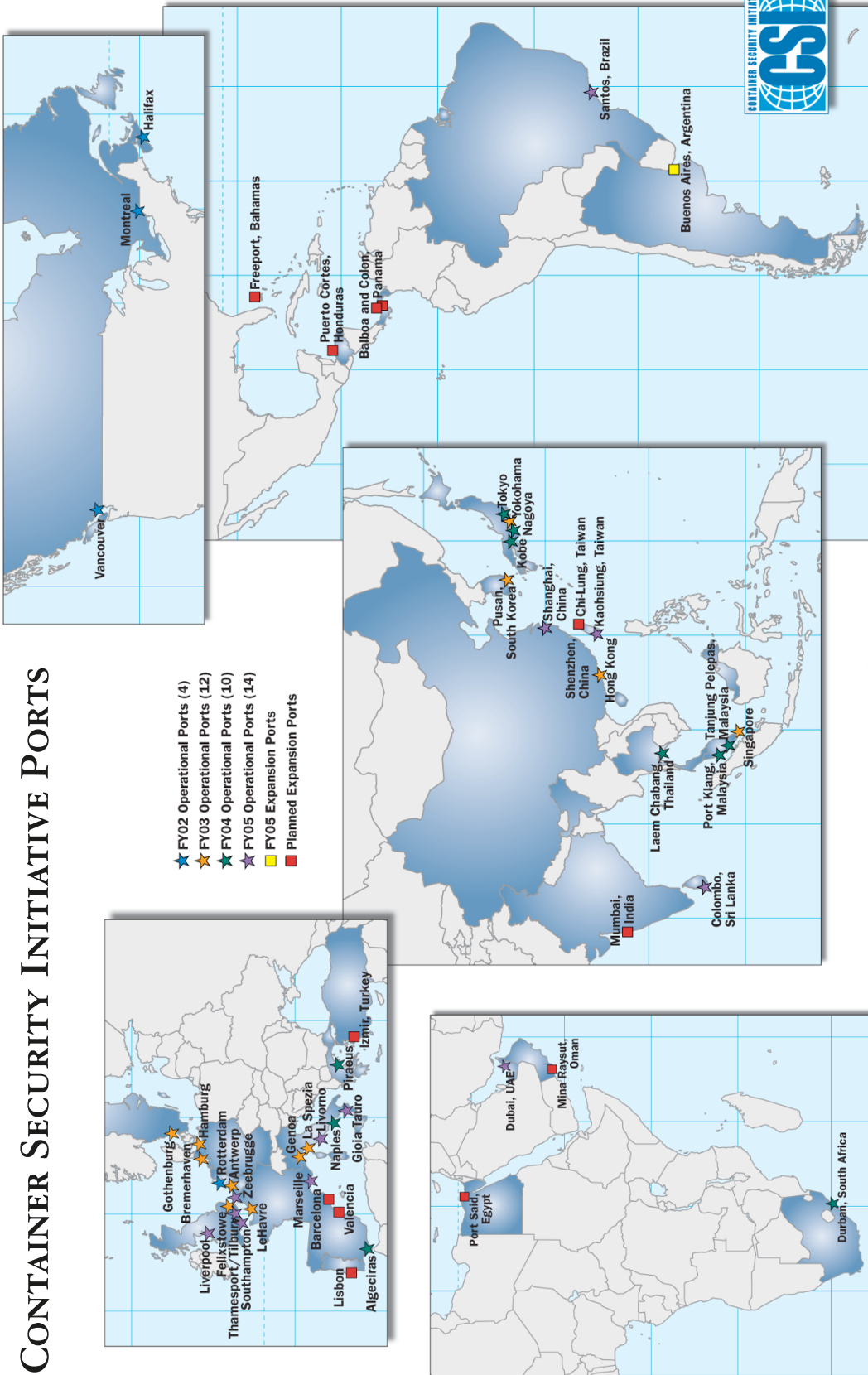
Credit: AP/Wide World Photo

II. Selected Performance Trends



CONTAINER SECURITY INITIATIVE PORTS

- ★ FY02 Operational Ports (4)
- ★ FY03 Operational Ports (12)
- ★ FY04 Operational Ports (10)
- ★ FY05 Operational Ports (14)
- FY05 Expansion Ports
- Planned Expansion Ports



as of 8/22/05 (CSI Division Map)



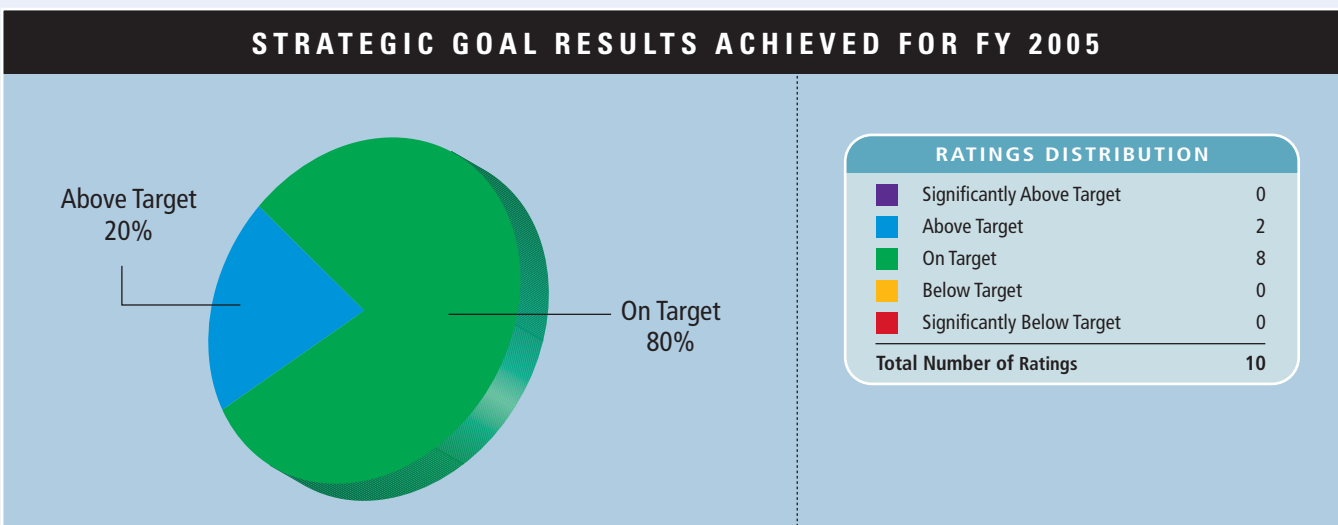
III. Strategic Context

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

Strategic Goal	Performance Goal (Short Title)	Initiative/Program	Major Resources	Lead Bureau(s)	External Partners
Homeland Security	Proper Visa Adjudication	Visa and Consular Services	D&CP	CA	DHS, DOJ, DOL, FBI, CIA, NARA, DOD, SSA
		U.S.-EU Cooperation on Border Security	D&CP	CA, EB, EUR	DHS
	Border Agreements	U.S. Canada Smart Border Action Plan U.S.-Mexico Boarder Partnership	D&CP	WHA	DHS
		Container Security Initiative	D&CP	EB	DHS
	Infrastructure Network Protection	Cyber Security	D&CP	PM, EB	DHS
		Protect Transportation Infrastructure	D&CP	CA, EB	DHS, ICAO
		Maritime Security	D&CP	CA, EB	DHS, IMO

IV. Performance Summary

The chart below shows the performance rating distribution of the FY 2005 results for the Homeland Security strategic goal.



V. Performance Analysis

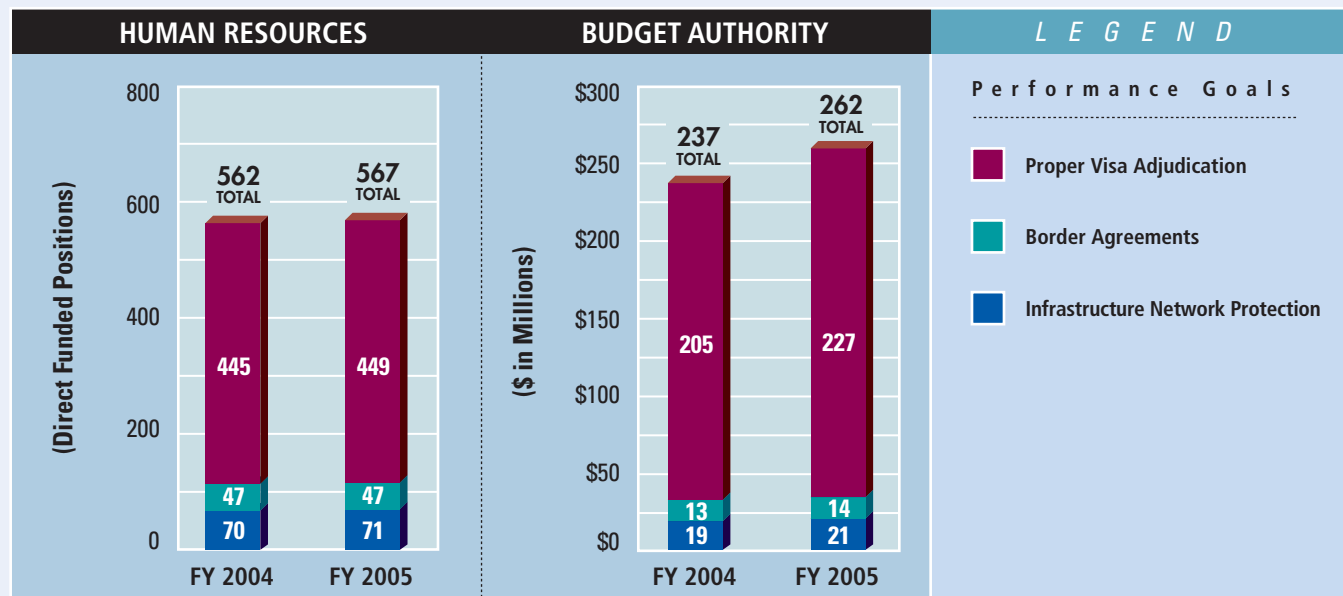
PERFORMANCE TRENDS. Two performance trends in the area of Homeland Security are significant: (1) the Department continues to protect our homeland by strengthening the visa process – for example, the number of posts assessed by Consular Management Assistance Teams to ensure proper visa practices has steadily increased from 32 in FY 2004 to 38 in FY 2005; (2) the Department of State and the Department of Homeland Security are working to secure shipping ports - for instance, the number of ports in the Container Security Initiative doubled from FY 2004 to FY 2005.

OUTCOME-LEVEL RESULTS. The Department made demonstrable progress toward achieving high-level outcomes in such areas as implementing a comprehensive border security agreement with neighboring countries and expanding data sharing capabilities with federal agencies involved in homeland security efforts. Both of these programs performed at or above target in FY 2005.

RESULTS SIGNIFICANTLY ABOVE OR BELOW TARGET. There were no results significantly above or below target, although the Department continues to face challenges in: (1) addressing U.S. vulnerabilities to terrorist attacks and other transnational threats; (2) strengthening physical and cyber borders; and (3) combating the ability of terrorists to travel, finance their activities, and perform attacks.

RESOURCES INVESTED. In FY 2005, the Department allocated approximately 1% of the entire budget to homeland security operations. This equates to \$262 million, as well as an increase of \$25 million from FY 2004.

VI. Resources Invested



VII. Performance Results

PERFORMANCE GOAL 1

DENIAL OF VISAS TO FOREIGN CITIZENS WHO WOULD ABUSE OR THREATEN THE UNITED STATES, WHILE FACILITATING ENTRY OF LEGITIMATE APPLICANTS

**INITIATIVE/PROGRAM (I/P) #1: VISA AND CONSULAR SERVICES
(PART PROGRAM)**

Indicator #1: Number of Other Agencies With Access to the Consular Consolidated Database

JUSTIFICATION (VALIDATION): Sharing of all relevant data with and among agencies involved in the visa process or other homeland security efforts is a priority for the Department and a U.S. Government goal. Signed Memoranda of Understanding are matters of record and show progress toward optimal interagency cooperation on homeland security issues.

FY 2005 PERFORMANCE	Target	Expand data sharing with other agencies and internationally.
	Results	As of September 2005, the Department continued to partner with DHS in discussions with Canada, Mexico, Visa Waiver Program (VWP) countries and others about sharing terrorist and visa lookout data. The Terrorist Threat Information Center (TTIC) is now the National Counter Terrorism Center (NCTC). Department initiated new discussions with Japan, Spain, Italy and Germany and concluded agreements with Canada and the U.K.
	Rating	■ On Target
	Impact	The effort to share terrorist and visa lookout data internationally has strengthened border security.
PERFORMANCE DATA	Data Source	Signed copies of Memoranda of Understanding and minutes of annual review meetings.
	Data Quality (Verification)	Bureau of Consular Affairs collects and checks data for accuracy.
PAST PERFORMANCE	2004	The Department signed Memorandum of Understanding on information sharing with three other U.S. Government agencies.
	2003	Two other agencies with access to database
	2002	One other agency with access to the database



Homeland Security Secretary Michael Chertoff, second left, tours New York's Grand Central Terminal with New York City Mayor Michael Bloomberg, left, U.S. Sen. Charles Schumer, D-N.Y., and U.S. Sen. Hillary Rodham Clinton, D-N.Y. AP/Wide World Photo

I/P #1: VISA AND CONSULAR SERVICES (continued)

Indicator #2: Development of a Biometrics Collection Program for U.S. Visas

JUSTIFICATION (VALIDATION): Testing systems to determine whether they work as intended and using the systems to capture and share biometric data and produce visas incorporating the agreed upon technology standards will indicate whether the program has been a success.

FY 2005 PERFORMANCE	Target	All posts collect biometrics from visa applicants by October 2004.
	Results	As of September 30, 2005, all visa-issuing posts continued to collect fingerprints under the Biometric Visa Program and had cleared fingerprints of over 8.1 million visa applicants against the DHS IDENT (Automated Biometric Identification System) fingerprint system, with over 11,000 matches on the IDENT watchlist, resulting in visa refusals in almost all cases.
	Rating	■ On Target
	Impact	The Biometric Visa Program is having a major impact in preventing ineligible applicants from obtaining visas and in ensuring the integrity of the U.S. visa by allowing biometric identity verification of visa bearers at U.S. ports of entry.
PERFORMANCE DATA	Data Source	Implementation confirmed through Consular Consolidated Database (CCD). All IDENT check responses are stored in the CCD. Program evaluation available from the Government Accountability Office (GAO): <i>State Department Rollout of Biometric Visas on Schedule, but Guidance is Lagging (GAO-04-1001)</i> .
	Data Quality (Verification)	Data are exchanged from the CCD to IDENT over a direct line to ensure quality is maintained in transmission. IDENT fingerprint matching achieves higher than 99% accuracy.
PAST PERFORMANCE	2004	Implementation of biometric collection program at all posts completed 10/7/04, ahead of the statutory 10/26/04 deadline.
	2003	<ol style="list-style-type: none"> 1. Developed recommendations on biometric standards for visas. 2. Used facial recognition technology to disqualify over 20,000 from the annual Diversity Visa lottery for filing duplicate entries. To evaluate facial recognition full potential for combating visa and passport fraud, launched a facial recognition pilot for nonimmigrant visas (NIV). Began worldwide deployment of biometric NIV software, with Brussels as the first pilot post, going live with fingerprint collection on September 22, 2003. Fingerprint capture equipment and new software for NIV production was also deployed at Frankfurt, Guatemala City, and San Salvador. 3. Began worldwide deployment of biometric NIV software, with four posts going live with fingerprint collection in September 2003.
	2002	<ol style="list-style-type: none"> 1. Biometric Border Crossing Card (BCC) program continued. 2. Production of BCCs at U.S. Embassy in Mexico supplemented BCC production by DHS in periods of great demand. 3. Use of facial recognition technology expanded.

Combating Visa Fraud

In November 2004, the Department established a fraud prevention unit at the Kentucky Consular Center to counter fraud in the Diversity Visa lottery program and with petition-based visas, such as temporary workers. The consular center provided background to support six formal fraud investigations and has returned 166 non-immigrant visa petitions to the Department of Homeland Security for revocation based on fraud indicators. The consular center continues to employ facial recognition technology as a tool against visa fraud, especially in the lottery program. In 2005, more than 7.5% of winning entries were disqualified as duplicate entries using facial recognition. Over 100,000 more duplicate entries were eliminated using facial recognition and "matching technologies" before the winners were selected.



A visa applicant demonstrates how biometric data is collected. AP/Wide World Photo

I/P #2: U.S.-EU COOPERATION ON BORDER SECURITY

Indicator #3: Passenger Manifest Requirements

JUSTIFICATION (VALIDATION): Advanced electronic data receipt enhances the targeting and screening of travelers who may threaten the U.S. and aid in facilitating the travel of persons with legitimate reasons to travel to the U.S.

FY 2005 PERFORMANCE	Target	<ol style="list-style-type: none"> Opinions by the public and political leadership in Europe and Eurasia soften on U.S. Government use of Passenger Name Record (PNR). Ensure access to PNR data for border and passenger screening on a global basis.
	Results	<ol style="list-style-type: none"> Both political and public opinion on U.S. Government use of PNR has been softened. All air carriers submit PNR data on passengers traveling to the U.S.
	Rating	<div style="display: inline-block; width: 15px; height: 15px; background-color: green; margin-right: 5px;"></div> On Target
	Impact	There has been a positive impact on secure travel between the United States and other countries.
PERFORMANCE DATA	Data Source	Opinion data: Media and Department reporting; lack of formal objections by governments. Compliance data: Department of Homeland Security (DHS).
	Data Quality (Verification)	<ol style="list-style-type: none"> Opinion data believed to be accurate; could vary by country and time period. Compliance data believed to be 100% accurate.
PAST PERFORMANCE	2004	<ol style="list-style-type: none"> Programs to assist foreign carriers and public authorities to comply with U.S.-VISIT (Entry-Exit) requirements to track visitors to the United States were conducted in FY 2004 by the Department of Homeland Security and associated agencies. The Department is no longer involved with these programs. U.S.-VISIT entry-exit procedures were established at all 115 airport entry points by DHS; land border implementation will begin on a trial basis in early FY 2005. Passenger Name Record (PNR) access agreement reached with the EU. The European Union formally agreed in May 2004 to allow the transfer of PNR data from European flights to DHS.
	2003	Reached a provisional agreement with EU, allowing European carriers to provide PNR data beginning in March 2003. The Department of Homeland Security offered a number of proposals to meet EU privacy requirements; negotiations have yielded some concessions from the Europeans, but differences remain.
	2002	<ol style="list-style-type: none"> The Department assisted foreign carriers, particularly air carriers to meet the high performance requirements of 97 percent accuracy. Advance Passenger Information System program expanded to cruise vessels.



A Chinese police guard checks the documents of visa seekers outside the U.S. embassy in Beijing, March, 2005.

AP/Wide World Photo

**BORDER SECURITY
(PART PROGRAM EFFICIENCY MEASURE)**

Indicator #4: Number of Posts Assessed by Consular Management Assistance Teams (CMAT) to Ensure Proper Visa Practices

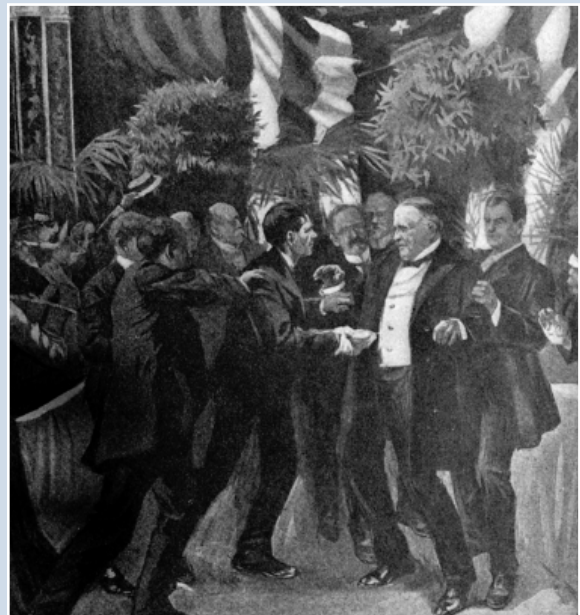
JUSTIFICATION (VALIDATION): Through operational reviews of consular operations, CMATs assess the integrity of management controls, effective resource utilization, space allocation, and the extent to which Department-mandated standard operating procedures have been understood and implemented. They provide guidance to foster effective management controls and greater standardization. CMATs visit posts upon request or based on Bureau of Consular Affairs assessment of need.

FY 2005 PERFORMANCE	Target	30 assessments.
	Results	CMATs visited 38 posts during FY 2005.
	Rating	■ Above Target
	Impact	CMATs recognize and reinforce good practices, as well as identify areas for improvement. They are an important management tool for the Bureau of Consular Affairs, offering feedback on overseas consular operations, and providing a vehicle to respond quickly as a troubleshooter for emergent situations.
PERFORMANCE DATA	Data Source	Summary reports were cabled to posts visited.
	Data Quality (Verification)	Reports are coordinated in the Executive Office of the Bureau of Consular Affairs and reviewed by the Assistant Secretary for Consular Affairs.
PAST PERFORMANCE	2004	CMATs visited 32 posts.
	2003	CMATs visited 16 posts.
	2002	Program did not exist.

A Look to History: Homeland Security

Concerns about the entry of hostile aliens into the United States first became a major issue in 1901 with the assassination of President William McKinley by Polish-born anarchist Leon Czolgosz. On March 3, 1903, Congress enacted "An Act to Regulate the Immigration of Aliens into the United States," and in 1917, a subsequent law was the first to envision any State Department involvement in enforcing immigration laws. The law authorized the Secretary of Labor to negotiate through the State Department the assignment of Immigration Service inspectors to foreign passenger ships.

Artist sketch of President McKinley visiting the Pan-American Exposition in Buffalo, NY on September 6, 1901. Leon Czolgosz is shown approaching President McKinley with a gun in his right hand. He fired two shots at McKinley point blank. AP Photo



PERFORMANCE GOAL 2

IMPLEMENTED INTERNATIONAL AGREEMENTS STOP THE ENTRY OF MATERIALS THAT COULD HARM THE UNITED STATES, WHILE ENSURING THE TRANSFER OF BONA FIDE MATERIALS

I/P #3: U.S.-CANADA SMART BORDER ACTION PLAN/U.S.-MEXICO BORDER PARTNERSHIP

Indicator #1: Status of the Border Security Initiatives

JUSTIFICATION (VALIDATION): This indicator measures progress in implementing a key border security agreement with the countries bordering the continental United States.

FY 2005 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. Full implementation of Border Accord and successful implementation of any new initiatives developed in FY 2004. Continued U.S.-Canada cooperation on security efforts. No incidents of terrorist exploitation of Canadian territory to attack the U.S. or its interests. Launch and implementation of Security and Prosperity Partnership for North America (SPP) begins; 25% of goals reached. 2. SPP formally launched. Short-term SPP counterterrorism initiatives accomplished, including all tasks within a 22-point action plan. Government of Mexico (GOM) develops its own watchlist and shares information with the U.S. Government for inclusion in Consular CLASS lookout system. Leads on aliens of interest routinely passed by GOM to the U.S. Government. No incident of terrorist exploitation of Mexican territory to attack U.S. or its interests.
	Results	<ol style="list-style-type: none"> 1. Border security program with Canada launched March 2005. Work plan approved at Ministerial in June 2005. 2. Remaining items of Action Plan with Mexico completed and institutionalized. Short-term objectives within SPP on track to be established by June 2005 and completed by December 2005.
	Rating	■ On Target
	Impact	<p>The implementation of the SPP, which incorporates the aims of existing bilateral agreements, will further shared security and economic aims in Canada and Mexico. The 30-point U.S.-Canada Border Accord is designed to improve security in travel, communications, and infrastructure while enhancing the vital economic, cultural, and personal relationships. The U.S.-Mexico Border Partnership addresses 22 action items on border security, border safety, and infrastructure for cross-border travel and commerce.</p>
PERFORMANCE DATA	Data Source	<ol style="list-style-type: none"> 1. Status reports from DHS and consultations with the Government of Canada. 2. U.S.-Mexico annual reports on Partnership; INL reporting; status reports from DHS; consultations with the Government of Mexico.
	Data Quality (Verification)	Data are reliable. Complete information on Mexico border initiatives is not available until the following calendar year.
PAST PERFORMANCE	2004	<ol style="list-style-type: none"> 1. NEXUS lanes added at three border crossings; FAST lanes at one. Discussions continued but were not finalized by fiscal year-end. 2. Consultant study initiated; Secure Electronic Network of Travelers' Rapid Inspection lanes under development; technology installation and public outreach underway; protocols on sharing of information on aliens of interest near completion and technical review expected this fiscal year. SPP was not launched in FY 2004.
	2003	<ol style="list-style-type: none"> 1. Continued implementation of additional portions of the U.S.-Canada Border Accord in coordination with newly created Department of Homeland Security. Finalize a "safe third" asylum agreement (Point #5), a pre-clearance agreement (Point #7), and continued visa policy coordination (Point #6). U.S.-Canada joint committee on Critical Infrastructure Protection established (Point #21). No incidents of terrorist exploitation of Canadian territory to attack the U.S. or its interests. 2. Border Partnership signed by Mexican and U.S. Governments. Initial implementation meetings held in Mexico City and Washington. \$25 million obligated for law enforcement assistance projects under some of the 22 points.
	2002	The 30-point Canadian plan and the 22-point Mexican plan were launched.

I/P #4: CONTAINER SECURITY INITIATIVE

Indicator #2: Full Implementation and Expansion of Container Security Initiative (CSI)

JUSTIFICATION (VALIDATION): Security screening of containers at foreign ports before ships depart for the U.S. decreases both the appeal to terrorists and the vulnerability of the vital maritime transportation sector and, in the event of an incident, allows more expeditious resumption of maritime commerce.

FY 2005 PERFORMANCE	Target	Additional partner countries deploy teams to the U.S. under the reciprocity aspects of CSI. CSI best practices (as embodied in the World Customs Organization Framework) adopted at non-CSI ports.
	Results	<ol style="list-style-type: none"> 1. Discussions are underway with other countries who are interested in sending personnel to the National Targeting Center. World Customs Organization adopts the "Framework of Standards to Secure and Facilitate Global Trade" which is based on the principles underlying CSI. Four Customs Administrations agree to participate. Some agreements are still in the process of being finalized. As a result, projection will likely be reached/exceeded prior to the end of the calendar year. In addition, Customs and Border Protection and the Department of Energy are reviewing the probability of signing agreements with some countries that will include both CSI and the Megaports initiative. 2. CSI is now operational in 40 ports and screens more than two-thirds of U.S.-bound containerized cargo. 3. New Declarations of Principles: 4. 4. New Operational Ports: 14.
	Rating	■ On Target
	Impact	The result is that now over seventy percent of U.S. bound cargo is prescreened for terrorism prior to being laden for shipment to U.S.
PERFORMANCE DATA	Data Source	Bureau of Customs and Border Protection, Department of Homeland Security.
	Data Quality (Verification)	Security screening of containers at foreign ports before ships depart for the U.S. decreases both the appeal to terrorists and the vulnerability of the vital maritime transportation sector and, in the event of an incident, allows more expeditious resumption of maritime commerce.
PAST PERFORMANCE	2004	An agreement has been reached with the EU on CSI and related issues. Pilot project deployed to ports in Malaysia and South Africa. Working to facilitate expansion of CSI to Greece and other Customs Administrations as appropriate. Ten ports become operational with 20 of the world's largest ports participating. Taiwan signed declaration of principles in August 2004.
	2003	Nineteen of the largest 20 ports agreed to participate in the CSI program. CSI was expanded to include additional ports worldwide. CSI "pilot phase" deployments underway at sixteen ports.
	2002	Baseline: Launch of the CSI. Nine countries included, encompassing fourteen of the twenty largest large ports.

Secretary Rice, right, with Cypriot Foreign Minister Georgios Lacovou, after signing a proliferation security initiative on ship boarding at the State Department, July 2005, in Washington.

AP/Wide World Photo



I/P #4: CONTAINER SECURITY INITIATIVE (continued)

Indicator #3: Cargo Manifest Requirements

JUSTIFICATION (VALIDATION): Electronic cargo information improves the Bureau of Customs and Border Protection targeting and screening capabilities for cargo and allows more effective targeting of high-risk shipments.

FY 2005 PERFORMANCE	Target	1. Implement advance manifest data standards. 2. 85% of all container traffic to be covered by CSI.
	Results	1. Full implementation will be achieved by the end of the calendar year. 2. Currently 74% of all container traffic is prescreened via CSI.
	Rating	■ On Target
	Impact	The result is that now over seventy percent of U.S. bound cargo is prescreened for terrorism prior to being laden for shipment to U.S.
PERFORMANCE DATA	Data Source	Bureau of Customs and Border Protection, Department of Homeland Security.
	Data Quality (Verification)	Electronic cargo information improves the Bureau of Customs and Border Protection targeting and screening capabilities for cargo and allows more effective targeting of high-risk shipments.
PAST PERFORMANCE	2004	<ol style="list-style-type: none"> The Department of Homeland Security (DHS) published the final Trade Act regulations in the Federal Register on December 5, 2003. The rules require advance transmission of the electronic cargo information to DHS for both arriving and departing cargo and provide for various effective dates depending upon the mode of transportation. Phased implementation began January 5, 2004. Requirements for transmission of data on inbound cargo (other than vessel) include: <ul style="list-style-type: none"> Air: Four hours (wheels up from NAFTA and Central and South America above the equator). The required full compliance date was December 13, 2004. Rail: Two hours. The required full compliance date was October 10, 2004. Truck: One hour non-Free and Secure Trade 30 minutes for FAST. The effective date of implementation for the final rule was January 5, 2004.
	2003	<ol style="list-style-type: none"> All vessel cargo manifest information provided to the Bureau of Customs and Border Protection either in electronic or paper format at least 24 hours prior to loading unless exempted. Regulations finalized for electronic submission of data for all modes of transport.
	2002	Bureau of Customs and Border Protection (then the U.S. Customs Service) expanded electronic manifesting to Canadian and Mexican borders to speed clearance.



A truck passes through a radiation portal monitor at the Port of Los Angeles, July, 2005.

AP/Wide World Photo

PERFORMANCE GOAL 3
PROTECTION OF CRITICAL PHYSICAL AND CYBER INFRASTRUCTURE NETWORKS THROUGH AGREEMENTS AND ENHANCED COOPERATION

I/P #5: CYBER SECURITY

Indicator #1: Number of Countries With Critical Infrastructure Protection (CIP) Action Plans

NOTE: Indicator deleted. See Appendix for details.

Indicator #2: Critical Infrastructure Protection (CIP) Principles Implemented by Bilateral Partners

JUSTIFICATION (VERIFICATION): This indicator is a measure of national awareness of and participation in CIP. Awareness of the problem is a critical first step to undertaking cooperative international activities. Target numbers are based on five CIP principles (appointment of a national CIP coordinator, establishment of a mechanism for information exchanges, adoption of appropriate CIP legislation, a campaign for CIP awareness, and creation of a culture of security.) The priority of effort is to move beyond awareness raising and identify specific initiatives for implementation. At present we have 11 bilateral partners.




FY 2005 PERFORMANCE	Target	40.
	Results	45 countries, including 19 from the Sao Paulo conference, 13 from the Berlin conference, and 12 from the Asia-Pacific Economic Cooperation group.
	Rating	■ Above Target
	Impact	Adherence to international CIP principles puts governments in a better position to deter and respond to threats to globally connected critical infrastructures such as ports, telecommunications systems, energy grids and computer networks. Ensuring the viability of these systems will help reduce the impact of catastrophic events such as a terrorist attack or natural disaster, which may result in saved lives, speedy recovery, and political stability.
PERFORMANCE DATA	Data Source	Bureau of Political-Military Affairs compiles data on the adoption and implementation of CIP principles among bilateral partners.
	Data Quality (Verification)	First-hand data collection. Highly reliable.
PAST PERFORMANCE	2004	Canada and Mexico implement physical and cyber infrastructure protection plans coordinated with U.S. plans.
	2003	N/A.
	2002	N/A.

I/P #6: PROTECT TRANSPORTATION INFRASTRUCTURE

Indicator #3: More Robust The International Civil Aviation Organization (ICAO) Security Standards and an Effective Audit Program

Indicator revised. Please see Appendix for details.

JUSTIFICATION (VALIDATION): These reports are the baselines for agency accountability in ensuring that airports around the world comply with the international security standards established by ICAO, a critical defense against terrorist attacks on civil aviation.

FY 2005 PERFORMANCE	Target	<ol style="list-style-type: none"> Virtually all countries require manifests before boarding, have machine-readable passports with biometrics. Audits are completed in another 40 countries. Countries with poor security audits have received remedial assistance.
	Results	<ol style="list-style-type: none"> All countries must issue machine-readable passports by April 1, 2010; non-MRPs issued after November 25, 2005, must expire on or before November 24, 2015. Biometrics specifications have not yet become a standard. ICAO has conducted 96 audits to date and have 11 more scheduled by year's end, resulting in a total of 107 countries being audited. ICAO's goal was to audit 40 countries each year with a goal of having audited 100 countries by the end of 2005. Remedial assistance is offered to countries with compliance issues.
	Rating	<ol style="list-style-type: none">  Below Target  Above Target  On Target
	Impact	International aviation is more secure because airports and governments know they are going to be audited in advance and make improvements in the run-up to the audit so that the audit results will be better. Those whose audits reveal deficiencies benefit from ICAO follow-up visits.
	Reason for Shortfall	Biometric passports are a specification, not an ICAO standard.
	Steps to Improve	Continue to improve technology and cost factors.
	PERFORMANCE DATA	Data Source
Data Quality (Verification)		Although the security audit results are confidential, the reliability of the data is accepted due to the quality of the audit teams, their training and ICAO's overall track record for technical expertise and reliability.
PAST PERFORMANCE	2004	ICAO completed 40 audits.
	2003	<ol style="list-style-type: none"> ICAO selected facial recognition as the globally interoperable biometric for passports and other Machine Readable Travel Documents and high-capacity, contactless integrated circuit chips to store identification information. ICAO has completed 60 audits.
	2002	ICAO accepted U.S. suggestions for development of a security audit program, hardened cockpit doors, adding biometric indicators to travel documents, and upgrading recommended security practices to become required standards.

I/P #7: MARITIME SECURITY

Indicator #4: Implementation of International Security Standards for Shipping and Ports

JUSTIFICATION (VALIDATION): "Monitoring Compliance" is diplomatic language for the process of actually assessing (inspecting) foreign ports or vessels for their compliance with international security standards for shipping and ports. If ports are not in compliance, there are potential consequences and repercussions. As a result of Coast Guard inspections, several countries that reported compliance to the International Maritime Organization (IMO) have in fact been found to have deficiencies in their ports and may face potential trade consequences as a result. This will be an ongoing process without an end state because the Coast Guard will continue to assess ports as mandated by the Maritime Transportation Security Act of 2002 barring a legislative change. Coast Guard also assesses vessel and flag state compliance with international standards.

FY 2005 PERFORMANCE	Target	Countries representing 90% of all shipping calling on U.S. ports implement IMO standards. <i>Target Revised. Please see Appendix for details.</i>
	Results	All major shipping registries serving the U.S. now conform to international standards. In port state control checks, since the beginning of FY 2005, the Coast Guard only detained 26 ships, denied entry to one, and expelled two for deficiencies in their security arrangements.
	Rating	■ On Target
	Impact	Coast Guard has visited several ports to monitor their compliance with the international code and the Department has worked with the Coast Guard to advise and assist those countries which have been found to have deficiencies.
PERFORMANCE DATA	Data Source	USCG.
	Data Quality (Verification)	Monitoring port and vessel compliance with the international code is an important aspect of improving maritime security and preventing terrorist attacks.
PAST PERFORMANCE	2004	USCG began inspections July 2004. Interagency working group chaired by the Department of Homeland Security and the Department of Defense in process of developing a National Strategy for Maritime Security to enhance maritime security.
	2003	IMO adopted standards for ship and port facility security. United States passes the Maritime Transport Security Act.
	2002	IMO adopts standards for ship and port facility security. United States passes the Maritime Transport Security Act.

The Security and Prosperity Partnership

The U.S., Canada, and Mexico launched an ambitious program to enhance continental security and promote economic welfare through the Security and Prosperity Partnership (SPP), announced March, 2005. The security component of SPP covers issues such as traveler and cargo security, border infrastructure, law enforcement cooperation, and information sharing. More than 190 specific action items focus on harmonizing visa policies, designing secure travel documents, protecting our food supplies, developing interoperable communications systems for emergency response, and streamlining legitimate travel and trade across borders.



An officer peers into the trunk of a vehicle at the border crossing station in Highgate, Vermont along the U.S.-Canadian border.

AP/Wide World Photo

STRATEGIC OBJECTIVE #1: ACHIEVE PEACE AND SECURITY

STRATEGIC GOAL 4: WEAPONS OF MASS DESTRUCTION

Reduce the threat of weapons of mass destruction to the United States, our allies, and our friends

I. Public Benefit

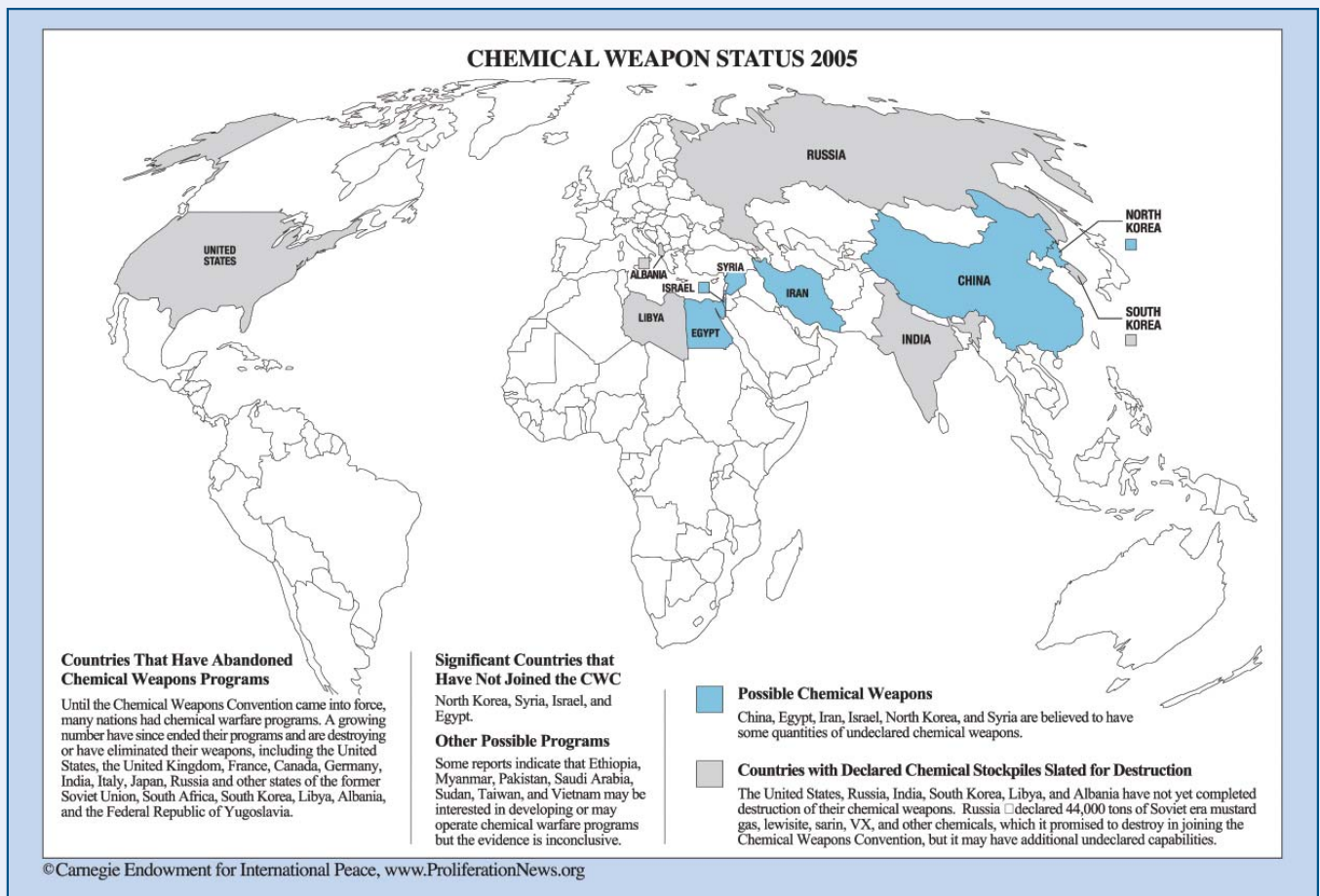
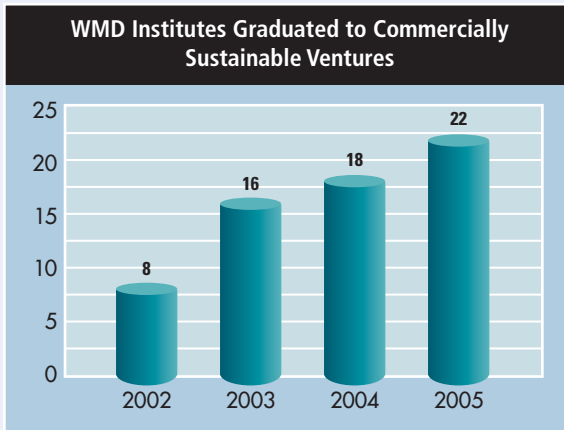
Weapons of mass destruction (WMD) including nuclear, chemical, biological and radiological weapons and their delivery systems threaten our territory and citizens, our armed forces, our national interests, and our allies and friends overseas – especially if such weapons ever find their way into the hands of terrorists. The Department combats this threat by working with other countries to fight WMD and missile proliferation, to defend against WMD attack, and to deny them to terrorist groups and outlaw states. The Department's efforts protect the safety and security of the United States and its friends and allies by lowering the risk of conflict; minimizing the destruction caused by an attack or conflict; denying outlaw state and terrorist groups access to such indiscriminate weapons and the expertise necessary to develop them; and preventing potentially devastating WMD-related accidents.

The Department is committed to reducing the WMD and missile threat through agreements and commitments to reduce current nuclear weapons stockpiles; cooperative efforts to develop missile defenses as appropriate; strengthening compliance with and implementation of arms control, nonproliferation and disarmament treaties, agreements and commitments; and active measures such as the Proliferation Security Initiative to improve and enforce export controls and prohibit illicit WMD trafficking. The Department leads the U.S. Government in: (1) shaping and executing international strategies to ensure such weapons do not fall into the hands of terrorists; (2) eliminating threats remaining from the Cold War's WMD legacy; (3) enhancing controls on biological agents and toxins, especially in the area of national controls; and (4) redirecting Iraq's former WMD scientists and helping Libya eliminate its WMD programs. To ensure the U.S. Government's WMD strategies are both robust and effective, the Department integrates verification into arms control, nonproliferation, and disarmament negotiations, treaties, agreements, and commitments and works to ensure that compliance is rigorous and enforced. WMD and missile proliferation, especially in troubled regions, exacerbates regional instability and carries negative political, economic and social consequences, most especially the danger that terrorists might acquire WMD and delivery systems.



South Korean Foreign Minister Ban Ki-moon, left, shakes hands with Christopher Hill, the U.S. assistant secretary of state for East Asian and Pacific Affairs, during their meeting to discuss six-way talks aimed at curbing North Korea's nuclear program, at the foreign ministry in Seoul, April 2005. AP/Wide World Photo

II. Selected Performance Trends



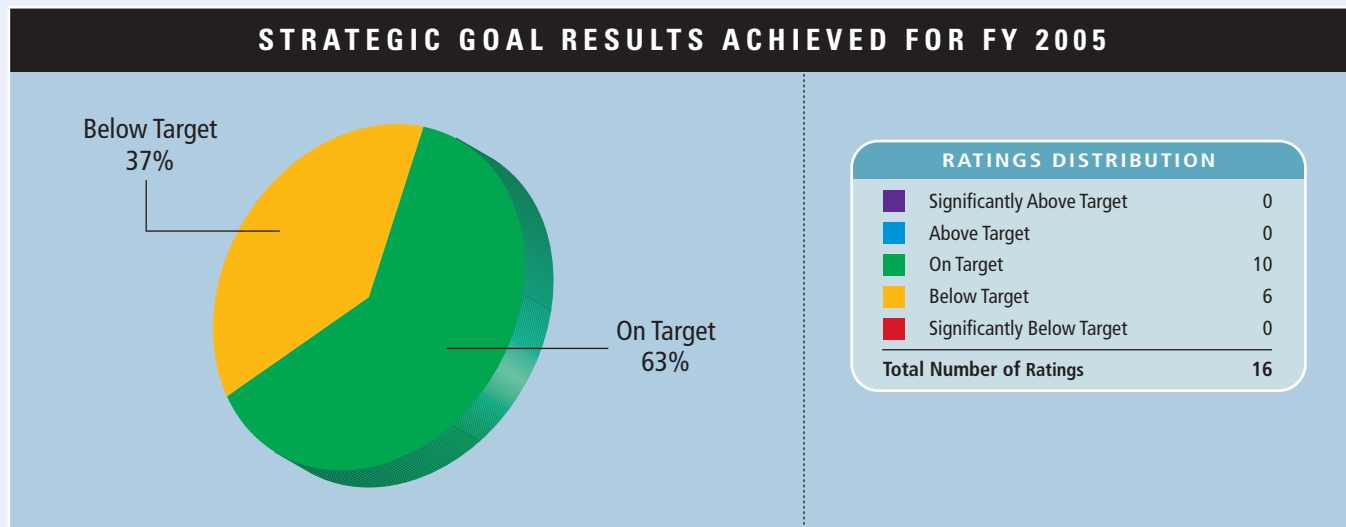
III. Strategic Context

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

Strategic Goal	Performance Goal (Short Title)	Initiative/ Program	Major Resources	Lead Bureau(s)	External Partners
Weapons of Mass Destruction	Unilateral and Bilateral Measures	Curb Access	D&CP, NADR EXBS, Science Center, Bio-Chem Redirect, Iraq Redirection Program, Sanctions, Export licensing, and NDF Programs	ISN	DoC, DoD, DoE, HHS, EPA, FBI, IC, NRC, NSC, USDA, CRDF, Australia Group, EU, G-8, IAEA, ICOC, MTCR, NATO, NPT, NSG, UNSC, Zangger Committee, ISTC, STCU
		Cooperation on Missile Defense	D&CP	ISN	DoD, IC, NSC, NATO
		Cooperation with Russia on New Strategic Framework	D&CP	ISN, VCI	DoD, IC, NSC, NATO
	Multilateral Agreements and Nuclear Cooperation	Strengthen Global Norms	D&CP, NADR, IAEA, Voluntary Contributions, CPPNM, NPT	ISN	DoC, DoD, DoE, HHS, EPA, FBI, IC, NRC, NSC, USDA, CRDF, Australia Group, EU, G-8, IAEA, ICOC, MTCR, NATO, NPT, NSG, UNSC, Zangger Committee, ISTC, STCU
		Chemical Weapons Convention	D&CP, CIO Account for assessments and inspections, NPT	ISN, VCI	DoD, DoC, DoJ, DoE, IC, NSC, OPCW
		Biological Weapons Convention	D&CP, NPT	ISN, VCI	DoD, DoE, DoC, DHHS, IC, NSC, WHO, FAO
		Promote Safe Nuclear Cooperation	D&CP, NPT	ISN, VCI	DoE, EPA, NRC, NSC, OVP, Treasury, USAID
	Verification and Compliance	Arms Control	D&CP	VCI, ISN	DoD, DOE, IC, DoC, JCS, DHS, FBI, NSC, OVP, DoJ, USDA, OPCW, EU, G-8, IAEA, NPT
		Compliance Diplomacy	D&CP	VCI, ISN	DoD, DOE, IC, DoC, JCS, DHS, FBI, NSC, OVP, DoJ, USDA, OPCW, EU, G-8, IAEA, NPT
		President's Annual Noncompliance Report	D&CP	VCI	DoD, DOE, IC, DoC, JCS, DHS, FBI, NSC, OVP, DoJ, USDA, OPCW, EU, G-8, IAEA, NPT
		All Source Intelligence Collection; Technology R&D	D&CP	VCI	IC, DoD, DOE, DHS, OSTP, TSWG, DTRA, National Labs, NSC, OVP
		Communication for Arms Control	D&CP	VCI, ISN	DoD, DoE, DoC, NSC, IC

IV. Performance Summary

The chart below shows the performance rating distribution of the FY 2005 results for the Weapons of Mass Destruction strategic goal.



V. Performance Analysis

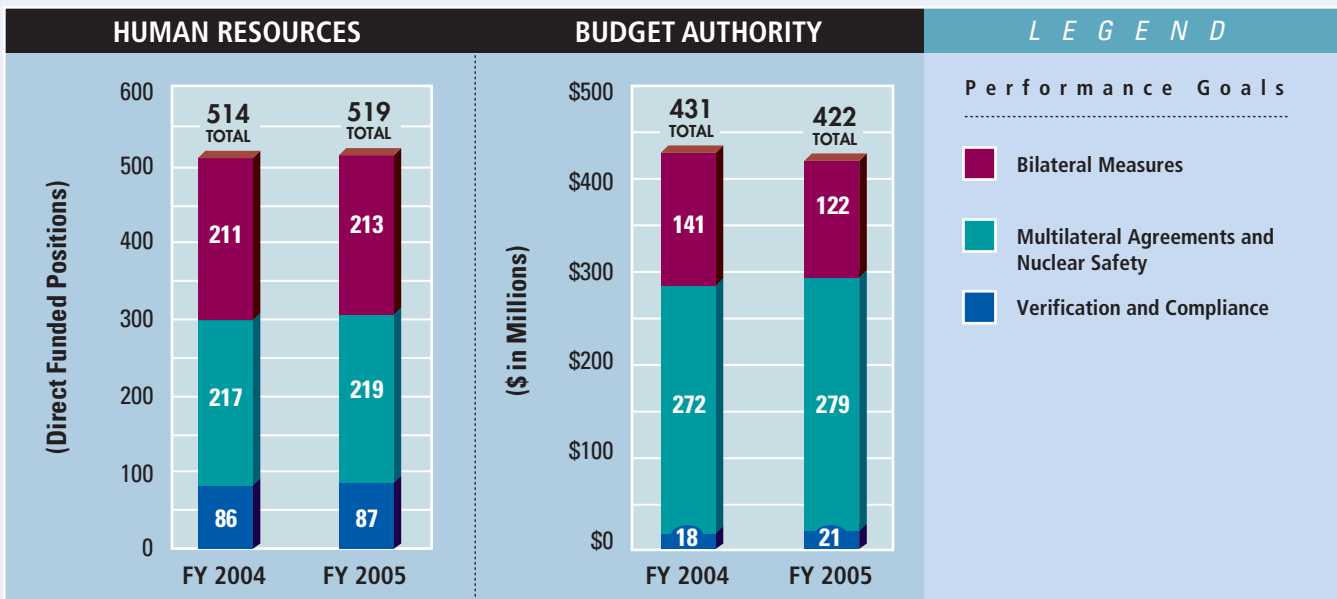
Performance Trends. Two significant performance trends in the area of Weapons of Mass Destruction are noteworthy: (1) the number of States-Parties in the Chemical Weapons Convention increased from 164 in FY 2004 to 174 in FY 2005; (2) the number of countries that have signed the IAEA Additional Protocol has steadily increased from 52 in FY 2001 to 104 in FY 2005.

Outcome-level Results. The Department made demonstrable progress toward achieving high-level outcomes in such areas as working with allies to develop cooperation on missile defense and promoting safe and secure nuclear cooperation. Both of the programs in these areas performed at or above target in FY 2005.

Results Significantly Above or Below Target. There were no results significantly above or below target, although the Department continues to face challenges in strengthening the implementation of arms control, nonproliferation and disarmament treaties, ensuring international agreements reduce current nuclear weapon stockpiles and improving export controls which prohibit illicit WMD trafficking. The Department must continue to work in close partnership with other U.S. Government agencies, international organizations, and host governments to confront these challenges.

Resources Invested. The Department allocated an estimated 1.7% of the FY 2005 budget to Strategic Goal 4, Weapons of Mass Destruction. This equates to \$422 million, as well as an increase of 7.9% from FY 2004.

VI. Resources Invested



A Look to History: Weapons of Mass Destruction

During World War I, chemical weapons in the form of poisonous gas were used effectively by both sides to alter the outcome of battles, and caused significant casualties. In 1968, a United Nations resolution established the Non-Proliferation Treaty, which was signed by the United States, the United Kingdom, the Soviet Union, and 59 other countries. The treaty was designed to prevent the development and spread of nuclear weapons, promote the peaceful use of nuclear energy through full cooperation, and express a determination to make further progress in comprehensive arms control and nuclear disarmament measures.



The American expedition forces use new respirator gas masks during World War I. AP Photo

VII. Performance Results

PERFORMANCE GOAL 1

BILATERAL MEASURES, INCLUDING THE PROMOTION OF NEW TECHNOLOGIES, COMBAT THE PROLIFERATION OF WEAPONS OF MASS DESTRUCTION AND REDUCE STOCKPILES

INITIATIVE/ PROGRAM (I/P) #1: CURB ACCESS

Indicator #1: Access to Weapons of Mass Destruction (WMD) Impeded; States Conform to International Non-Proliferation Norms of Behavior

JUSTIFICATION (VALIDATION): Tracking this indicator provides a reliable and quality assessment of our progress toward impeding access to WMD by focusing on the cases of Russia, China, North Korea, Eurasia, and an expanding set of countries worldwide that merit this attention.

FY 2005 PERFORMANCE	Target	<p>Iran: Ceases cooperation on Bushehr reactor. Wide international consensus that Iran should not possess enrichment or reprocessing facilities until trust rebuilt. Iran begins to dismantle infrastructure; international inspectors verify dismantlement of infrastructure. Permanent, effective inspection protocols put in place (e.g., Iran formally brings International Atomic Energy Agency (IAEA) Additional Protocol into force). Iran denied WMD/missiles and related technology, materials, equipment and expertise from other countries (Widens Iran discussion from just Iran/Russia relationship).</p> <p>China: China has made some progress in the enforcement of its 1997 nuclear and 2000 missiles commitments, as well as the implementation and enforcement of its export control regulations, but many significant shortcomings remain. Diplomatic engagement in Six-Party talks continued, but no resolution.</p> <p>Libya: Implementing commitments made to U.S./UK on WMD/missiles. Meeting new obligations under the Chemical Weapons Convention (CWC) and the Nuclear Proliferation Treaty (NPT) Additional Protocol.</p> <p>North Korea: Agreement to verifiably and irreversibly dismantle its nuclear program stands. Action begins to implement dismantlement of uranium, plutonium, and nuclear programs. International inspectors verify dismantlement and program history. Agrees to halt missile exports (including related equipment and technology) and discuss constraints to its missile program; agrees to eliminate or freeze its Missile Technology Control Regime-class missile programs, and extends its missile flight test moratorium.</p> <p>Export Control – Global: Additional countries’ export control systems meet international standards. Specifically, the majority of countries in Europe/Eurasia meet internationally recognized export control standards; at least five more key transshipment countries achieve significant progress in meeting standards for effective enforcement; 10% more blocked transfers or interdiction by these states. Initiate export control cooperation with selected countries in South America.</p> <p>South Asia: Improved implementation of export controls consistent with recognized standards.</p> <p>Iraq: Signs and fully implements the IAEA Additional Protocol.</p>
	Results	<p>Iran: The IAEA Board of Governors has adopted a resolution finding Iran in noncompliance with its safeguards obligations, and confirming that Iran must be reported to the UNSC. The U.S, EU3/EU, Russia, China, Japan, and others have all made clear that only the full cessation by Iran of its nuclear fuel cycle-related activities can bring about a peaceful, diplomatic solution to this issue; the EU3 is offering negotiations contingent on Iran re-suspending sensitive nuclear fuel cycle activities. IAEA investigations in Iran continue. IAEA Director General El Baradei did not issue a written report on Iran in advance of the February 2005 IAEA Board meeting, but did provide a written report to the Board in September 2005.</p> <p>Russia has signed a spent-fuel takeback agreement with Iran and has agreed to ship fresh nuclear fuel to the Bushehr-1 reactor, but those shipments are not expected to commence until 2006.</p> <p>China: China has made some progress in the enforcement of its 1997 nuclear and 2000 missiles commitments, as well as the implementation and enforcement of its export control regulations, but many significant shortcomings remain. Diplomatic engagement in Six-Party talks continued, but no resolution.</p> <p>Libya: Confidence remains high that Libya is committed to not possessing a nuclear weapons program and export control cooperation has begun with Libyan attendance at export control legal/regulatory and enforcement workshops in September.</p> <p>DPRK: In March 2005 North Korea said that it was no longer bound by the moratorium. No talks were held to address North Korean missile proliferation or North Korea's missile program.</p>

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I/P #1: CURB ACCESS (continued)	
Indicator #1: (continued)	
FY 2005 PERFORMANCE (continued)	<p>Results <i>(continued)</i></p> <p>Export Control: In FY 2005, the Export Control and Related Border Security (EXBS) program accomplished many of its goals by helping additional countries meet international standards in export controls, engaging important states like Libya, Malaysia, Vietnam, India, Iraq, and Pakistan, and providing training and equipment that contributed to several interdictions of unlicensed strategic trade.</p> <ul style="list-style-type: none"> ● Graduated three countries and are on track to graduate two more this year. ● Assessments of countries' export control systems. ● Increased level of cooperation with transshipment countries, including Thailand, Taiwan, Singapore, Oman, Jordan, and the UAE. ● Initiated cooperation with Libya. ● We continue to assist the Iraqi Transitional Government in developing an export control system. ● Israel adhered unilaterally to the Australia Group Guidelines. ● Macedonia passed a comprehensive export control law. ● Three countries subscribed to the Hague Code of Conduct Against Ballistic Missile Proliferation. <p>South Asia: India has committed to adopt strong and effective export controls, including adherence to the Nuclear Suppliers Group Guidelines and the Missile Technology Control Regime Guidelines and Annex and it passed a new export control law.</p> <p>Iraq:</p> <ul style="list-style-type: none"> ● We are in discussions with the Iraqi Transitional Government. ● The Iraqi Transitional Government requested assistance in removing the remaining nuclear materials at Tuwaitha. ● Iraqis attended an export control conference in London in November 2004 and are planning to attend to two additional export control conferences this summer. ● On October 13, 2004, Prime Minister Allawi named Dr. Mousa Jaffar al-Atia as Chairman of the Iraqi Radioactive Source Regulatory Authority. ● The IAEA and the U.S. jointly provided a radioactive workshop in Amman Jordan December 5-9, 2004, and conducted a follow-on workshop in Washington DC on March 22-25, 2005.
	<p>Rating ■ Below Target</p>
	<p>Impact</p> <p>Performance on this indicator allows us to determine the degree to which U.S. nonproliferation policies are helping to halt the spread of WMD and their delivery systems. Failing to meet fully our targets increases the possibility that countries or terrorists could acquire WMD or their delivery systems.</p>
	<p>Reason for Shortfall</p> <p>China: China's mixed record of enforcement of its export controls stems, in part, from a lack of resources and training devoted to detecting proliferation-related shipments.</p> <p>DPRK: Since 2003, the U.S. Government has focused on addressing North Korea's nuclear weapons program. This shift in focus did not permit discussions to take place to address North Korea's missile programs and proliferation.</p>
	<p>Steps to Improve</p> <p>China: We will continue to work with the Chinese on a candid, constructive, and cooperative discussion on issues related to the proliferation of WMD and their delivery systems. The United States will continue to work closely with other like-minded countries to address North Korea's missile efforts.</p>
PERFORMANCE DATA	<p>Data Source</p> <p>Diplomatic cables and first hand accounts of activities from posts, export control advisors, and independent assessments of EXBS countries' export control system development.</p>
	<p>Data Quality (Verification)</p> <p>We believe that our (export control) assessment methodology is reliable as long as it is implemented as directed.</p>

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I/P #1: CURB ACCESS (continued)	
Indicator #1: (continued)	
PAST PERFORMANCE	2004
	<ol style="list-style-type: none"> 1. Russia: Maintained international consensus on need to pressure Iran to intensify its cooperation with the IAEA and met its promises regarding enrichment and reprocessing suspension. However, although the Russian Government has taken some steps to control exports, Russian entities continued to engage in nuclear and missile cooperation with Iran. 2. Although Beijing has taken steps to educate firms and individuals on the new missile-related export regulations, some Chinese entities continued to engage in transfer activities, particularly with Pakistan and Iran. 3. North Korea continued its flight test moratorium, and U.S. efforts to discourage countries from buying North Korea missiles and to impede technology transfers have promoted a discernable reduction in North Korean missile-related export activity. 4. The Export Control and Related Border Security Assistance (EXBS) Program graduated the Czech Republic, Hungary, and Poland at the end of FY 2003. Lithuania, Latvia, and Estonia graduated from the EXBS program in FY 2004. Since CY 2002, the focus of the EXBS program has expanded well beyond the Newly Independent States (NIS), now known as Former Soviet Union (FSU) countries. The expanding proliferation threat has necessitated the growth of the EXBS program into a global enterprise, which encompasses new countries of concern, including those in the Middle East, the Balkans, South and Southeast Asia, and Africa.
	2003
	<ol style="list-style-type: none"> 1. Russia: Maintained its cooperation with Iran's Bushehr light-water reactor program, but expressed increasing concern as IAEA established Iranian safeguards violations, and pressed Iran to abandon its nuclear fuel cycle pursuits. International consensus against fuel-cycle-related nuclear transfers to Iran remains in place. 2. China: Continued to cooperate. Attention, however, has been given to other priorities that have arisen. 3. North Korea: Not contributed to nuclear programs in other countries, but ballistic missile exports contribute to destabilizing already volatile regions of the Middle East/North Africa and South Asia. 4. NIS countries: GAN (Russia's nuclear regulatory agency) accepted assistance from the G-7 to determine what regulatory provisions need to be adopted to ensure that Russia's nuclear safety regime will be consistent with the convention on nuclear safety. Russia became a member of the Nuclear Safety and Security Group (NSSG). The Ukrainians increased staff to meet increasing responsibilities. New Safe Confinement conceptual design completed and obtained regulatory approval. 5. Stabilization contractor selected and mobilized. 6. G8 Initiative: Accepted assistance from the G-8 to determine what regulatory provisions need to be adopted to ensure that Russia's nuclear safety regime will be consistent with the Convention on Nuclear Safety. <ul style="list-style-type: none"> ● Russia became a member of the Nuclear Safety and Security group. ● Ukrainians increased staff to meet its increasing responsibilities. ● New Safe Confinement conceptual design is completed and obtains regulatory approval. ● Stabilization contractor is selected and mobilized.
2002	<ol style="list-style-type: none"> 1. Russia: Exported technology; increased attention to Iran's WMD and missile programs. 2. China: Implemented its 1997 nuclear commitment but not its 2000 missile commitment. 3. North Korea: Accepted U.S. offer for talks, but continued to export missile-related items. 4. NIS Countries: European countries developed export controls; some NIS countries moved towards controls.




Secretary Rice shakes hands with South Korean President Roh Moo-hyun during their meeting at the presidential house in Seoul, July, 2005.

AP/Wide World Photo

I/P #1: CURB ACCESS (continued)

Indicator #2: Progress Toward Implementing Fissile Material Projects

JUSTIFICATION (VALIDATION): This indicator measures the most important elements of nuclear and radioactive material disposal thereby helping to prevent misuse.

FY 2005 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. Begin implementing Plutonium disposition multilateral framework and international financing plan. 2. Conclude agreements with IAEA on monitoring and inspection regime. 3. Continue implementing the Plutonium Production Reactor Agreement (PPRA). 4. Begin implementing reduced plutonium production. 5. Implement Mayak Fissile Material Storage Facility (FMSF) transparency arrangements. 6. Obtain pledges of ninety-five percent of global partnership target, and twenty percent of actual spending commitments.
	Results	<ol style="list-style-type: none"> 1. Plutonium disposition: Major progress made in resolving the liability issue and positive movement on multilateral financing. 2. Major progress made on Monitoring and Inspection. But two significant issues remain to be resolved in order to conclude agreements.
	Rating	 Below Target
	Impact	Potential delay in beginning the disposition of weapon-grade plutonium.
	Reason for Shortfall	External factors (Russia's program review) have delayed reaching the targets and other disposition activities.
	Steps to Improve	Seek to define an adjusted path forward if Russia's review permits.
PERFORMANCE DATA	Data Source	Plutonium Disposition – State cables, meeting reports, documents being negotiated.
	Data Quality (Verification)	This indicator reliably measures progress toward the Department's overall goal "to redirect WMD expertise, material and equipment." The target represents significant cooperation to reduce the threat of nuclear proliferation by focusing on key elements of U.S. policy – in the areas of security and elimination of fissile material.
PAST PERFORMANCE	2004	<ol style="list-style-type: none"> 1. Substantial progress on redefining acceptable approaches for the plutonium disposition multilateral framework and financing plan, for resolving the overarching liability issues, and for minimizing program delays pending complete fulfillment of the targets. 2. Mayak FMSF transparency negotiations continued. 3. PPRA implementation fully underway, several prospective international participants identified.
	2003	<ol style="list-style-type: none"> 1. Russia decided to use the same design for mixed oxide fuel fabrication facility as in the U.S.; negotiations of a multilateral framework to support Russian plutonium disposition started and continued. 2. PPRA Amendment and replacement implementing agreement signed; access arrangements for U.S. personnel overseeing projects to construct/refurbish fossil fuel plants to replace production reactors signed; initial contracts signed and implementation underway. PPRA monitoring of shutdown reactors and weapon-grade plutonium in storage continued smoothly. 3. Negotiations continued on Mayak FMSF.
	2002	<ol style="list-style-type: none"> 1. Progress made on Russian plutonium stockpile implementation and transparency issues. 2. Preparations for negotiations of U.S.-Russian plutonium-disposition multilateral framework are on track. 3. PPRA amendment and fossil fuel implementing agreement concluded, awaiting Russian Government approval to sign.

I/P #1: CURB ACCESS (continued)

Indicator #3: Number of Institutes and Scientists Graduated Into Commercially Sustainable Ventures

JUSTIFICATION (VALIDATION): This indicator is a consistent measure of our performance, especially in programs the Department controls because the graduation of each institute removes it and the associated scientists from funding dependency.

FY 2005 PERFORMANCE	Target	<ol style="list-style-type: none"> Gain access to at least two new previously inaccessible biological weapons and/or chemical weapons institutes in Russia/Eurasia via the Bio-Chem Redirect Program, and at least four new high-priority former WMD institute in member countries Azerbaijan and Tajikistan. Increase level of U.S. private industry funding of joint science center projects to 15% of total project funding. Graduate 2-3 institutes or groups of scientists from Nonproliferation/Science Center Program assistance. Identify candidates among chemical and biological institutes for graduation in FY 2006. Begin two new conversion and commercialization projects at priority biological weapon production facilities. Fund two new projects on accelerated drug and vaccine research. Initiate effort in Iraq to engage, redirect, retrain and/or re-employ former WMD scientists and engineers. Establish initial group of transition and training activities; develop database of available scientists/engineers; coordinate activities with other reconstructions efforts.
	Results	<ol style="list-style-type: none"> First-ever access obtained to formerly closed Pavlodar Chemical Plant in Kazakhstan in November 2004. First ever U.S. Government access to an additional eight bio-chem institutes in Azerbaijan. First ever Science and Technology Center in Ukraine project funding granted to an additional high-priority institute in Ukraine. Engagement of five high-priority institutes the Kyrgyz Republic. Through the Iraqi International Center for Science and Industry, engaged former WMD experts in the pursuit of technology solutions in forensics and law enforcement, which will draw Russian, Canadian and U.S. Department of Energy funds and expertise. Three bio institutes and one chemical institute graduated in 2005, one year ahead of schedule for the Bio-Chem Redirect program. That brings the cumulative total of WMD institutes graduated to commercially sustainable ventures to 22. Funded over \$2 million in new research in six countries through the Iraqi Center; nearly \$3 million in four countries through the Science and Technology Center in Ukraine. Convening the Governing Board meetings of those organizations in Kazakhstan and Georgia, respectively, raised increased support from other donors for meeting nonproliferation objectives in those states. Worked with Department of Energy patents office to approve licensing by a U.S. firm of a chemical process safety computer software developed by ex-Soviet chemical weapons researchers. Russian inventors of a novel HIV vaccine began realizing royalty income under a commercial arrangement brokered by Bio Industry Initiative staff; the platform for vaccine delivery holds promise for broader application and revenue to the inventors, former biological weapons scientists. The Iraqi International Center for Science and Industry currently provides monthly stipends to around 120 Iraqi scientists and senior technicians with WMD expertise. Twenty-three such scientists were recently "graduated" to permanent positions with the Ministry of Environment. The Iraqi Center is funding participation of Iraqi scientists in various workshops and international conferences, and reviewing approximately 100 project proposals submitted by participating Iraqis for funding consideration.
	Rating	■ On Target
	Impact	This indicator measures the success in re-directing WMD expertise toward legitimate non-lethal enterprises. This is expertise that might otherwise be available for exploitation by terrorists and rogue nations.
PERFORMANCE DATA	Data Source	The data comes from graduation records of the various institutes.
	Data Quality (Verification)	The data and methodology are widely regarded as accurate and available to the public for verification.
PAST PERFORMANCE	2004	Cumulative total of 18 WMD institutes graduated to commercially sustainable ventures. Focused on approximately 165 former Soviet institutes of proliferation concern of the 430 involved as lead or supporting institutes in U.S. funded research and on several hundred Iraqi and Libyan scientists and technicians.
	2003	Refined model/metrics for graduation of institutes and began collection of financial data from institutes. Cumulative total of 16 institutes graduated to commercial ventures.
	2002	<ol style="list-style-type: none"> Engaged cumulative total of 50,000 scientists, of whom about 26,000 were former WMD scientists. Eight new U.S. industry partners recruited and eight institutes graduated to commercial ventures. Three new technological applications brought to market, including Neurok TechSoft (linear differential equation solver), a laser-based fluorocarbon detector, and new computer animation technology.

I/P #2: COOPERATION WITH ALLIES/FRIENDS ON MISSILE DEFENSE

Indicator #4: Status of Cooperation With Allies on Missile Defense

JUSTIFICATION (VALIDATION): U.S. missile defense deployment plans depend in part on Allied cooperation. Also, the U.S. seeks a cooperative approach with allies and friends to address the increased ballistic missile threat, including through missile defense.

FY 2005 PERFORMANCE	Target	1. All key allies and friends endorse the deployment of the limited U.S. missile defense system. 2. More allies/friends work with U.S. on missile defense-related projects, or some allies/friends undertake their own missile defense-related projects without the U.S.
	Results	Work continued on a bilateral basis with over a dozen countries, as well as work within the NATO Alliance. The Alliance Military Committee formally accepted a military requirement to provide NATO-wide Theater Missile Defense capabilities, and committed funding to the development of command and control capabilities for the system. Japan proposed to strengthen U.S.-Japan efforts as well as their own missile defense projects to enhance ballistic missile defense capabilities and relaxed its own "three principles" export control in regard to missile defense cooperation. We continued discussions with India on how India plans to incorporate missile defense into its strategic concepts and doctrine.
	Rating	■ On Target
	Impact	Cooperation in the field of missile defense responds to existing and emerging threats to the U.S., its allies, and friends by reducing the incentives for the acquisition of ballistic missiles, strengthening bilateral and multilateral relationships, enhancing deterrence, providing defensive capabilities in case deterrence fails, and reinforcing stability.
PERFORMANCE DATA	Data Source	Data used to measure performance will be based on announcements and actual contracts.
	Data Quality (Verification)	This data are official, objective and accurate. Reporting from U.S. Government/Allies is crosschecked to ensure reliability and completeness.
PAST PERFORMANCE	2004	The U.S. and Canada agreed to permit the North American Aerospace Defense Command to support the Missile Defense Mission. Denmark agreed to upgrade the early warning radar at Thule, Greenland. Australia announced participation in the U.S. missile defense program and signed a memorandum of understanding on cooperation. We began discussions with India its interest in missile defense. A NATO Staff Requirement for Active Layered Theater Ballistic Missile Defense was established. With regard to NATO-Russian cooperation, Phase I of the TMD interoperability study was undertaken successfully, and included an effective NATO-Russia theater ballistic missile defense exercise at Colorado Springs involving participation by ten states.
	2003	U.S. gained NATO agreement to specific missile defense deployment goals/options for protecting Alliance deployed military forces, as well as Alliance territory and population centers. Allies explored options for territorial missile defense at NATO Summit in November 2002.
	2002	Intensive consultations held with Allies concerning the U.S. Nuclear Posture Review, U.S. withdrawal from the Anti-Ballistic Missile Treaty, and the Moscow Treaty. Allies and friends welcomed the Moscow Treaty and accepted U.S. withdrawal from the Treaty. Diplomatic efforts continued with Allies and friends to gain their active support for, and participation in, U.S. missile defense plans and programs.

IAEA Board Committee on Safeguards and Verification

In June 2005, the International Atomic Energy Agency (IAEA) Board of Governors established a Committee on Safeguards and Verification, as President Bush proposed in February 2004. This Committee will consider ways to strengthen the IAEA safeguards system, and thereby strengthen the IAEA's ability to ensure that countries comply with their nuclear nonproliferation obligations.

IAEA Director General Mohamed ELBaradei, left, talks with the Head of the U.S. delegation to the IAEA, Ambassador Gregory Schulte at the start of the board of governors meeting in Vienna, September 2005. AP/Wide World Photo



I/P #3: COOPERATION WITH RUSSIA ON NEW STRATEGIC FRAMEWORK

Indicator #5: Levels of Offensive Warheads; Transparency; Missile Defense Cooperation; Level of Treaty Implementation

JUSTIFICATION (VALIDATION): The New Strategic Framework is a key element in the transformation of the U.S.-Russian relationship from confrontation to cooperation. We seek Russian cooperation in managing our strategic relationship and in addressing the new challenges of the 21st century. Key elements of the New Strategic Framework are cooperation in implementing the Moscow Treaty and cooperation in missile defense, and will indicate whether the New Strategic Framework is being fulfilled.

FY 2005 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. Reductions under the Moscow Treaty proceed. Any implementation issues that arise are resolved. 2. Transparency exchanges concerning strategic and non-strategic arms implemented smoothly. 3. Implementation of voluntary and reciprocal transparency and predictability efforts vis-à-vis missile defense plans and programs. 4. Continue implementation of U.S.-Russian missile defense-related cooperation projects. 5. The Joint Data Exchange Center (JDEC) is open and completely established, where U.S. and Russian military operators monitor side-by-side launches of ballistic missiles and space launch vehicles. 6. U.S./NATO reach agreement within the NATO framework with Russia about long-term missile defense cooperation.
	Results	Moscow Treaty reductions continue apace. Transparency exchanges, such as briefings on strategic force sustainment, were implemented successfully, and the U.S. proposed additional transparency, including new military exchanges. The U.S. provided an update on our missile defense plans and Russia briefed on its anti-ballistic missile flight test. Negotiations on a bilateral Defense Technical Cooperation Agreement progressed. Experts discussed taxation and liability provisions for nuclear-related assistance projects that could eventually help resolve the taxation and liability impasse in the JDEC agreement. Under the aegis of the NATO-Russia Council the Theatre Missile Defense (TMD) Ad Hoc Working Group conducted the second in a series of joint NATO-Russia TMD Command Post Exercises. The Russian Federation has offered to host a TMD Command Post Exercise in the latter part of 2006. The TMD Ad-Hoc Working Group is conducting a TMD interoperability study aimed at developing interoperability concepts as well as conducting a series of exercises to test and validate joint tactics and procedures. Over three million Euros (\$3.6M) have already been committed to the Interoperability Studies and Exercise program.
	Rating	■ Below Target
	Impact	U.S.-Russia forums that exchange information and foster transparency regarding nuclear forces and missile defense serve to promote a more predictable strategic environment and build trust.
	Reason for Shortfall	Differences exist between U.S. and Russian approaches to transparency. JDEC stalled over liability provision tied to issues beyond the scope of this indicator.
	Steps to Improve	Continue to meet regularly in treaty-mandated commissions. U.S. and Russia have agreed to work out proposals on the composition and modalities for new forums to discuss defense and security cooperation and to strengthen confidence.
	PERFORMANCE DATA	Data Source
Data Quality (Verification)		This data are objectively correct. Assessments of progress in negotiations/consultations are based on embassy and delegation reporting.
PAST PERFORMANCE	2004	The Moscow Treaty Bilateral Implementation Commission met for the first time in April 2004. Moscow Treaty reductions were underway. In the Working Group on Offensive Transparency, the U.S. proposed practical transparency related to non-strategic nuclear warheads and strategic activities. In the Working Group on Missile Defense. Implementation of the JDEC was delayed mainly due to an impasse on taxation and liability issues that transcends this agreement. A longstanding issue concerning the B-1 bomber was resolved in the Joint Compliance and Inspection Commission (JCIC).
	2003	Moscow Treaty entered into force on June 1, 2003. The U.S. and Russia began exchanging information on their plans for reductions under the Moscow Treaty. In February 2003, NATO and Russia agreed on a work plan that includes some nuclear CSBMs. Discussions on START implementation continued on a more positive basis than in previous years; two meetings of the JCIC took place.
	2002	U.S. and Russia established a New Strategic Framework, including commitment to deep reductions in strategic nuclear warheads. The Treaty on Strategic Offensive Reductions was signed in Moscow in May 2002, calling for reductions to 1,700-2,200 warheads for each side by December 31, 2012. U.S. withdrew from Anti-Ballistic Missile Treaty, thus removing the principal legal obstacle to deployment of missile defenses. All parties completed the final START I reductions by the required deadline of December 5, 2001.

**NON-PROLIFERATION AND DISARMAMENT FUND
(PART PROGRAM EFFICIENCY MEASURE)**

Indicator #6: Percentage of Project Results Achieved Within Budget Per Completed Project

JUSTIFICATION (VALIDATION): This indicator measures the administrative effectiveness of the Non-Proliferation and Disarmament Fund (NDF) program.

FY 2005 PERFORMANCE	Target	Long-term measurements for each high priority project established and in use.
	Results	Completed. Long-term measures were implemented in CY 2004.
	Rating	■ On Target
	Impact	Instituting long-term measures allows accurate assessments of the program's financial management and effectiveness.
PERFORMANCE DATA	Data Source	NDF Records.
	Data Quality (Verification)	The data are judged to be accurate and are subject to audits.
PAST PERFORMANCE	2004	Long-term measures are under development. At this juncture, the Department envisions measuring outcomes in terms of the budgetary parameters established for each individual NDF project. The key measurement will be to assess the effectiveness of NDF's management of high priority projects undertaken by gauging project outcomes within the established budget.
	2003	Baseline: Program does not have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program.
	2002	N/A.



Secretary Rice approaches the podium to address the Washington diplomatic corps on the second anniversary of the Proliferation Security Initiative at the State Department in Washington, May, 2005. Behind her is the Singapore Ambassador to the U.S. Heng Chee Chan.
AP/Wide World Photo

PERFORMANCE GOAL 2
STRENGTHENED MULTILATERAL WMD AGREEMENTS AND NUCLEAR ENERGY COOPERATION
UNDER APPROPRIATE CONDITIONS

I/P #4: STRENGTHEN GLOBAL NORMS

Indicator #1: Status of the Non-Proliferation Treaty and the International Atomic Energy Agency

JUSTIFICATION (VALIDATION): This indicator tracks the extent to which the global community supports and takes actions to increase the effectiveness of the NPT against new proliferation threats while continuing to provide other benefits.

FY 2005 PERFORMANCE	Target	<ol style="list-style-type: none"> 2005 NPT Review Conference reinforces value of Treaty; many parties support recommendations to strengthen compliance with nonproliferation obligations, including support for the Additional Protocol, export controls, and safeguards. Additional states negotiate, sign and implement the Additional Protocol, including most NPT parties with major nuclear programs. Work toward implementing the U.S. Additional Protocol continues to proceed slowly. Additional safeguards funding and improved approach to implementation continue to strengthen safeguards system. IAEA program to combat nuclear terrorism remains strong and continues to strengthen the security of nuclear and other radioactive material.
	Results	<ol style="list-style-type: none"> 2005 NPT Review Conference demonstrated continued support for Treaty, focused on DPRK and Iran NPT violations and on measures to strengthen compliance with Articles I,II and III; however, procedural disputes sharply limited time available for debate and for negotiation on an outcome document. Steady momentum continues on the Additional Protocol with 15 more agreements approved by the Board with the total now at 112; of these 104 are signed, and 69 are in force. All NPT parties with nuclear power reactors have concluded an Additional Protocol except for Argentina and Brazil. The Board approved an Additional Protocol for Malaysia in September, which represented an important step toward broader acceptance of the Additional Protocol by members of the NAM. A Committee on Safeguards and Verification was approved by the IAEA Board of Governors in June. This initiative of President Bush is designed to further strengthen safeguards and to bolster the IAEA's role in enforcement. Progress toward implementation of the Additional Protocol has not met expectations. IAEA has selected computer replacement contractor. IAEA reviews of safeguards program and implementation consistent with U.S. views. IAEA undertakes review of centrifuge enrichment safeguards. The IAEA safeguards budget increased by a further \$4 million, enabling the United States to reduce the voluntary contribution for safeguards equipment and redirect funds to nuclear security and safeguards technical support. Through training, education, evaluation and provision of equipment the IAEA's nuclear security program continues to assist states in improving their preparedness to deal with malicious acts involving nuclear or radiological material, to enhance radiation monitoring at borders, to improve physical security at nuclear facilities, and to secure some vulnerable radioactive sources.
	Rating	■ On Target
	Impact	Performance on this indicator allows us to determine the degree to which U.S. policies toward the NPT and IAEA are helping to strengthen the role of these treaties against nuclear weapons proliferation. Any shortfalls could overtime lead to new violations of the NPT, including through the acquisition of nuclear weapons.
PERFORMANCE DATA	Data Source	Diplomatic cables and first hand accounts of activities. IAEA public records.
	Data Quality (Verification)	The data used for the measurement of this indicator are fully observable, straightforward information taken from diplomatic reports and budget records. The data are reliable and comprehensive.

Continued on next page


INITIATIVE/ PROGRAM (I/P) #4: STRENGTHEN GLOBAL NORMS (continued)		
Indicator #1: (continued)		
PAST PERFORMANCE	2004	<ol style="list-style-type: none"> UNSCR 1540 adopted. DPRK did not reverse withdrawal. No additional withdrawals. Libya violated the Treaty, but it also declared that it would abandon nuclear weapons and return to compliance with the NPT.
	2003	<ol style="list-style-type: none"> Progress on implementing some key conclusions of 2000 NPT Review Conference. Indefinite extension holds. No state withdraws from Treaty. No new cases of non-compliance.
	2002	<ol style="list-style-type: none"> IAEA took action on integrated safeguards and emphasized financial needs. Nine more states signed bringing the total to sixty-seven of which twenty-eight protocols have entered into force. The IAEA Board approved a multi-year, \$11.5 million a year program to address the prevention of, detection of and response to nuclear terrorism.

Indicator #2: Status of the Physical Protection Convention (CPPNM)		
<p>JUSTIFICATION (VALIDATION): The indicator is a reliable measure of progress toward our overall goal as the CPPNM is one of the key components of the international system of nonproliferation treaties, norms and standards.</p>		
FY 2005 PERFORMANCE	Target	Sufficient number of States sign revised CPPNM to allow convention to come into force with U.S. ratification.
	Results	Diplomatic Conference held on 4-8 July 2005 and resulted in adoption of amendments extending the scope of the CPPNM to cover nuclear material in peaceful uses in domestic use, storage and transport and establishing a sabotage offense while ensuring that coverage did not extend to activities of military forces during conduct of official duties.
	Rating	■ On Target
	Impact	This program will enhance the physical protection of nuclear material from theft by terrorists and sub-national group and is of direct relevance to the Presidential agenda.
PERFORMANCE DATA	Data Source	Diplomatic cables and first hand accounts of activities. Informal consultations with IAEA Secretariat on status of request for diplomatic conference.
	Data Quality (Verification)	Data are based on observable activities and first-hand accounts of activities.
PAST PERFORMANCE	2004	The U.S. has not yet signed the CPPNM. The IAEA circulated a proposal of the Austrian Government to revise the CPPNM in July 2004. A simple majority of CPPNM Parties must request the IAEA Director General to convene a diplomatic conference to consider the Austrian proposal. To achieve the necessary majority of 53 Parties, the United States has been coordinating diplomatic strategy with the Core Group and Austria. As of 4 October, 29 of 53 Parties have requested the conference. The current goal is the convening of a diplomatic conference in early 2005.
	2003	After two meetings, the Drafting Group concluded its work without reaching consensus on a revision proposal, but did identify a set of possible amendments warranting consideration by States Parties as the basis for a proposal.
	2002	<p>Baseline:</p> <ol style="list-style-type: none"> The IAEA met to discuss whether the CPPNM should be revised or strengthened. Experts made recommendations. The Experts Group recommended "well defined amendment" to CPPNM for consideration by the Drafting Group. The Drafting Group worked on recommendations for consideration by a revision conference.

I/P #5: CHEMICAL WEAPONS CONVENTION

Indicator #3: Viability of the Chemical Weapons Convention (CWC)

JUSTIFICATION (VALIDATION): The Organization for the Prohibition of Chemical Weapons (OPCW) needs to be an efficient and viable organization so that it can carry out all the inspections needed to ensure compliance with the CWC. The Department is using one target to measure the number of inspections in the number of countries (as opposed to the number of inspections alone) because our objective is to spread the geographic scope of inspections so that every site of concern is inspected. The number of States-Parties provides a measure of the CWC's growing influence and universality, and provides one measure of whether the CWC is an effective instrument for reducing the WMD threat.

FY 2005 PERFORMANCE	Target	<ol style="list-style-type: none"> 157 States-Parties. OPCW management and financial reforms show results: inspection program expands in terms of number of sites inspected and number of countries inspected to 230 sites inspected in 57 countries. Completion of destruction operations at first Russian facility (Gorniy), second destruction facility to be completed by 12/31/05; and construction begins on a third facility.
	Results	<ol style="list-style-type: none"> 174 States-Parties. Destruction of Libya's stockpile not completed as targeted due in part to U.S. statutory requirements that limit assistance by U.S. companies. At the time of reporting, the OPCW was on target to complete 162 inspections worldwide (up from 132 in 2004). So far, 79% of all States-Parties have designated a National Authority, and 65% have implementing legislation enacted or in the review process.
	Rating	 Below Target
	Impact	<ol style="list-style-type: none"> The increasing number of States-Parties demonstrates the CWC's growing influence and universality, and enhances the CWC's effectiveness in reducing the WMD threat. Libya's accession to the CWC was especially significant, because it had been a major rogue state and is associated with Middle East politics. It is important that the OPCW be an efficient and viable organization so that it can carry out all the inspections needed to ensure compliance with the CWC. The OPCW has made significant recovery since the administrative and financial crisis of 2002, and, as demonstrated by the agreed action plan, is now able to devote more attention to its core responsibilities. Russia possesses the world's largest chemical weapons stockpile, destruction of which is an essential requirement of the CWC. Several destruction facilities must be built before significant stocks can be destroyed, and international financial assistance is required.
	Reason for Shortfall	Libyan plans for chemical weapons destruction were overly optimistic, and Russian chemical weapons destruction facilities construction and operations suffer from chronic under funding.
	Steps to Improve	Libyan planning is being revised and they should still be able to meet CWC deadlines. Russian chemical weapons destruction operations will accelerate as more facilities come on line. Two more facilities will start operating in 2006.
PERFORMANCE DATA	Data Source	Public announcements by States Parties and/or OPCW. OPCW internal reports and bilateral consultations.
	Data Quality (Verification)	The data used to measure this indicator are readily available for verification and widely regarded as accurate.
PAST PERFORMANCE	2004	164 States-Parties to the CWC. Ensured rapid submission of an accurate declaration of Libya's chemical weapons stockpile and civilian chemical industry and began destruction of its Chemical Weapon stockpiles. U.S. Government and OPCW undertook an Article VII action plan to promote effective domestic implementation of CWC obligations by States-Parties. OPCW inspection program was put at risk by U.S. delay in paying assessments, but by end of year, U.S. paid enough to ensure a full program of inspections.
	2003	150 States-Parties. One destruction facility in Russia begins operations. OPCW under good management and conducting full inspection program.
	2002	148 States-Parties and Libya and Thailand voiced intent to join. The U.S. fully implemented CWC industry obligations by meeting all declaration and reporting requirements. U.S. succeeded in bringing about a change of OPCW leadership and provided a \$2 million voluntary contribution to resolve OPCW financial crisis. Department ensured significant international financial assistance provided for Russian chemical weapons destruction.

I/P #6: BIOLOGICAL WEAPONS CONVENTION

Indicator #4: Number of States-Parties That Incorporate U.S. Proposals in Their National Approaches to Controlling the Biological Weapons Threat

JUSTIFICATION (VALIDATION): This indicator is a direct measure of the success of U.S. diplomacy in persuading other Biological Weapons Convention (BWC) States-Parties to follow the U.S. approach for strengthening implementation of the BWC. If all States-Parties undertake the desired national actions, it will be much more difficult for terrorists or rogue states to acquire biological weapons.

FY 2005 PERFORMANCE	Target	Forty to forty-five of the 150 total States-Parties incorporate U.S. alternative proposals in their national approaches to controlling the BW threat.
	Results	The 2003-2005 work program, derived from U.S. proposals, has been remarkably successful in raising awareness of States-Parties to the urgency of establishing and/or strengthening national measures to combat the growing biological weapons threat. 40 countries incorporated U.S. proposals into their national efforts.
	Rating	■ On Target
	Impact	Traditional inspection regimes are not effective in determining compliance with bans on biological weapons. The U.S. therefore devised alternative ways to improve BWC implementation, focusing on coordinating and expanding national implementation efforts through a multi-year work program. In 2004, the focus changed to disease surveillance, suspicious outbreaks, and alleged use. In 2005 the focus was on codes of conduct. The fact that all States-Parties are acknowledging the need for improvement in national implementation holds promise that the BWC will be strengthened.
PERFORMANCE DATA	Data Source	Public announcements by States. States-Parties' reports to other States-Parties and delegation reporting.
	Data Quality (Verification)	The data used to measure this indicator are readily available for verification and widely regarded as accurate.
PAST PERFORMANCE	2004	78 States-Parties pledged to implement and enforce appropriate pathogen security and national implementation measures, which was the first subject of the U.S.-proposed multi-year work program.
	2003	At the November 2002 Review Conference, States-Parties agreed to a work program based on U.S. proposals. By end of 2003, 25 states reported that national legislation was already in place (the first item of the work program), and all 80 States-Parties participating in the 2003 meeting agreed that such legislation was an important element of their obligations. All participants agreed on the importance of biosecurity (the second item of the work program), though only 20 States-Parties indicated they had an awareness-raising program in their countries.
	2002	U.S. Government rejected a legal verification Protocol for the BWC, developed an alternative package of effective measures to strengthen the BWC, and began discussions with other BWC States-Parties.

Resolution of Liability for U.S.-Russian Agreements

In July 2005, the United States and the Russian Federation successfully completed negotiations resulting in conformed English and Russian texts of the long-awaited liability protections protocol for the plutonium disposition program. This protocol is now ready for the formal governmental approval process in Russia, after which both countries will sign it. Moving forward on the liability protocol facilitates each country's plan to dispose of 34 metric tons of surplus weapon-grade plutonium - enough for more than eight thousand nuclear weapons. In addition, the liability protocol will provide a path for cooperation in a number of other nonproliferation and threat reduction areas, including possible new programs under the 1992 Cooperative Threat Reduction Umbrella Agreement.



Russian Foreign Minister Sergey Lavrov, right, and U.S. Ambassador William Burns meet in Moscow, August 2005. AP/Wide World Photo

I/P #7: PROMOTE SAFE NUCLEAR COOPERATION

Indicator #5: Unsafe Reactor Closures and Nuclear Waste Improvements

JUSTIFICATION (VALIDATION): This indicator provides the best information to measure progress by focusing on the key elements of U.S. policy – nuclear cooperation under international agreements, closing or replacing nuclear reactors in the former Soviet Union, and Russian nuclear waste policy.

FY 2005 PERFORMANCE	Target	International community continues to provide funds to help with Russian nuclear waste. Decommissioning begins for Ignalina Unit 1 in Lithuania. Bulgaria prepares to shut down Kozloduy Units 3 and 4. Armenia negotiates the closure of its plant.
	Results	The International program addressing cold war legacy nuclear waste issues in Russia has expanded rapidly this year. Many major projects involving nuclear submarine dismantlement, infrastructure development and long-term reactor vessel storage facility are well underway. Ignalina 1 was permanently shutdown on 31 December 2004; decommissioning has begun. Under its accession agreement with the EU, Bulgaria's Kozloduy Units 3 and 4 are designated for shutdown in 2006. The EU, IAEA and the U.S. are renewing negotiations with Armenia to ensure that the reactor will be shutdown by the end of design life, 2016.
	Rating	■ On Target
	Impact	Shutdown of the most dangerous nuclear power plants and progress in cleaning up Russian nuclear waste will greatly enhance global safety and security.
PERFORMANCE DATA	Data Source	Reports provided by foreign interlocutors. Information taken from the International Atomic Energy Agency or European Union websites or publications, such as Nucleonics Week. Frequent briefings by the European Bank for Reconstruction and Development.
	Data Quality (Verification)	Data are verified through the Department's G-8 Nuclear Safety and Security Group sources.
PAST PERFORMANCE	2004	<ol style="list-style-type: none"> Lithuania still plans to close Ignalina 1 by the end of CY 2004, but the new government is expected to ask EU for an additional 6 months of operation. EU is pressing Bulgaria to shutdown Kozloduy Units 3 & 4 by 2006, but Government of Bulgaria resisting. Government of Armenia and USAID are developing a decommissioning plan for the Armenia nuclear power plant. Ukraine submitted Khmelniiski 2 and Rovno 4 reactor proposal to the EBRD that include post-start-up safety upgrades consistent with international safety standards. G7, EC and EBRD will monitor progress. Multilateral Nuclear Environmental Program in the Russian Federation concluded and signed by all, including U.S. Liability annex not acceptable, so U.S. did not sign.
	2003	<ol style="list-style-type: none"> Ignalina initiated closure procedures for Unit 1 and plans for closure of Unit 2. Russia worked on a comprehensive plan for de-commissioning some of its reactors. Began a comprehensive plan for addressing nuclear waste issues.
	2002	<ol style="list-style-type: none"> Positive results achieved in Eastern Europe: e.g., Lithuania and Armenia; Bulgaria shut down two of its four high-risk reactors. Liability agreement reached with Russia allowing U.S. participation in waste cleanup; implementing agreements negotiated.

President Vladimir Putin greets Secretary Rice during their meeting in the Kremlin in Moscow, April, 2005. AP/Wide World Photo



PERFORMANCE GOAL 3

VERIFICATION INTEGRATED THROUGHOUT THE NEGOTIATION AND IMPLEMENTATION OF NONPROLIFERATION AND ARMS CONTROL AGREEMENTS AND COMMITMENTS AND RIGOROUS ENFORCEMENT OF COMPLIANCE WITH IMPLEMENTATION AND INSPECTION REGIMES

I/P #8: ARMS CONTROL AND NON PROLIFERATION VERIFICATION

Indicator #1: Status of Compliance with Arms Control, Nonproliferation, and Disarmament Treaties, Agreements and Commitments

JUSTIFICATION (VALIDATION): Other nations agree to acceptable solutions to verification and noncompliance concerns. National means and methods (NMM), intelligence reporting, data exchanges, declarations, inspections, research results, and established for resolving concerns over the long-term will enhance verification and validate compliance by Libya, DPRK, and other countries.

FY 2005 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. Begin verified dismantlement of North Korea’s nuclear weapons program. Agree with North Korea verification measures related to North Korea’s agreement to halt missile technology transfers. 2. Iran ratifies and fully implements the Additional Protocol. Iran codifies its agreement with the European Union (EU3) to bring about a cessation of all uranium enrichment activities. Work with EU3 to halt heavy water reactor construction. 3. Implementation of improved verification for the PPRA. 4. Fissile Material Cutoff Treaty (FMCT) basic verification agreed to. 5. Effective implementation of the START Treaty through the JCIC and the Moscow Treaty through the BIC.
	Results	<ol style="list-style-type: none"> 1. Denuclearization of the DPRK — On September 19, 2005, the DPRK committed to abandoning all nuclear weapons and existing nuclear programs and returning, at an early date, to the NPT and to IAEA Safeguards. Steps to implement the complete, verifiable, irreversible dismantlement are yet to be initiated. 2. Limiting Iran’s Nuclear Program — Iran has yet to agree to permanently suspend or eliminate conversion, enrichment or reprocessing nuclear fuel cycle activities. 3. PPRA — VCI continues to monitor implementation of transparency measures for PPRA (which entered into force in 1997), as well as for the HEU Purchase Agreement. 4. FMCT — Following an 18-month review of U.S. policy regarding an FMCT, the United States affirmed its support for the negotiation of an FMCT, but, in a change from our prior position, the United States has concluded that an internationally and effectively verifiable FMCT is not realistically achievable. In fact, it could lull the international community into a false sense of confidence that obligations were being adhered to. While the United States will no longer support negotiating under a mandate that presupposes effective verification of an FMCT, we do urge our colleagues at the Conference on Disarmament to join us in concluding a normative FMCT that relies on each state using its own resources to verify compliance. 5. START — Two longstanding, major START compliance issues resolved. 6. Vienna Document 99 (VD) — All States-Parties exchange data and notify activities in compliance with VD.
FY 2005 PERFORMANCE (continued)	Rating	■ Below Target
	Impact	<p>Immediate: Delay both in the dismantlement of the DPRK’s nuclear program and weapons and in the curtailment of Iran’s efforts to achieve a nuclear weapons development capability undermines global security.</p> <p>Long-term: A lack of compliance enforcement could breed more instances of attempted noncompliance with freely undertaken, legally-binding obligations and ultimately call into question the utility of any verification regime.</p>
	Reason for Shortfall	The Department recognizes the centrality of verification to the viability of nonproliferation and arms control agreements and commitments and is reaching out to other countries with this message through, among other means, compliance diplomacy. However, the Department also recognizes that enforcement of compliance is a shared responsibility among States Parties, many of which do not recognize the impact of noncompliance or take seriously their role in enforcing compliance. For items 1 and 2 there has been insufficient international political pressure brought to bear to persuade either the DPRK or Iran to recognize that the benefits of membership in the world community as a non-nuclear weapon state outweigh any misperceived benefits that accrue to a pariah state seeking nuclear remediation.
	Steps to Improve	With the September 19, 2005 Joint Statement, the Six-Party Talks will focus on the specifics of the DPRK denuclearization program and its corresponding verification activities. On September 24, 2005 IAEA Board of Governors passed a resolution finding Iran in noncompliance with its Safeguards Agreement. This increases international pressure on Iran (but with no guarantee) to resume negotiations with the EU3 leading to cessation of all uranium enrichment activities. The existence of the resolution signals an eventual report of Iranian noncompliance to the UN Security Council which may initiate steps to compel Iranian compliance with its nonproliferation obligations.

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I/P #8: ARMS CONTROL AND NON PROLIFERATION VERIFICATION (continued)		
Indicator #1: (continued)		
PERFORMANCE DATA	Data Source	National Means and Methods and multinational methods of information collection, including intelligence reporting, open source information, data exchanges, declarations, inspections, bilateral consultations, multilateral meetings, and established for a resolving concerns.
	Data Quality (Verification)	Monitoring implementation of agreements/commitments provides direct feedback on all aspects of compliance and significantly contributes to future verification efforts.
PAST PERFORMANCE	2004	<ol style="list-style-type: none"> 1. Bilateral Implementation commission (BIC) held first meeting in April 2004. Parties discussed and exchanged information regarding treaty implementation efforts. No additional U.S. enforcement actions required. Working Group One on Offensive Transparency met in November 2003 to discuss near-term transparency and build a long-term vision in arena of offensive systems. 2. U.S. intelligence capabilities and knowledge gained from START and other agreements provided a foundation for obtaining transparency of Moscow Treaty implementation. 3. U.S. proposed road map to achieve U.S. and North Korea publicly stated goals, and outlined major elements of the process leading to complete, irreversible and verifiable dismantlement of the North Korea nuclear program. North Korea has not engaged in substantive discussions of U.S. proposal or their own counterproposal. Without progress in the nuclear arena as a matter of priority, there is no movement in the ballistic missile issue.
	2003	<ol style="list-style-type: none"> 1. The Senate provided its advice and consent to ratification of the Moscow Treaty in June 2003. Began implementation of Moscow Treaty through its BIC. 2. Considered role of transparency measures in terms of the BIC. 3. Integrated verification concepts into U.S. Government deliberations and negotiations toward verifiable elimination of North Korea's nuclear program, including preparation of core interagency building blocks.
	2002	<p>Baseline:</p> <ol style="list-style-type: none"> 1. Moscow Treaty Verifiability Report completed. 2. U.S. positions on verification requirements developed. 3. Transparency Measures for the Moscow Treaty developed. 4. Prepared assessment of the elements of the verifiable dismantlement of the North Korean nuclear weapons capability. 5. Prepared assessment of the elements of a ban on North Korean indigenous and export programs for ballistic missiles.

Stephen Rademaker, Assistant Secretary of State for International Security and Nonproliferation, addresses the Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons at United Nations headquarters, May, 2005. AP/Wide World Photo



I/P #8: ARMS CONTROL AND NON PROLIFERATION VERIFICATION (continued)

Indicator #2: Extent to Which Relevant Organizations Support Rigorous Assessment and Enforcement of States Parties' Compliance with Arms Control, Nonproliferation, and Disarmament Treaties, Agreements, and Commitments

JUSTIFICATION (VALIDATION): Promote understanding of verification and importance of compliance with the IAEA, OPCW, and States Parties results in concerted enforcement actions.

FY 2005 PERFORMANCE	Target	<ol style="list-style-type: none"> IAEA further improves its capabilities to detect undeclared activities and to address concerns about Non-Nuclear Weapon States suspected of weapon-related activities. Work with IAEA to ensure that proliferation concerns are formally used in judging the applicability of Technical Cooperation projects.
	Results	<p>IAEA:</p> <ul style="list-style-type: none"> As States or other entities share sensitive information regarding suspected clandestine activities and as countries bring into force the Additional Protocol, the IAEA is able to better target its resources to detect and investigate instances of undeclared activities. In June of 2005, the IAEA Board of Governors established a Special Committee on Safeguards and Verification which, inter alia, will prepare a comprehensive plan for strengthening safeguards and verification. Evidence of noncompliance by Iran were vetted by the IAEA Board of Governors. The Safeguards Department now assesses all proposed Technical Cooperation projects in order to identify projects of proliferation concern. <p>OPCW (Organization for the Prohibition of Chemical Weapons):</p> <ul style="list-style-type: none"> U.S. delivered statement at the Ninth Session of the Conference of States Parties of the OPCW on agenda item nine: Status of Implementation of the Convention. Continued bilateral meetings with high-level visitors to Washington. Completed security audit of OPCW information technology systems and worked with OPCW to facilitate implementation of improvements recommended by the U.S. review.
	Rating	■ On Target
	Impact	The IAEA has additional tools and authorities with which to implement effective safeguards and to respond to instances of noncompliance. The IAEA is bringing such instances before its Board of Governors. However, failure by the Board to fulfill its statutory requirements to report these instances to the UN Security Council and to take appropriate remedial actions could damage the credibility of the nonproliferation regime.
PERFORMANCE DATA	Data Source	On an as-needed and case-by-case basis, member States and other entities provide sensitive information to be addressed by the relevant organization. IAEA and OPCW reports, U.S. Mission reporting cables, all source intelligence review, bilateral consultations, discussions at multilateral fora.
	Data Quality (Verification)	This data are official, objective and accurate. Reporting from the various sources is crosschecked to ensure reliability and completeness.
PAST PERFORMANCE	2004	<ol style="list-style-type: none"> IAEA – Rebuttal of IAEA legal arguments regarding meaning of Article XII.C of IAEA Statute with respect to reporting safeguards noncompliance to U.N. Security council. Diplomatic outreach to members of IAEA Board of Governors to encourage clearer and more rigorous understanding of provisions in IAEA statute regarding noncompliance. Articulation of 2004 NPT Preparatory Committee of U.S. position on criteria for judging NPT Article II compliance. Sought to ensure that evidence of noncompliance by Iran and North Korea was vetted by the IAEA Board of Governors. Sought a resolution by the Board of Governors reporting Iran’s noncompliance to the UN Security Council. Initiated a Verification Assessment of the IAEA, including its TC program, to improve effectiveness of the IAEA to contribute to verification and compliance, particularly to detect undeclared activities and prevent misuse of Technical Cooperation program assistance. OPCW - Emphasized compliance at the OPCW. Addressed the Western and Others Group and conducted compliance discussions with the Director General of the OPCW. Over twenty bilateral meetings were conducted with representatives of foreign governments to explain U.S. Government approach to verification and compliance.
	2003	Initiate a verification assessment of the IAEA’s contributions to verification and compliance of U.S. Government nonproliferation goals. This includes assessing the IAEA’s ability to detect undeclared activities and its utilization of resources to address concerns about Non-Nuclear Weapon States suspected of weapons activities.
	2002	Supported IAEA safeguards as a nonproliferation policy priority. Trilateral Initiative stalled by Russia. U.S. exploring possible continued cooperation on verification technology.

I/P #9: COMPLIANCE DIPLOMACY

Indicator #3: Status of Implementation of a Global Norm of Adherence to and Compliance with Arms Control and Nonproliferation Agreements and Commitments

JUSTIFICATION (VALIDATION): Noncompliance assessments will be validated by intelligence reporting, National means and methods (NMM), data exchanges, international monitoring systems, on-site inspections, research results. Compliance reinforces the global norm of adherence to agreements and commitments.

FY 2005 PERFORMANCE	Target	<ol style="list-style-type: none"> Continue coordination of U.S. efforts to assist Libya in ensuring and verifying the elimination of its weapons of mass destruction and Missile Technology Control Regime (MTCR)-class missile programs. Foster international support for inducing compliant behavior, resulting in increased compliance with arms control and nonproliferation agreements and commitments. Other nations briefed on U.S. noncompliance concerns. Conduct Noncompliance consultations in capitals and at multilateral fora, e.g. NATO, ASEAN, OAS, identifying most serious noncompliance issues that remain to be resolved. Work with nations to ensure that multilateral export arrangements and individual export laws are commensurate with global nonproliferation goals. Chemical Weapons Convention (CWC): <ul style="list-style-type: none"> Noncompliance issues identified with 16 states parties of concern and most noncompliance issues, resolved. Bilateral discussions held with 5 highest priority countries of concern and site visits conducted with top two States Parties of concern regarding CWC noncompliance issues, including those related to declarations, ambiguous CW and industrial activities. Multiple initial and follow-up demarches delivered which identify and seek resolution of U.S. noncompliance concerns, including those related to declarations and ambiguous industrial activities. Similar targets established for BWC, NPT, and MTCR as described above for CWC.
	Results	<ol style="list-style-type: none"> Libya — Destruction of its chemical stockpile continues. Chemical Weapons Destruction Facility construction completed. Conversion of production facilities to non-WMD use continues. Adherence to its December 19, 2003 commitment, limiting its missile programs to missile systems below Category 1 specifications is monitored according to the long-term monitoring plan. The complete, verifiable, and irreversible dismantlement of its declared weapons-related nuclear program concluded. Throughout 2005, Department of State officials used such international fora as the 2005 NPT Review Conference, meetings of the IAEA Board of Governors, speeches in various multilateral venues, and bilateral diplomacy to focus international attention on instances of noncompliance with arms control and nonproliferation agreements and commitments, remedial steps necessary to bring the offending Party back into compliance, and the impact that failure by States Parties to take corrective action may have on international norms of compliance in general and on specific agreements or commitments. The Department achieved success in focusing attention on the importance of compliance as a general matter of international behavior. There were, however, political obstacles to individual or collective compliance enforcement actions that would support the global norm.
	Rating	<p>■ On Target</p> <p>Unlike in 2003/2004 when Libya announced its decision to eliminate its weapons of mass destruction and MTCR class missile programs, in 2005 there were no instances of what could be labeled as “increased compliance.”</p>
	Impact	<p>The Bureau’s efforts to focus on the process of making compliance determinations and the collection of objective relevant information, together with the responsibility by all States Parties to enforce compliance present a significant opportunity to enhance the global norm of adherence to and compliance with arms control and nonproliferation agreements and commitments.</p>
PERFORMANCE DATA	Data Source	<p>U.S. Noncompliance Report; U.S. Opening Statement, 8th Conference of States Parties to CWC; U.S. Opening Statement, 38th Executive Council Session of OPCW; U.S. Statement, First Review Conference of the CWC; Report of the Meeting of Experts (BWC) 2004; U.S. Strategy Paper for the 2004 BWC Work Program; U.S. Views on Disease Surveillance, presentation at BWC Experts Meeting July 2004. U.S. and others’ statements to the 2005 NPT Review Conference; U.S. and others’ statements to the IAEA Board of Governors during 2005 sessions.</p>
	Data Quality (Verification)	<p>The data used to measure this indicator are readily available for verification and widely regarded as accurate.</p>

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I/P #9: COMPLIANCE DIPLOMACY (continued)

Indicator #3: (continued)

PAST PERFORMANCE	2004	<ol style="list-style-type: none"> 1. U.S. continued to lead promoting compliance diplomacy and addressing compliance-related concerns within the Chemical Weapons Convention. U.S. initiated dialogue with States of concern at various multilateral levels. On-site visits combined with discussions on the margins of the Organization of the Prohibition of Chemical Weapons (OPCW) Executive council contributed to the forward movement of compliance diplomacy. 2. The Department worked closely with key representatives from Congress, outlining specific U.S. concerns with Russian compliance prior to Congressional Delegation visits and in support of written correspondence to senior Russian officials. 3. U.S. continued to encourage full compliance by all States Parties to the Biological Weapons Convention, currently in context of the work program agreements being undertaken. U.S. provided assistance on biosecurity and biosafety, highlighted by trilateral discussion between U.S, U.K. and Libya in 2004. At Experts Meetings in July and December, U.S. focused efforts on strengthening international disease surveillance efforts and investigation into allegations of use. Discussion on agreement to improve national capabilities by all States Parties also initiated.
	2003	<ol style="list-style-type: none"> 1. Proliferation Behavior Reviewed: Prepared and improved the Annual Noncompliance Report. Thus the Department is better positioned to affect compliance enforcement through compliance diplomacy and sanctions. 2. Non-proliferation Compliance/ Enforcement: Sought clarification and resolution of U.S. compliance concerns related to the Chemical Weapons Convention (CWC) through visits conducted under Article IX of the CWC. Bilateral compliance consultations were also conducted. We also worked with Congress to enforce Russian compliance with the CWC. Articulated and sought international support for enforcement of compliance with the Biological Weapons Convention at appropriate forums and in bilateral consultations. Sought to gain adherence of all countries to the BWC. 3. Start Treaty: In August 2003, the Department held consultations with Russia’s Representative to the Joint Compliance and Inspection Commission on the unclassified version of the Noncompliance Report for the year 2002. In September 2003, A/S for Verification and Compliance sent a follow-up letter to the Russian Ministry of Foreign Affairs (MFA), Department of Security Affairs and Disarmament. The letter reiterated the earlier explanation from the consultations that the law requiring the President to submit the Noncompliance Report to Congress was changed to require more specificity in the unclassified version and that the United States intended to fulfill the requirement in the upcoming Report. In response to a subsequent request from the Russian MFA, a copy of the law containing the requirements for submitting the Report to Congress was delivered to the Russian MFA on September 26. Russia has yet to provide official comments in response to the consultations. 4. Sanctions: During 2003, the Department imposed sanctions on entities for transferring items that could contribute to weapons of mass destruction and delivery system programs as well as lethal military equipment sales. During 2003, the Department imposed sanctions on a number of foreign entities. For example, in May 2003, the Department placed export and import ban sanctions on the Chinese entity China North Industries Corporation (NORINCO).
	2002	<p>Baseline: Compliance issues associated with the Chemical Weapons Convention enforced.</p> <ul style="list-style-type: none"> ● Visits conducted in four countries under the provisions of Article IX of the CWC to clarify and resolve compliance issues. Compliance issues resolved as a result of several of these visits. ● During these bilateral discussions with several States Parties, the United States identified its concerns and necessary mitigating steps. The United States also proposed to a State Party a plan for conducting possible site visits to address U.S. CWC compliance concerns. ● Five States Parties responded to follow-up demarches and the Department resolved its compliance concerns with some States Parties.

I/P #10: ALL SOURCE INTELLIGENCE COLLECTION AND TECHNOLOGY R&D

Indicator #4: Extent to Which Department is an Aggressive Consumer of and Advocate for Intelligence for Verification and Compliance

JUSTIFICATION (VALIDATION): Advocacy promoted through funding of the Verification Asset Fund activities and the Nonproliferation and Arms Control Technology Working Group (NPAC TWG) process is important to ensure that the most effective sensors and collection assets exist (and new ones are developed) to support the Department's WMD and anti-terrorism mission.

FY 2005 PERFORMANCE	Target	Support and preserve the continued operation of key sensor programs used to verify arms control and nonproliferation agreements and commitments.
	Results	<ol style="list-style-type: none"> 1. Verification Assets Fund — not endowed, but resources allocated for verification activities consistent with Verification Asset Fund goals. Initiate and implement projects to influence nuclear test monitoring and verification R&D, targeting countries of concern. 2. NPAC TWG — influences U.S. Government research and development decisions.
	Rating	 Below Target
	Impact	Shortfall in the Verification Assets Fund leaves important activities of the Bureau of Verification, Compliance and Implementation (VCI) unfunded.
	Reason for Shortfall	The Verification Assets Fund is not endowed, forcing the VCI Bureau to use very limited funds from the verification activities account to make up the difference. This impairs the ability of the VCI Bureau to leverage key verification technologies to support Bureau missions.
	Steps to Improve	Advocate to include the Verification Assets Fund in the Department budget and to note to those in the Congressional Appropriation process the importance of the Verification Assets Fund toward meeting Department goals.
PERFORMANCE DATA	Data Source	Department of State, VCI and IRM Bureaus.
	Data Quality (Verification)	Internal processes ensure the reliability and accuracy of the data.
PAST PERFORMANCE	2004	<ol style="list-style-type: none"> 1. Verification Assets Fund — Verification activities funds were used to fund critical research to aid in the exploitation of seismic data to determine if countries were adhering to their obligations under the NPT, Threshold Test Ban Treaty, and nuclear test moratoria. 2. NPAC TWG — Symposium held in May 2004; laid groundwork for urging the National Security Council's Counterproliferation Technology Coordinating Committee to take into consideration all WMD-related research and development across the government.
	2003	Nonproliferation and Arms Control Technology Working Group — Report published October 2002. Three research and development conferences co-sponsored by NPAC TWG (BW, CW, and unattended radiation sensors.) Expanded organizational participation beyond "traditional" IC groups. Established Signatures Subcommittee.
	2002	<ol style="list-style-type: none"> 1. Verification Assets Fund utilized. 2. Verification Technology research and development and intelligence assets coordinated and supported. 3. The Department provided \$400,000 to initiate a Program Office and to advocate funding the replacement for the COBRA JUDY radar (operated by the Department of Defense and the intelligence community), critical for verification of the Strategic Arms Reduction Treaty (START) and for missile proliferation assessments. 4. VCI 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 research and development projects. 5. The Department finalized the biennial NPAC TWG Report. As co-chair, VCI assisted in sponsoring major symposia on Biological Weapons Detectors, Nuclear Explosion Detection, Chemical Weapons Detectors, and Unattended Radiation Sensors.

I/P #11: RAPID AND ACCURATE COMMUNICATIONS FOR ARMS CONTROL

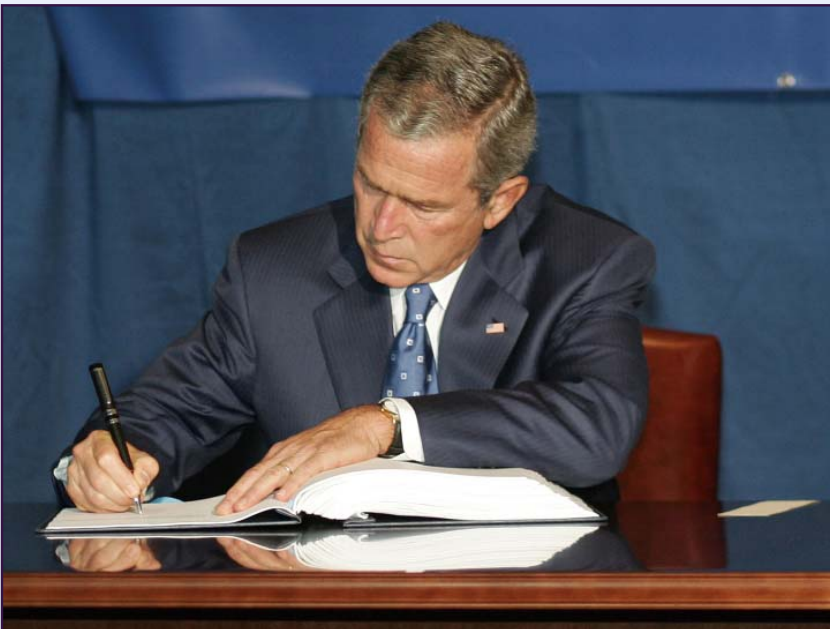
Indicator #5: Reliable Communications and Timely Upgrades

JUSTIFICATION (VALIDATION): Continued improvements in communications systems are essential in order for the U.S. to meet its arms control treaty and agreement reporting requirements.

FY 2005 PERFORMANCE	Target	<ol style="list-style-type: none"> 1. Timely communications in support of U.S. and foreign compliance with arms control and nonproliferation agreements and commitments. 2. Final international testing of replacement system successful; integrated system brought online, maintaining 99% reliability in communications. 3. Software automation enables the Nuclear Risk Reduction Center (NRRC) to process increased notification traffic with FY 2003-level staffing. 4. All OSCE states are electronically connected to the Network.
	Results	All NRRC hardware and software improvements successful and online.
	Rating	■ On Target
	Impact	Increased speed, reliability, and stability in NRRC communications.

PERFORMANCE DATA	Data Source	State and SIPRNet video users at worldwide locations. OPCW consultations.
	Data Quality (Verification)	The data used to measure this indicator are readily available for verification and widely regarded as accurate.

PAST PERFORMANCE	2004	Architecture established, treaty partners notified, consultations for equipment installation and testing begun.
	2003	<ol style="list-style-type: none"> 1. Government-to-Government Communications Links (GGCL) preliminary modernization authorized by START partners in the summer of 2003. 2. The Integrated Notification Application (INA) became operational. 3. Network migration completed, with startup of Internet-based Virtual Private Network (VPN). All Network members successfully migrated.
	2002	<ol style="list-style-type: none"> 1. START partners (former Soviet nuclear states) considered completed U.S. proposal for replacement of current GGCL system. 2. INA, designed to support the Conventional Armed Forces in Europe (CFE), Open Skies and the Vienna Document 1999 notification exchange was tested; OSCE Network Phase II Migration was on-track.



President Bush signs the Intelligence Reform and Terrorism Prevention Act of 2004 during a ceremony at the Andrew W. Mellon Auditorium, December, 2004.

AP/Wide World Photo