

Congressional Budget Justification
FOREIGN OPERATIONS



Fiscal Year 2004

THIS PAGE INTENTIONALLY LEFT BLANK

INTRODUCTION

Table of Contents
Note on Congressional Budget Justification
Budget Tables for Foreign Operations Request

This page intentionally left blank.

TABLE OF CONTENTS

INTRODUCTION

Table of Contents	iii
Note on Congressional Budget Justification	vi
Budget Tables	
FY 2004 Request for Foreign Operations – Summary	vii
FY 2004 Request for Foreign Operations – Detail	viii

I. REQUEST BY APPROPRIATION ACCOUNT

Export and Investment Assistance	
Export-Import Bank of the United States	5
Overseas Private Investment Corporation	7
Trade and Development Agency	10
Bilateral Economic Assistance	
<u>United States Agency for International Development</u>	
Program Overview	15
Development Assistance	20
Child Survival and Health Programs Fund	24
International Disaster Assistance	28
Transition Initiatives	30
Development Credit Program	31
USAID Operating Expenses	32
USAID Capital Investment Fund	33
USAID Inspector General Operating Expenses	34
<u>Other Bilateral Economic Assistance</u>	
Economic Support Fund	37
Assistance for Eastern Europe and the Baltic States	45
Assistance for the Independent States of the Former Soviet Union	49
<u>Independent Agency</u>	
Peace Corps	55
Inter-American Foundation	57
African Development Foundation	58
Millennium Challenge Account	59
<u>Department of State</u>	
International Narcotics Control and Law Enforcement	63
Migration and Refugee Assistance	80
U.S. Emergency Refugee and Migration Assistance Fund	100
Nonproliferation, Anti-terrorism, Demining, and Related Programs	102

<u>Department of the Treasury</u>	
Treasury Technical Assistance	135
Debt Restructuring	136
<u>Complex Foreign Contingencies</u>	
Complex Foreign Contingencies	139
<u>Emergencies Plan for AIDS Relief</u>	
Emergencies Plan for AIDS Relief	143
<u>Famine Fund</u>	
Famine Fund	147
Military Assistance	
International Military Education and Training	151
Foreign Military Financing	161
Peacekeeping Operations	170
Multilateral Economic Assistance	
International Financial Institutions	175
International Organizations and Programs	177

II. REQUEST BY REGION

Africa	
Country Programs	191
Regional Programs	271
East Asia and the Pacific	
Country Programs	285
Regional Programs	309
Europe and Eurasia	
Country Programs	317
Regional Programs	390
Near East	
Country Programs	397
Regional Programs	417
South Asia	
Country Programs	425
Regional Programs	441
Western Hemisphere	
Country Programs	445
Regional Programs	494

III. SUPPORTING INFORMATION

Arms Control and Nonproliferation Considerations	501
Estimating Foreign Military Sales	502
Table: FMS and Construction Sales Agreements	503
Foreign Military Sales Administrative Costs	506
Table: FMS Administrative Costs/Work Years	507
Overseas Military Program Management	508
Table: Overseas Military Program Management – Costs	509
Table: Overseas Military Program Management – Personnel	512
Excess Defense Articles	515
Table: Grants of Defense Articles under the Foreign Assistance Act	516
Table: Sales of Defense Articles under Foreign Military Sales Provisions	517
Leased Defense Articles	518
Table: Leases under the Arms Export Control Act	519
Stockpiling of Defense Articles for Foreign Countries	520
Table: Value of Annual Ceilings for Stockpiling	521
Countries and International Organizations Eligible for Purchasing Defense Articles and Services	522
End-Use Monitoring of Defense Articles and Services Government-to-Government Programs	527
End-Use Monitoring of Defense Articles and Defense Services Commercial Exports	529
Commercial Exports Licensed or Approved under the Arms Export Control Act	533
Table: Commercial Exports Licensed or Approved under the AECA	534
Tables: Security Assistance Funding, including Legislative History of Authorizations and Appropriations	539
Tables: Country/Account Summaries (“Spigots”)	557

NOTE ON CONGRESSIONAL BUDGET JUSTIFICATION

This Congressional Budget Justification presents and justifies the President's FY 2004 request for Foreign Operations. The introductory section of the document provides budget tables that summarize and detail the overall Foreign Operations request.

The following two sections of the document provide full narrative justifications of the request – by appropriation account and by region. In addition to account overviews, the first section includes account tables and other tables as appropriate. The second section includes not only individual country pages, but also regional program pages.

The third section of the document provides extensive supporting information. This information includes, as a final item, country/account summaries. Often referred to as “all funds” or “spigots” tables, these summaries offer a quick overview of the request. For ready reference, these include bilateral numbers for P.L. 480 Title II food assistance, which is appropriated in the Agriculture bill and administered by the U.S. Agency for International Development.

The FY 2004 Congressional Budget Justification for Foreign Operations is also available electronically on the website of the Department of State (www.state.gov).

FY 2004 Foreign Operations Request- Summary
(\$ in millions)

Budget Authority	FY 2002* Actual	FY 2003 Request	FY 2004 Request
FOREIGN OPERATIONS	17,966	16,462	18,817
Export-Import Bank (net)	765	597	-36
Overseas Private Investment Corporation (net)	-221	-227	-198
Trade and Development Agency	50	45	60
Child Survival & Health Programs Fund (CSH)	1,468	-	1,495
Global Fund to Fight AIDS, Tuberculosis, & Malaria	[100]	[100]	[100]
Development Assistance (DA)	1,178	2,840	1,345
International Disaster Assistance	422	286	236
Transition Initiatives	50	55	55
Development Credit Program	8	8	8
USAID Operating Expenses (OE)	571	572	604
USAID Capital Investment Fund	-	95	146
USAID Inspector General	32	33	35
Economic Support Fund (ESF)	3,289	2,490	2,535
Assistance for Eastern Europe and the Baltic States (SEED)	621	495	435
Assistance for the Independent States (FSA)	958	755	576
Peace Corps	279	317	359
Inter-American Foundation	13	14	15
African Development Foundation	17	17	18
Millennium Challenge Account	-	-	1,300
International Narcotics Control and Law Enforcement (INCLE)	384	197	285
Andean Counterdrug Initiative (ACI)	645	731	731
Migration and Refugee Assistance (MRA)	805	705	760
Emergency Refugee & Migration Assistance (ERMA)	15	15	40
Nonproliferation, Anti-Terrorism, Demining, and Related Programs (NADR)	535	372	385
Treasury Technical Assistance	10	10	14
Debt Restructuring	229	-	395
U.S. Emergency Fund for Complex Foreign Crises	-	-	100
Emergency Plan for AIDS Relief	-	-	450
Famine Fund	-	-	200
International Military Education & Training (IMET)	70	80	92
Foreign Military Financing (FMF)	4,052	4,107	4,414
Peacekeeping Operations (PKO)	375	108	95
International Financial Institutions	1,175	1,437	1,555
International Financial Institutions Arrears	[-]	[178]	[196]
International Organizations & Programs (IO&P)	175	310	315

* FY 2002 includes \$2.7 billion in supplemental funding.

FY 2004 Foreign Operations Request - Detail
(\$ in thousands)

Appropriations	FY 2002 * Actual	FY 2003 Request	FY 2004 Request
FOREIGN OPERATIONS	17,966,648	16,462,413	18,817,324
Title I - Export and Investment Assistance	594,347	414,124	(174,425)
<u>Export-Import Bank</u>			
Export-Import Bank - Loan Subsidy	727,323	541,400	-
Export-Import Bank - Administrative Expenses	63,000	68,327	76,575
Export-Import Bank - Direct Loans, Negative Subsidies	(25,000)	(13,000)	(113,000)
Subtotal, Export-Import Bank	765,323	596,727	(36,425)
<u>Overseas Private Investment Corporation</u>			
Administrative Expenses for Credit & Insurance Programs	38,608	39,885	42,385
Net Offsetting Collections	(259,608)	(291,000)	(264,385)
Credit Funding - Direct & Guaranteed Loan Subsidies	-	24,000	24,000
Subtotal, Overseas Private Investment Corporation	(221,000)	(227,115)	(198,000)
Trade and Development Agency	50,024	44,512	60,000
Title II - Bilateral Economic Assistance	11,525,749	10,005,342	12,521,721
<u>U.S. Agency for International Development</u>			
Child Survival & Health Programs Fund (CSH)	1,467,500	-	1,495,000
Global Fund to Fight AIDS, Tuberculosis, & Malaria	[100,000]	[100,000]	[100,000]
Development Assistance (DA)	1,178,000	2,839,500	1,345,000
International Disaster Assistance	421,500	285,500	235,500
Transition Initiatives	50,000	55,000	55,000
Development Credit Program Subsidy - By Transfer	[18,500]	-	[21,000]
Development Credit Program Subsidy - Appropriation	1,497	-	-
Development Credit Program Administrative Expenses	7,500	7,500	8,000
USAID Operating Expenses	571,000	572,200	604,100
USAID Capital Investment Fund	-	95,000	146,300
USAID Inspector General Operating Expenses	31,500	32,700	35,000
<u>Other Bilateral Economic Assistance</u>			
Economic Support Fund (ESF) - with Fund for Ireland	3,289,000	2,490,000	2,535,000
Ass't for Eastern Europe and the Baltic States (SEED)	621,000	495,000	435,000
Assistance for the Independent States (FSA)	958,000	755,000	576,000
<u>Independent Agency</u>			
Peace Corps	278,900	317,000	359,000
Inter-American Foundation	13,107	14,000	15,185
African Development Foundation	16,542	16,542	17,689
Millennium Challenge Account	-	-	1,300,000

FY 2004 Foreign Operations Request - Detail
(\$ in thousands)

Appropriations	FY 2002 * Actual	FY 2003 Request	FY 2004 Request
<u>State Department</u>	2,383,700	2,020,400	2,200,947
Int'l Narcotics Control and Law Enforcement (INCLE)	384,000	197,000	284,550
Andean Counterdrug Initiative (ACI)	645,000	731,000	731,000
Migration and Refugee Assistance (MRA)	805,000	705,000	760,197
U.S. Emerg. Refugee and Migration Ass't Fund (ERMA)	15,000	15,000	40,000
Nonproliferation, Anti-terrorism, Demining (NADR)	534,700	372,400	385,200
<u>Department of the Treasury</u>	238,500	10,000	409,000
Treasury Technical Assistance	9,500	10,000	14,000
Debt Restructuring	229,000	-	395,000
U.S. Emergency Fund for Complex Foreign Contingencies	-	-	100,000
Emergency Plan for AIDS Relief	-	-	450,000
Famine Fund	-	-	200,000
Title III - Military Assistance	4,497,256	4,295,450	4,600,600
International Military Education and Training (IMET)	70,000	80,000	91,700
Foreign Military Financing (FMF)	4,052,256	4,107,200	4,414,000
Peacekeeping Operations (PKO)	375,000	108,250	94,900
Title IV - Multilateral Economic Assistance	1,349,296	1,747,497	1,869,428
<u>International Financial Institutions</u>	1,174,796	1,437,097	1,554,878
Global Environment Facility	100,500	177,813	184,997
International Development Association	792,400	874,338	976,825
Multilateral Investment Guarantee Agency	5,000	3,631	4,002
Asian Development Fund	98,017	147,386	151,921
African Development Fund	100,000	118,073	118,081
African Development Bank	5,100	5,104	5,105
European Bank for Reconstruction & Development	35,779	35,805	35,431
Inter-American Development Bank Multilateral Investment Fund	-	29,591	32,614
Inter-American Investment Corporation	18,000	30,352	30,898
International Fund for Agricultural Development	20,000	15,004	15,004
International Financial Institutions Arrears	[-]	[177,718]	[195,874]
International Organizations & Programs (IO&P)	174,500	310,400	314,550

* FY 2002 includes \$2.7 billion in supplemental funding.